

**Oando Foundation**

**OANDO FOUNDATION**

**ANNUAL REPORTS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2013**

# **OANDO FOUNDATION**

## **REPORT OF THE DIRECTORS AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

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# OANDO FOUNDATION

## TRUSTEES AND PROFESSIONAL ADVISORS

### Board of Trustees

The names of the Trustees at the date of this report and of those who have held office during the year are as follows:

Name	Designation	Nationality	Appointment Date
Ms. Tokunboh Durosaro	Director	Nigerian	4-Feb-11
Mr. Odein Ajumogobia	Trustee - Chairman	Nigerian	28-Nov-12
Mrs. Folashade Adefisayo	Trustee	Nigerian	28-Nov-12
Dr. Otivere Igbuzor	Trustee	Nigerian	28-Nov-12
Mr. Chude Jideonwo	Trustee	Nigerian	28-Nov-12
Mrs. Fatimah Abdurrahman	Trustee	Nigerian	28-Nov-12

### Members

- Board of Trustees
- Oando PLC
- Mr. Adewale Tinubu
- Mr. Omamofe Boyo
- Mr. Bolaji Osunsanya
- Oando Exploration & Production Limited
- Oando Energy Services Limited
- Oando Marketing PLC
- Oando Supply & Trading Limited
- Oando Gas & Power Limited

### Auditors:

PricewaterhouseCoopers  
252E, Muri Okunola Street  
Victoria Island  
Lagos  
Nigeria

### Legal Advisers:

Olajide Oyewole & Co.  
Plot 27, Block 77, Admiralty Way,  
Lekki I  
Lagos  
Nigeria

### Secretary:

Ajumogobia & Okeke  
Sterling Towers  
2nd Floor, 20 Marina  
Lagos  
Nigeria

# **OANDO FOUNDATION**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2013**

### **1. ANNUAL REPORT**

The trustees present their annual report together with the audited financial statements for the year ended 31 December, 2013 which discloses the state of the affairs of the Foundation.

### **2. LEGAL FORM**

Oando Foundation (or "The Foundation") was incorporated in Nigeria on 4 February 2011 under the Companies and Allied Matters Act.

### **3. PRINCIPAL ACTIVITIES**

The Foundation is a not-for-profit, non-governmental organization with a desire to empowering communities by providing access to world class basic education to Nigerian pupils.

### **4. TRUSTEES' RESPONSIBILITY**

The management of the Foundation is vested in a Board of Trustees who is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Companies and Allied Matters Act.

### **5. RESULT FOR THE YEAR**

	<b>2013</b>	<b>2012</b>
	<b>N'000</b>	<b>N'000</b>
Income	208,095	150
Expenditures	<u>(195,282)</u>	<u>(115)</u>
Surplus	<u><b>12,813</b></u>	<u><b>35</b></u>

### **6. TRUSTEES' INTEREST IN CONTRACTS**

None of the trustees notified the Foundation of any declarable interest in contracts in which the Foundation was involved during the year under review for the purpose of section 277 of the Companies and Allied Matters Act.

### **7. AUDITORS**

Messers PricewaterhouseCoopers, having expressed their willingness, will continue in office as the Foundation's Auditors in accordance with section 357(2) of the Companies and Allied Matters Act.

### **8. EMPLOYMENT OF DISABLED PERSONS**

The Foundation has a policy of fair consideration of job applications by disabled persons having regards to their abilities and aptitude. The Foundation's policy prohibits discrimination against disabled persons in the recruitment, training and career development of its employees.

# **OANDO FOUNDATION**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2013**

### **9. HEALTH, SAFETY AT WORK AND WELFARE OF EMPLOYEES**

The Foundation places a premium on safety in the workplace and takes all necessary measures, provides support to ensure compliance with all health and safety legislations, policies and laws applicable to the Foundation's business.

### **10. EMPLOYEE TRAINING**

The Foundation is committed to its employees and sees training and development of its employees as priority. To this end, a training curriculum is developed which is based on the competency directory and forms the basis for the individual training plan for the year. Both local and international training courses are available to employees.

By order of the board of trustees



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**Company Secretary/Legal Adviser**

**OLAJIDE OYEWOLE & CO.**  
*Secretaries to the Company*

# OANDO FOUNDATION

## DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Since inception in 2011, the Foundation has been committed to improving access to quality basic education for all children of school age in Nigeria. Our mission is "to improve the learning environment in primary schools by holistically creating world-class basic education systems in the community."

Our focus on education is borne by the realization that the basic education system in Nigeria needs support from the private sector. The UNESCO Education for All Global Monitoring Report 2013/14 reveals that universal primary enrolment, which is the most watched goal, will be far from reality in Nigeria by 2015. There are currently 10.5 million children out of school in Nigeria, the highest number in the world.

Why do school enrolment figures remain low despite free education provisions under the Universal Basic Education (UBE) programme? Why is there a decline in the quality of education provided in public schools? What gaps need to be filled? Questions such as these informed our commitment and call to action at the Clinton Global Initiative to "adopt" 100 public schools in Nigeria by the year 2015. Our flagship Adopt-a-School Programme places emphasis on improving access to basic education through a range of interventions: School infrastructure upgrade, Scholarships, Upgrade and Establishment of Early Childhood Care Development (ECCD) Classes, Establishment of ICT/Creative centres, Teacher training, Capacity building for School Based Management Committees (SBMCs) and Local Government Education Authorities (LGEAs).

The year 2013 saw Oando Foundation make progress on its Adopt-A-School Initiative which included School Infrastructure upgrade, establishment of ICT centers, increase in the number of scholarships, capacity building for members of School Based Management Committees.

Our major accomplishments in 2013 include:

- ▶ Adoption of 20 new schools across 12 states, bringing the total number of Oando adopted schools to 47 in 19 states and the FCT;
- ▶ Renovation of school infrastructure in 4 adopted schools;
- ▶ Upgrade of model pilot ECCD Center at Archbishop Taylor Primary School, Lagos;
- ▶ Establishment of model Pilot ICT/Creative center at Archbishop Taylor Primary School, Lagos;
- ▶ Award of 309 scholarships, bringing the number of Oando scholars to 501;
- ▶ Establishment of partnerships and collaboration with Microsoft for ICT training, LEGO for early childhood resource materials, IL Bagno for upgrade of sanitation facilities, ESSPIN for SBMC training, Pearson/National Teachers Institute for teacher training;
- ▶ SBMC capacity building training conducted in 15 adopted schools.

At Oando Foundation, we recognize that a child's cognitive capacity is greatly influenced by his/her environment. The phrase "catch them young" has never been more apt as we hope to make quality education accessible to all Nigerian children.

On behalf of Oando Foundation staff, volunteers, and members of board of trustees I would like to thank you all for your continued support and cooperation as we look forward to impacting more lives together.



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**Tokunbo Durosaro**  
Director



## **REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF OANDO FOUNDATION**

### **Report on the financial statements**

We have audited the accompanying financial statements of Oando Foundation ("the Foundation"). These financial statements comprise the statement of financial position as at 31 December 2013 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### *Directors' responsibility for the financial statements*

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Companies and Allied Matters Act and for such internal control, as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the 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 our audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 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 directors, as well as evaluating the overall presentation of the 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 accompanying financial statements give a true and fair view of the state of the foundation's financial affairs at 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.



### Report on other legal requirements

The Companies and Allied Matters Act 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 purposes of our audit;
- ii) the foundation has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received;
- iii) the foundation's statements of financial position and comprehensive income are in agreement with the books of account.

*Pedro Omontuemhen*

Engagement Partner: Pedro Omontuemhen  
FRC/2013/ICAN/00000000739  
For: PricewaterhouseCoopers  
Chartered Accountants  
Lagos, Nigeria



*10 December* 2015



# OANDO FOUNDATION

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	31 December 2013 N'000	31 December 2012 N'000
<b>Receipts</b>	4	<u>208,095</u>	<u>150</u>
<b>Expenditures</b>			
Scholarship	5	39,333	-
Infrastructure	6	37,872	-
Capacity building	7	2,377	-
Donations	8	3,170	-
Administrative expenses	9	<u>112,530</u>	<u>115</u>
		<u>195,282</u>	<u>115</u>
Surplus before tax		12,813	35
Taxation	10	<u>-</u>	<u>-</u>
Surplus for the year transferred to accumulated fund		<u><b>12,813</b></u>	<u><b>35</b></u>

The notes on pages 11 to 25 form an integral part of these financial statements.

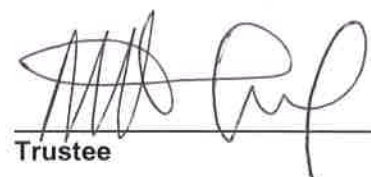
# OANDO FOUNDATION

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Note	31 December 2013 N'000	31 December 2012 N'000	1 January 2012 N'000
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	11	8,666	-	-
<b>CURRENT ASSETS</b>				
Inventories	12	4,242	-	-
Receivables from Oando Plc	13	60,972	-	-
<b>TOTAL CURRENT ASSETS</b>		65,214	-	-
<b>TOTAL ASSETS</b>		<b>73,880</b>	-	-
<b>CURRENT LIABILITIES</b>				
Bank overdraft	14	5	-	-
Other payables	15	61,177	115	150
<b>TOTAL LIABILITIES</b>		61,182	115	150
<b>EQUITY</b>				
Accumulated fund	16	12,698	(115)	(150)
		12,698	(115)	(150)
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>73,880</b>	-	-

The financial statements were approved by the Board of Trustees on November 2015 and signed on its behalf by:

  
Trustee

  
Trustee

The notes on pages 11 to 25 form part of these financial statements.

# OANDO FOUNDATION

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

	<b>Accumulated Fund N'000</b>	<b>Total Equity N'000</b>
Balance at 1 January 2012	(150)	(150)
Change in equity for 2012: Surplus for the year	<u>35</u>	<u>35</u>
Balance at 31 December 2012	<u>(115)</u>	<u>(115)</u>
Balance at 1 January 2013	(115)	(115)
Change in equity for 2013: Surplus for the year	<u>12,813</u>	<u>12,813</u>
Balance at 31 December 2013	<u><u>12,698</u></u>	<u><u>12,698</u></u>

# OANDO FOUNDATION

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

		31 December 2013 N'000	31 December 2012 N'000
	Note		
Surplus for the year		12,813	35
Adjustment for non-cash items:			
Depreciation	11	332	-
Changes in assets and liabilities:			
Increase in inventory		(4,242)	-
Increase in receivable from Oando plc		(60,972)	
Increase/(decrease) in other payables		61,062	(35)
<b>Net cash flow from operating activities</b>		<u>8,993</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets	11	<u>(8,998)</u>	<u>-</u>
<b>Net cash flow from investing activities</b>		<u>(8,998)</u>	<u>-</u>
Net decrease in cash and cash equivalents		(5)	-
Cash and cash equivalents at beginning of the year		-	-
<b>Cash and cash equivalents at end of year</b>	14	<u>(5)</u>	<u>-</u>

# **OANDO FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

### **1 Corporate information**

Oando Foundation was incorporated in Nigeria on 4 February 2011, under the Companies and Allied Matters Act. The Foundation aims at supporting the Nigerian Government to meet the Millennium Development Goals, with the focus towards achieving and strengthening universal primary education.

Accordingly, the Foundation provides access to world-class education to pupils in adopted public primary schools in Nigeria.

### **2.1 Basis of preparation and adoption of IFRS**

The financial statements of Oando Foundation have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements also comply with the requirements of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004.

These are Oando Foundation's first financial statements prepared in accordance with IFRS and IFRS 1 First-time Adoption of International Financial Reporting Standards has been applied. Oando Foundation previously applied Statement of Accounting Standards (SAS) issued by the Financial Reporting Council of Nigeria. Oando Foundation has consistently applied the same accounting policies in its opening IFRS statement of financial position at 1 January 2012 (date of transition) and throughout all periods presented, as if these policies had always been in effect. None of the exemptions were applied in the preparation of these financial statements. The financial statements have been prepared on a historical cost basis, none of the assets or liabilities have been measured at fair value.

Functional and presentation currency

These financial statements are presented in Naira, which is the Foundation's functional currency. All financial information presented in Naira has been rounded to the nearest thousand unless stated otherwise.

### **Significant accounting judgement, estimates and assumptions**

The Foundation's financial statements have been prepared on the going concern basis. The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses and the accompanying disclosures, and disclosure of the contingent liabilities at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Significant accounting judgements, estimates and assumptions made by management for the preparation of the financial statements for which changes could have material impact on the reported amounts in the financial statements are summarised below:

### **Judgements**

In the process of applying the Foundation's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Property, plant and equipment and Intangible assets

Judgments are utilised in determining the depreciation and amortisation rates and useful lives of these assets. These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the summarised accounting policies.

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Foundation based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumption about future developments, however, may change due to market changes or circumstances arising beyond the control of the Foundation. Such changes are reflected in the assumptions when they occur.

### Taxes

Due to its charitable status, the Foundation is exempt from income and education taxes.

## 2.2 Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Foundation's financial statements are listed below. This listing of standards and interpretations issued are those that the Foundation reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Foundation is currently assessing the impact that these standards will have on the financial position and performance.

The Foundation intends to adopt these standards, interpretations and amendments when they become effective.

Standard	Content	Effective year
IFRIC 21	Levies	1-Jan-14
IAS 36	Disclosure requirements for recoverable amount of impaired assets amendment	1-Jan-14
IAS 19	Defined benefit plans-Employee contributions amendment	1-Jul-14
IAS 19	Improvements to IFRS (2010-2012 cycle)	1-Jul-14
IAS 19	Improvements to IFRS (2011-2013 cycle)	1-Jul-14
IFRS9	Financial Instruments: Classification and Measurement	1-Jan-18
IAS 32	Offsetting financial assets/liabilities	1-Jan-14
IFRS 9 and IFRS 7	Mandatory Effective date of IFRS 9 and Transitional Disclosures	1-Jan-15
IFRS 10, 12 and IAS 27	Investment entities	1-Jan-14
IAS 39 Amendment	Novation of Derivative and continuation of Hedge Accounting	1-Jan-14
IFRS 11 Amendment	Accounting for Acquisitions of interests in Joint Operations	1-Jan-16
IAS 16 and IAS 38 Amendments	Clarification of Acceptable Methods of Depreciation and Amortisation	1-Jan-16
IFRS 14	Regulatory Deferral Accounts	1-Jan-16
IFRS 15	Revenue from contracts with customers	1-Jan-17
	Annual Improvements 2010-2012 Cycle	1-Jan-14

## 2.3 Summary of significant accounting policies

The following are the significant accounting policies applied by Oando Foundation in preparing these financial statements:

# **OANDO FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

### **2.3.1 Foreign currency translation**

Transactions in foreign currencies are translated to the functional currency of Oando Foundation at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the spot exchange rate at that date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

### **2.3.2 Intangible Assets**

#### **Computer software**

Only individualised and clearly identified software is capitalised and amortised over a certain period depending on the Foundation's usage of the software.

### **2.3.3 Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss includes expenditures that are directly attributable to the acquisition of the asset. Cost prices include costs directly attributable to the acquisition of property, plant and equipment, as well as any subsequent expenditure when it is probable that future economic benefits associated with the item will flow to the Foundation and the expenditure can be measured reliably. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Foundation and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Depreciation is charged to profit and loss on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the date that the asset is derecognised.

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

Motor vehicles	4 years
Computer equipment	4 years

If the expected residual value is equal to or greater than the carrying value, no depreciation is provided for. The residual values, estimated useful lives of the assets and depreciation methods are reviewed at each reporting position date and adjusted as appropriate.

#### **De-recognition**

Property plant and equipment are derecognised at disposal date or at the date when it is permanently withdrawn from use without the ability to be disposed of. The differences between the carrying amounts at the date of de-recognition and any disposal proceeds, as applicable, is recognised in the profit or loss.

## **OANDO FOUNDATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

#### **2.3.4 Impairment of non-financial assets**

The carrying amounts of the Foundation's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's cash generating unit's (CGU'S) recoverable amount is estimated and impairment recognised.

For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash-generating units (CGUs). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGUs). An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Oando Foundation evaluates impairment losses for potential reversals when events or circumstances may indicate such consideration is appropriate. The increased carrying amount of an asset other than amount attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. Impairment losses and impairment reversals are recognised in profit and loss.

#### **2.3.5 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party. The Foundation recognises financial assets and financial liabilities on the Foundation's statement of financial position when it becomes a party to the contractual provisions of the instrument. The Foundation determines the classification of its financial assets and liabilities at initial recognition. All financial assets and liabilities are recognised initially at fair value plus directly attributable transaction costs, except for financial assets and liabilities classified as fair value through profit or loss.

##### **Financial Assets**

##### **Nature and measurements**

The Foundation's financial assets include cash and short-term deposits and loans and receivables (which includes trade and other receivables and amounts due from related parties).

##### **Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at the amount expected to be received, less, when material, a discount to reduce the receivables to fair value. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. The effective interest rate amortisation is included in finance income in the profit or loss. Gains and losses are recognised in the profit or loss when the investments are derecognised or impaired, as well as through the amortisation process. Included in this classification are personal loans given to employees. Loans and receivables are derecognised when extinguished. The Foundation deploys age analysis tools to track the payment pattern of loans and receivables.

##### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. For the purpose of Cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.



# **OANDO FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

### **Impairment of financial assets**

The Foundation assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

### **Derecognition of financial assets**

A financial asset (or, when applicable, a part of a financial asset or part of similar financial assets) is derecognised when:

- a) The rights to receive cash flows from the asset have expired or
- b) The Foundation retains the right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the Foundation has transferred substantially all the risks and rewards of the asset or has transferred control of the asset.

When the Foundation has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Foundation's continuing involvement in the asset.

### **Financial liabilities**

#### **Nature and measurements**

The Foundation's financial liabilities include Trade and other payables and amounts due to related parties.

#### **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate.

#### **2.3.6 Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

#### **Offsetting of financial instruments**

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

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 2.3.7 Taxes

#### Current income and Education taxes

Due to its charitable status, the Foundation is exempt from income and education taxes.

### 2.3.8 Donations and Grants

Donations and grant income is recognised as revenue when received and all associated conditions have been met. Where grants have been given for a specific purpose, or with conditions attached, income is not recognised until agreed upon services and conditions have been satisfied. Government grants relating to income are recognised as income over the periods necessary to match them with the related services when performed. Grants received for which the requirements and services have not been met is treated as "income in advance under current liabilities.

Donated assets are recognised at their fair value at the date of the donation.

#### Forms of contribution to the Foundation

The forms of contribution to the Foundation shall be:

- a) **Restricted contributions:** A restricted contribution is a contribution that comes with a specific condition or restriction imposed by the donor. The organization must use a restricted contribution for the purpose specified by the donor. Restricted contributions are recognized as revenue only when the performance conditions are met. Restricted contributions received before the revenue recognition criteria are satisfied are recognized as a liability.
- b) **Endowment contributions:** An endowment is a special type of restricted contribution. Typically, an endowment contribution specifies that resources contributed be maintained permanently by the Foundation. Interest earned by endowment contributions may usually be used by the organization either for a purpose specified by the donor or for general purposes.
- c) **Unrestricted contributions:** Unrestricted contributions are donations that fit in neither the restricted nor the endowment categories. Unrestricted contributions are recognized as income in the period they are received.
- d) **Gifts-in-Kind:** Gifts-in-kind is recognized at fair value in Naira when received.
- e) **Contributed services:** Volunteers contribute their services to the organization each year. Due to the difficulty of determining the fair value, these contributed services are not recognized or disclosed in the financial statements.

#### Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the comprehensive income.

### 2.3.9 Expenses

#### Interest expense

Interest expenses are recognised as they accrue in profit or loss, using the effective interest method.

### 2.4 Financial instrument's risk management objectives and policies

The Foundation deploys a number of financial instruments (financial assets and financial liabilities) in carrying out its activities. The key financial liabilities of the Foundation comprise bank borrowings and trade payables which are deployed purposely to finance the Foundation's operations and to provide liquidity to support the Foundation's operations. The financial assets of the Foundation include trade receivables, loans and receivables, and cash and short-term deposits also necessarily required for the operations of the Foundation.

## **OANDO FOUNDATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

The principal risks that Oando Foundation is exposed to as a result of holding the above financial instruments include credit risk, liquidity risk and market risk. The management of the Foundation oversees the management of these risks through the establishment of adequate risk management framework with appropriate approval process, internal control and authority limits. Thus, the Fund's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with those policies. The Board of Trustees which is responsible for the overall risk management of the Foundation reviews and agrees policies for managing each of these risks inherent in its involvement in financial instruments as summarized below:

#### **Credit risk**

Credit risk is the risk that counterparty will not meet its contractual obligations under a financial instrument or customer contract leading to a financial loss to the Foundation. The sources of the Foundation's credit risk include staff loans and deposits with banks and financial institutions.

#### **Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed in accordance with the Foundation's policy. Investments of surplus funds are only made with approved counterparties and within credit limits assigned to each counter party. The policies are set and reviewed by the Board annually.

#### **Liquidity risk**

Liquidity risk is the risk that the Foundation is unable to pay its obligations when they fall due. The Foundation monitors its risk to a shortage of funds using a recurring liquidity planning and continuous budget tool. The Foundation's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Board of Trustees defines the Foundation's liquidity policy annually.

#### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation has no exposure to the risk of changes in market interest as it presently has no interest yielding debt obligation, be it long or short-term.

#### **Currency rate risk**

Currency risk is the risk that currency exchange rate will not be stable. The Foundation has no exposure to the risk of changes in exchange rates.

#### **Equity price risk**

The Foundation has no listed or unlisted equity securities that are susceptible to market-price risk arising from uncertainties about future values of the investment securities.

#### **2.5 First-time adoption notes**

For all periods up to and including the year ended 1 January 2012, the Foundation prepared its financial statements in accordance with Generally Accepted Accounting Practice (GAAP). The financial statements for the year ended 31 December 2012 are the first the Foundation were prepared in accordance with International Financial Reporting Standards (IFRSs). The Foundation has applied IFRS 1 in preparing these financial statements.

In preparing these financial statements, the opening statement of financial position was prepared as at 1 January 2012, the Foundation's date of transition to IFRS. This note explains the principal adjustments made in restating the previous GAAP statement of financial position as at 1 January, 2012 and its previously published GAAP financial statements for the year ended 31 December 2012.

## **OANDO FOUNDATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

#### **2.5.1 Exemptions applied**

IFRS 1 First-Time Adoption of International Financial Reporting Standards allows first-time adopters certain exemptions from the full retrospective application of IFRSs. None of these exemptions is applicable to the Foundation.

#### **2.5.2 Explanation of first time adoption of IFRS**

These are the Foundation's first financial statements prepared in accordance with IFRSs.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the years ended 31 December 2013 and 2012 and in the preparation of an opening IFRS statement of financial position at 1 January 2012 (the Foundation's date of transition).

#### **3 Effect of transition from NGAAP to IFRS**

There were no differences between the NGAAP financial statements and the IFRS converted financial statements.

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	31 December 2013 N'000	31 December 2012 N'000
<b>4 Receipts</b>		
Donation from Oando Plc.(Note 4.1)	91,660	150
Gifts- in-kind from Oando Plc.(Note 4.2)	112,103	-
Pearson Education limited (books and other teaching aids)	4,052	-
Computer warehouse group (desktop computers)	280	-
	<u>208,095</u>	<u>150</u>
<b>4.1 Donation</b>		
Oando Plc. donated funds totalling N91,660 million (2012; N150,000) to the Foundation in support of its activities for the year.		
<b>4.2 Gifts-in-kind</b>		
This represents staff costs and other administrative expenses of the Foundation paid by Oando Plc.		
<b>5 Scholarship</b>		
School fees (Note 5.1)	28,574	-
Management fees (Note 5.2)	10,742	-
Communication	13	-
Other expenses	4	-
	<u>39,333</u>	<u>-</u>
<b>5.1 School fees</b>		
This represents the amount spent on school fees for the 501 students under the Foundation's scholarship.		
<b>5.2 Management fees</b>		
This represents the amount paid to implementing partners for managing the adopted schools on behalf of the foundation.		
<b>6. Infrastructure</b>		
Renovation and repair works	9,844	-
Early Childhood Care Development (ECCD) centre	12,832	-
Information Communication Technology (ICT) centre	13,881	-
Travel and entertainment	1,297	-
Communication	16	-
Other expenses	2	-
	<u>37,872</u>	<u>-</u>

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	31 December 2013 N'000	31 December 2012 N'000
<b>7. Capacity building</b>		
Communication	7	-
Travel and entertainment	2,325	-
Stationery and other expenses	45	-
	<u>2,377</u>	<u>-</u>
<b>8. Donations</b>		
Cost of various items donated to schools	<u>3,170</u>	<u>-</u>
<b>9. Administrative expenses</b>		
<b>Gifts-in-kind</b>		
Staff costs (Note 9.1)	72,442	-
Utilities and office consumables	1,056	-
Professional fees	27,260	-
Travel and entertainment	8,689	-
Subscription	2,661	-
	<u>112,108</u>	<u>-</u>
<b>Others</b>		
Penalty for late tax filing	90	115
Depreciation	332	-
	<u>112,530</u>	<u>115</u>
<b>9.1 Staff costs</b>		
Salaries and other allowances	66,331	-
Staff pension	6,111	-
	<u>72,442</u>	<u>-</u>
<b>10 Taxation</b>		

Due to its charitable status, the Foundation is exempted from both income and education taxes in accordance with section 23(1C) of the Companies Income Tax Act 2004.

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 11 Property, plant and equipment

	Motor Vehicles N'000	Computer Equipment N'000	Total N'000
<b>Cost:</b>			
Balance at 1 January 2013	-	-	-
Additions	8,438	560	8,998
Disposals	-	-	-
Balance at 31 December 2013	<u>8,438</u>	<u>560</u>	<u>8,998</u>
<b>Depreciation:</b>			
Balance at 1 January 2013	-	-	-
Charge for the year	312	20	332
Disposals	-	-	-
Balance at 31 December 2013	<u>312</u>	<u>20</u>	<u>332</u>
<b>Net Book Value:</b>			
At 31 January 2013	<u>8,126</u>	<u>540</u>	<u>8,666</u>
At 31 December 2012	<u>-</u>	<u>-</u>	<u>-</u>
At 1 January 2012	<u>-</u>	<u>-</u>	<u>-</u>

### 12 Inventory

	31 December 2013 N'000	31 December 2012 N'000
Books and other teaching aids (12.1)	3,962	-
Desktop computers (12.2)	<u>280</u>	<u>-</u>
Balance at 31 December 2013	<u>4,242</u>	<u>-</u>

#### 12.1 Books and other teaching aids

Balance at 1 January	-	-
Books and other teaching aids from Pearson Education Ltd.	4,052	-
Books distributed to adopted schools	<u>(90)</u>	<u>-</u>
Balance at 31 December	<u>3,962</u>	<u>-</u>

#### 12.2 Desktop computers

Balance at 1 January	-	-
Desktop computers from Computer Warehouse Group	280	-
Desktop computers distributed to adopted schools	<u>-</u>	<u>-</u>
Balance at 31 December	<u>280</u>	<u>-</u>

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	31 December 2013 N'000	31 December 2012 N'000	1 January 2012 N'000
<b>13 Receivable from Oando plc</b>			
Balance at 1 January	-	-	-
Receivable for the year	60,972	-	-
Received during the year	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 December	<u><b>60,972</b></u>	<u>-</u>	<u>-</u>
<b>14 Cash and cash equivalents</b>			
Bank overdraft	<u><b>(5)</b></u>	<u>-</u>	<u>-</u>
<b>15 Other payables</b>			
Provision for late filing of annual returns	205	115	150
Accrued expenses (15.1)	<u>60,972</u>	<u>-</u>	<u>-</u>
	<u><b>61,177</b></u>	<u><b>115</b></u>	<u><b>150</b></u>
<b>15.1 Accrued expenses</b>			
At beginning of the year	-	-	-
For the year	60,972	-	-
Payment during the year	<u>-</u>	<u>-</u>	<u>-</u>
At end of the year	<u><b>60,972</b></u>	<u>-</u>	<u>-</u>
<b>16 Accumulated fund</b>			
At beginning of the year	(115)	(150)	-
Transfer from other comprehensive income	-	-	-
Surplus/(deficit) for the year	<u>12,813</u>	<u>35</u>	<u>(150)</u>
At end of the year	<u><b>12,698</b></u>	<u><b>(115)</b></u>	<u><b>(150)</b></u>



# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 17 Related Party Disclosures

- i) The Foundation was set-up by Oando Plc. which is principally responsible for its finances. During the year under review, the Foundation received a total of N203.763 million (2012- N150,000) in form of cash and gifts-in kind as follows:

	31 December 2013 N'000	31 December 2012 N'000
Cash donations	91,660	150
Gifts- in-kind	112,103	-
	<b>203,763</b>	<b>150</b>

- ii) Other related parties are as follows:

Oando Marketing Plc.  
Oando Supply and Trading Limited  
Oando Gas and Power Limited  
Oando Energy Services Limited  
Oando Exploration and Production Limited

There are receivables of N 60.972 million (2012: Nil) from Oando plc.

### 18 Information Regarding Employees

	Number	Number
i) Average number of employees employed during the year	<b>5</b>	-
ii) The cost relating to the above staff includes:	N'000	N'000
Salaries and allowances	66,331	-
Pension contribution	6,111	-
	<b>72,442</b>	-

### 19 Contingent Liabilities

The Foundation had no contingent liabilities as at 31 December 2013 (2012- Nil).

### 20 Capital Commitments

The Foundation had no capital commitments, authorised or contracted, as at 31 December 2013 (2012 - Nil).

# **OANDO FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

### **21 Post Balance Sheet Events**

#### **i Programme Implementation**

In 2014, a number of activities were undertaken by way of the signature project, Adopt-A-School (AAS) Initiative. They include:

##### **a. Teacher Training**

The Foundation conducted, through Pearson Limited, Teacher Development Needs Assessment for 507 teachers in 12 states. The Foundation trained 11 master trainers from the National Teachers Institute as well as 507 teachers across 23 adopted schools.

##### **b. ICT Centres**

In 2014, the Foundation completed and launched 2 ICT Centres in Akwa Ibom and Cross River states. The ICT center boasts state of the art desktops, projector, TV and DVD.

ICT classrooms will enhance the learning capabilities of students; facilitate their exposure to computer education and other technologies while allowing students get connected with rest of the world via the use of the Internet.

Also in 2014, the Foundation partnered with the US Department of State Global Partnerships Initiative to introduce coding skills to young Nigerian kids under the ArfiCoderDojo Project.

##### **c. Early Childhood Care and Development (ECCD) Centres**

The Foundation works to invest in young children and create a strong foundation for their health, education, and productivity. The ECCD centers target the 2-5 age group. In addition to the pilot ECCD centre completed in Archbishop Taylor Primary School, Lagos in 2013, and have also completed another pilot ECCD centre in St. Patrick's Primary School, Odukpani, Cross River where the ECCD teachers were also trained.

##### **d. Scholarship**

The Foundation has selected 372 new best performing primary six pupils for scholarship for the 2014/2015 academic session making the total number to 873. The scholarship will support their transition to secondary school and the award covers tuition (where applicable) and sundry expenses, subject to excellent academic performance.

##### **e. Renovation**

One block of 6 classrooms/offices was completed at Zumuratul Islamiyat Primary School (ZI) Ogun State and renovation of Olokun Primary School, Mushin was also carried out in 2014.

# **OANDO FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

### **ii Partnerships**

- a. Partnership with the British Council to launch "Reach A Girl, Teach A Girl", a 3 year project aimed at increasing school enrollment rates for girls across Northern Nigeria.
- b. Partnership with Protection Plus Nigeria Limited to build an ICT Center at St. Patrick's School, Etinan, Akwa-Ibom commencing 8th September and to implement health and safety talks in all Oando Foundation adopted schools.
- c. Partnership with Lagos State Government and DFID, Education Sector Support Programme in Nigeria to produce and distribute lesson plans to 1,004 Schools in Lagos State.
- d. Launch of Ebola Education Support Fund- The Fund will support the education of Nigerian children who have lost their parents to the deadly Ebola Virus Disease and require financial support to stay in school until they graduate.
- e. Oando Foundation supported the Ebola Containment Trust Fund (ECTF) by providing 5,000 personal protective equipment for use in medical institutions.

# OANDO FOUNDATION

## STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2013

	31 December 2013 N'000	%	31 December 2012 N'000	%
Total receipts	208,095		150	
Bought in materials - local	(122,508)		(115)	
<b>Value added</b>	<b>85,587</b>	<b>100</b>	<b>35</b>	<b>100</b>
<b>Distributions:</b>				
<b>To pay employees:</b>				
Salaries, wages and allowances	72,442	85	-	-
<b>To pay Government:</b>				
Income tax	-	-	-	-
<b>To provide providers of capital:</b>				
Interest charges	-	-	-	-
<b>To provide for the maintenance of assets:</b>				
- Depreciation	332	-	-	-
- Surplus for the year	12,813	15	35	100
	<b>85,587</b>	<b>100</b>	<b>35</b>	<b>100</b>

Value added represents the additional wealth which the Foundation has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth among employees, shareholders, government and that retained for future growth. This is not an IFRS statement. The statement has been prepared to comply with Companies and Allied Matters Act.

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS THREE-YEAR FINANCIAL SUMMARY

	31 December 2013 N'000	31 December 2012 N'000	31 December 2011 N'000
<b>Statement of comprehensive income</b>			
Surplus/(deficit) for the year before taxation	12,813	35	(150)
Taxation	-	-	-
Surplus for the year after taxation	<u>12,813</u>	<u>35</u>	<u>(150)</u>
Total comprehensive income for the year	<u><u>12,813</u></u>	<u><u>35</u></u>	<u><u>(150)</u></u>
<b>Statement of financial position</b>			
Property, plant and equipment	8,666	-	-
Total current assets	<u>65,214</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u><u>73,880</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Total liabilities	61,182	115	150
Accumulated funds	<u>12,698</u>	<u>(115)</u>	<u>(150)</u>
	<u><u>73,880</u></u>	<u><u>-</u></u>	<u><u>-</u></u>