



Oando Foundation RC 43172

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**ANNUAL REPORTS AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

OANDO FOUNDATION

REPORT OF THE TRUSTEES AND AUDITED FINANCIAL

FOR THE YEAR ENDED 31 DECEMBER 2014

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OANDO FOUNDATION

CORPORATE INFORMATION

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 of 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 Energy Resources Limited
- Oando Energy Services Limited
- Oando Marketing PLC
- Oando Supply & Trading Limited
- Oando Gas & Power Limited

Registered Address: 2 Ajoye Adeogun Street,
Victoria Island,
Lagos, Nigeria

Registration number: RC43172

Auditor: Ernst & Young Chartered Accountants
13th Floor, UBA House,
57 Marina
Lagos, Nigeria.

Legal Adviser/Secretary: Olajide Oyewole
Plot 5 Block 14 Bashorun Okusanya Avenue
Off Admiralty Road
Lekki Phase 1
Lagos
Nigeria.

Banker: Guaranty Trust Bank Plc
56A Adeola Odeku street,
Victoria Island, Lagos
Nigeria

OANDO FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2014

1. ANNUAL REPORT

The trustees present their annual report together with the audited financial statements for the year ended 31 December 2014, 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, CAP C20 Laws of the Federation of Nigeria 2004.

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 CAP C20 Laws of the Federation of Nigeria 2004.

5. RESULT FOR THE YEAR

	31 Dec 2014	31 Dec 2013
	N'000	N'000
Receipts	308,423	208,095
Expenditures	(311,954)	(195,282)
(Deficit)/Surplus	<u>(3,531)</u>	<u>12,813</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, CAP 20 Laws of the Federation of Nigeria 2004.

7. AUDITORS

Ernst & Young was appointed on 9th October 2015 and have expressed their willingness to continue in office as the Foundation's Auditors in accordance with section 357(2) of the Companies and Allied Matters Act, CAP 20, Laws of the Federation of Nigeria 2004.

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 2014


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


OLAJIDE OYEWOLE & CO.
(Secretaries to the Company)
Company Secretary/Legal Adviser
Plot 5, Block 12 Eastern Okeja Avenue
Off Admiralty Road, Lekki Peninsula Scheme 1
Lagos 101007, Nigeria
26 September
2016

OANDO FOUNDATION

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2014.



The year 2014 was an eventful one as Oando Foundation worked to ensure that its interventions were spread across its adopted schools. As Oando Foundation start our work in 2015, we are mindful of the challenges ahead, the post-2015 millennium goals and ensuring our projects help Nigerian children to achieve quality, affordable and accessible basic education.

Oando Foundation was created with the objective of raising a new generation of young Nigerians by transforming the Nigerian public school system and ensuring that all Nigerian children of school age complete their education, fulfil their potential and prosper in their communities and in the world at large.

Access to quality primary school education remains a challenge for a majority of Nigerian children. This is why we believe that investing in young children is both the right and the smart thing to do. Through our signature project, Adopt-A-School Initiative, the lives of many children in Nigeria have been positively affected.

In 2014, Oando Foundation continued its upgrade of school infrastructure including establishment of ICT centers and upgrade of Early Childhood Care Centers. The foundation awarded scholarships to 341 students, bringing the total number of scholarship beneficiaries to 870.

The Foundation also partnered with Pearson and the National Teachers Institute to train over 500 teachers in 23 adopted schools across 12 states. It is evident that building teachers' capacity ultimately develops their ability to impart relevant knowledge to pupils. Solid partnerships were also established with the United States Department of State (Global Partnerships Initiative), CoderDojo Ireland and various State Universal Basic Education Boards in locations where we work.

Without sounding immodest, our Adopt-a-School Initiative has proven to be unique in design, replicable and scalable. Since inception, we have witnessed an average 11% increase in annual enrolment in our adopted schools, with a large percentage of girls enrolling. There has also been a 42% increase in pre-school enrolment. Oando Foundation interventions have benefitted over 200,000 lives directly and indirectly. To cap it up, Oando Foundation clinched the coveted 2014 SERA Award for *"Best Company in Sustainability Design"*.

The Foundation supported the Ebola Containment Trust Fund (ECTF) by providing 5000 personal protective equipment for use in medical institutions. We also provided support to Ebola Crisis Centre in Lagos by donating fuel for use in ambulances and trucks for a three month period to assist in the center's operations. Oando Foundation's investments in the education sector in Nigeria are sustainable and have a real impact on the communities they serve. Oando Foundation have also demonstrated the power of collaboration through partnerships with public and private sector to achieve the common goal of quality basic education for all. Every child deserves quality education, hence the call to action for individuals, organizations and donors interested in building a better tomorrow for Nigerian Kids.

Special thanks goes to all our partners who helped make 2014 a successful year.

Tokunboh Durosaro



**Building a better
working world**

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57, Marina
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Lagos.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OANDO FOUNDATION

Report on the financial statements

We have audited the accompanying financial statements of Oando Foundation which comprise the statement of financial position as at 31 December 2014, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibilities for the financial statements

The Company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and for such internal control as the Directors determine necessary to enable the preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' responsibility

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Oando Foundation as at 31 December 2014 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011.



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OANDO FOUNDATION - Continued

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, 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 Company, so far as appears from our examination of those books;
- iii. the Company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive income are in agreement with the books of account.

Esther Ajibola, FCA, FRC/2012/ICAN/00000000174
For: Ernst & Young
Chartered Accountants
Lagos, Nigeria.

26 September 2016



OANDO FOUNDATION

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	31 Dec 2014 N'000	31 Dec 2013 N'000
Receipts	3	<u>308,423</u>	<u>208,095</u>
Expenditures			
Scholarship	4	(34,621)	(28,591)
Infrastructure	5	(10,632)	(37,872)
Capacity building	6	(22,802)	(2,377)
Donations	7	(36,491)	(3,170)
Administrative expenses	8	<u>(207,408)</u>	<u>(123,272)</u>
		(311,954)	(195,282)
(Deficit)/surplus before tax		<u>(3,531)</u>	<u>12,813</u>
Taxation	9	-	-
(Deficit)/surplus for the year transferred to accumulated fund		<u>(3,531)</u>	<u>12,813</u>
Other comprehensive income		-	-
Total comprehensive income		<u>(3,531)</u>	<u>12,813</u>

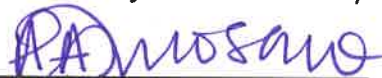
See notes to the financial statements


OANDO FOUNDATION


STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	31 Dec 2014 N'000	31 Dec 2013 N'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	<u>4,680</u>	<u>8,666</u>
CURRENT ASSETS			
Inventories	11	2,648	4,242
Receiveables from Oando Plc	12	55,880	60,972
Cash and cash equivalents	13	<u>4,312</u>	<u>-</u>
TOTAL CURRENT ASSETS		<u>62,840</u>	<u>65,214</u>
TOTAL ASSETS		<u>67,520</u>	<u>73,880</u>
EQUITY			
Accumulated fund	15	<u>9,167</u>	<u>12,698</u>
		<u>9,167</u>	<u>12,698</u>
CURRENT-LIABILITIES			
Bank overdraft	13	-	5
Other payables	14	<u>58,353</u>	<u>61,177</u>
TOTAL LIABILITIES		<u>58,353</u>	<u>61,182</u>
TOTAL LIABILITIES AND EQUITY		<u>67,520</u>	<u>73,880</u>

The financial statements were approved by the Board of Trustees on 26 September 2016 and signed on its behalf by:


Trustees


Trustees


Finance

See notes to the financial statements

OANDO FOUNDATION

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Accumulated Fund N'000	Total Equity N'000
Balance at 1 January 2014	12,698	12,698
Deficit for the year	<u>(3,531)</u>	<u>(3,531)</u>
Balance at 31 December 2014	<u>9,167</u>	<u>9,167</u>
Balance at 1 January 2013	(115)	(115)
Surplus for the year	<u>12,813</u>	<u>12,813</u>
Balance at 31 December 2013	<u>12,698</u>	<u>12,698</u>

See notes to the financial statements

OANDO FOUNDATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	31 Dec 2015 N'000	31 Dec 2014 N'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit)/surplus for the year		(3,531)	12,813
Adjustment for non-cash items:			
Depreciation	11	3,986	332
Changes in assets and liabilities:			
Decrease/(increase) in inventory		1,594	(4,242)
Decrease/(increase) in receivables from Oando plc		5,092	(60,972)
(Decrease)/Increase in other payables		(2,824)	61,062
Net cash flow from operating activities		4,317	8,993
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	11	-	(8,998)
Net cash flow from investing activities		-	(8,998)
Net increase/(decrease) in cash and cash equivalents		4,317	(5)
Cash and cash equivalents at beginning of the year		(5)	-
Cash and cash equivalents at end of the year	13	4,312	(5)

See notes to the financial statements

OANDO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 Corporate information

Oando Foundation "the 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 and the Financial Reporting Council Act of Nigeria.

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 a 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:

OANDO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Judgements

In the process of applying the Foundation's accounting policies, management has made the following judgements, 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.

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 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.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Foundation plans to adopt the new standard on the required effective date.

OANDO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018, when the IASB finalises their amendments to defer the effective date of IFRS 15 by one year. Early adoption is permitted. The Foundation plans to adopt the new standard on the required effective date using the full retrospective method. The Foundation is currently assessing the effects of this standard.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Foundation given that the Foundation has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- ▶ The materiality requirements in IAS 1
- ▶ That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- ▶ That entities have flexibility as to the order in which they present the notes to financial statements
- ▶ That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Foundation.

OANDO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

2.3 Summary of significant accounting policies

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

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. Cost includes expenditures that are directly attributable to the acquisition of the asset which comprises of 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

OANDO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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.

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

Classification

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).

OANDO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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.

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.

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 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 assets 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 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.

OANDO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Financial liabilities

Classification

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.

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.

OANDO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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 are recognized at fair value 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 overdraft 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.

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:

OANDO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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.

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. The receivables are from Oando Plc and is expected to be used to settle its payable.

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. As at year end the foundation had no interest bearing borrowing (2013: nil). The payable in the books are expected to be settled by grants received.

Market risk:

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.

OANDO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

3 Receipts

	31 Dec 2014	31 Dec 2013
	N'000	N'000
Computer Warehouse Group (Desktop Computers)	-	280
Donation from Oando Plc. (Note 3.2)	75,744	91,660
Donation from Oando Gas and Power Ltd (Note 3.2)	38,834	-
Donation from Oando Marketing Plc (Note 3.2)	35,452	-
Gifts- in-kind from Oando Plc.(Note 3.3)	140,643	112,103
Sponsor-A-Child Donations (Note 3.4)	3,668	-
Oando Marketing donation for the purchase of Personal Protective Equipment for the Ebola containment Trust Fund	8,000	-
Oando Marketing donation for the sponsorship of Tiffany Amber Fashion Academy	5,000	-
Oando Marketing donation for the University education grant	500	-
Pearson Education limited (books and other teaching aids)	-	4,052
Volunteers donate to Build a toilet (Note 3.1)	362	-
Other Income	220	-
	308,423	208,095

3.1 Build a toilet donations

This represents donations to build toilets in primary schools.

3.2 Donation

Oando Plc. donated funds totalling N75,744 million (2013 - N91.66 million) to the Foundation in support of its activities for the year. Oando Marketing Plc & Oando Gas and Power donated N35.452 million (2013: nil) and N38.834million (2013: nil) respectively. Donations from Oando Gas & Power & Oando Marketing Plc represents 1% of Profit before tax of the previous year which commenced in 2014.

3.3 Gifts-in-kind

This represents staff costs and other administrative expenses of the Foundation paid by Oando Plc.

3.4 Sponsor a child donations

This represents donations from staff to sponsor primary school pupils.

4 Scholarship

	31 Dec 2014	31 Dec 2013
	N'000	N'000
Scholar fees (Note 4.1)	34,125	28,574
Communication	2	13
Other expenses (Note 4.2)	135	4
Travel and entertainment	209	-
Public relations	150	-
	34,621	28,591

OANDO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

4.1 Scholar fees

This represents the amount spent on 501 scholars under the Foundation's scholarship scheme.

4.2 Other expenses

This represents cost for scholar selection meetings.

5. Infrastructure

	31 Dec 2014	31 Dec 2013
	N'000	N'000
Renovation and repair works	14	9,844
Early Childhood Care Development (ECCD) centre	4,625	12,832
Information Communication Technology (ICT) centre	5,198	13,881
Travel and entertainment	634	1,297
Communication	-	16
Public relations	161	-
Other expenses	-	2
	<u>10,632</u>	<u>37,872</u>

Infrastructure represents cost of renovation of schools, Early Childhood Care and Development (ECCD) centres, and Information Communication Technology (ICT) centres and also cost associated with embarking of such projects.

OANDO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

6. Capacity building

	31 Dec 2014	31 Dec 2013
	N'000	N'000
Communication	122	7
Travel and entertainment	1,554	2,325
Stationery and other expenses	164	45
Teacher training	20,962	-
	<u>22,802</u>	<u>2,377</u>

7. Donations

Books donated to various schools	1,554	-
Corporate Gifts to various individuals	1,319	-
Donation to Boatshed	150	-
Donation of a computer to Olisa Primary School, Mushin	140	-
Donation to St Augustine University	2,500	-
Fuel to Ebola emergency operation centre	303	-
Inspire African girl's education dreams	250	-
Lagos State Universal Basic Education Board 2014 Awards	1,500	-
Production of lesson plans for 1004 public schools	12,000	-
Protective Equipment for Ebola containment	8,417	-
Sponsorship of BEAFRICA	250	-
Sponsorship of Nigeria CSR Awards	1,000	-
Sponsorship of Nigerian Institute of Public relations Awards	350	-
Sponsorship of Tiffany Amber campaign	5,000	-
Sponsorship of Uturn Africa forum	1,153	-
Student tickets for play in commemoration of International day	105	-
University Education Grant	500	-
Other donations to Schools	-	3,170
	<u>36,491</u>	<u>3,170</u>

This represents donations to special projects during the period under review.

OANDO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

8. Administrative expenses

	31 Dec 2014 N'000	31 Dec 2013 N'000
Audit fees	-	-
Bank charges	354	-
Communication	285	-
Depreciation	3,986	332
Legal fees	33	1,315
Management fees (Note 8.2)	15,256	10,742
Penalty for late tax filing	-	90
Professional fees	22,397	17,183
Public relations	36,531	8,762
Subscription	6,245	2,661
Staff costs (Note 8.1)	90,290	72,442
Travel and entertainment	31,195	8,689
Utilities and Office consumables	836	1,056
	<u>207,408</u>	<u>123,272</u>

8.1 Staff costs

Salaries and other allowances	80,817	66,331
Staff pension	9,473	6,111
	<u>90,290</u>	<u>72,442</u>

8.2 Management fees

This represents the amount paid to implementing partners for managing the adopted schools on behalf of the foundation.

9 Taxation

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

OANDO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

10 Property, plant and equipment

	Motor Vehicles N'000	Computer Equipment N'000	Total N'000
Cost:			
Balance at 1 January 2014	8,438	561	8,999
Additions	-	-	-
Balance at 31 December 2014	<u>8,438</u>	<u>561</u>	<u>8,999</u>
Accumulated depreciation:			
Balance at 1 January 2014	313	20	333
Charge for the year	3,750	236	3,986
Balance at 31 December 2014	<u>4,063</u>	<u>256</u>	<u>4,319</u>
Net Book Value:			
At 31 December 2014	<u>4,375</u>	<u>305</u>	<u>4,680</u>
At 31 December 2013	<u>8,126</u>	<u>540</u>	<u>8,666</u>

11 Inventory

	31 Dec 2014 N'000	31 Dec 2013 N'000
Books and other teaching aids (Note 11.1)	2,508	3,962
Desktop computers (Note 11.2)	140	280
	<u>2,648</u>	<u>4,242</u>

11.1 Books and other teaching aids

Balance at 1 January	3,962	-
Books and other teaching aids from Pearson Education Ltd.	-	4,052
Books distributed to adopted schools	(1,454)	(90)
Balance at 31 December	<u>2,508</u>	<u>3,962</u>

11.2 Desktop computers

Balance at 1 January	280	-
Desktop computers from Computer Warehouse Group	-	280
Desktop computers distributed to adopted schools	(140)	-
Balance at 31 December	<u>140</u>	<u>280</u>

OANDO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

12 Receivable from Oando plc

	31 Dec 2014 N'000	31 Dec 2013 N'000
Balance at 1 January	60,972	-
Additions	55,880	60,972
Received during the year	(60,972)	-
Balance at 31 December	<u>55,880</u>	<u>60,972</u>

13 Cash and cash equivalents

Cash at bank	4,312	-
Bank overdraft	-	(5)
	<u>4,312</u>	<u>(5)</u>

14 Other payables

Provision for late filing of annual returns	205	205
Accruals (Notes 14.1)	58,148	60,972
	<u>58,353</u>	<u>61,177</u>

14.1 Accruals

At beginning of the year	60,972	-
Additions	58,148	60,972
Payment during the year	(60,972)	-
At end of the year	<u>58,148</u>	<u>60,972</u>

15 Accumulated fund

At 1 January	12,698	(115)
Transfer from other comprehensive income	-	-
(Deficit)/Surplus for the year	(3,531)	12,813
At 31 December	<u>9,167</u>	<u>12,698</u>

OANDO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

16 Related Party Disclosures

- i) The Foundation was set-up by Oando Plc. which is principally responsible for its finances. Oando Plc has control over Oando Foundation which makes it a subsidiary of Oando Plc.

During the year under review, the Foundation received a total of N216.387 million (2013: N203.763 million) in form of cash and gifts-in kind as follows:

	31 Dec 2014 N'000	31 Dec 2013 N'000
Cash donations	75,744	-
Gifts- in-kind	140,643	-
	<u>216,387</u>	<u>-</u>

Oando Foundation has receivables of N55.880 million (2012: N60.972 million) from Oando plc.

- ii) Receipts from other related parties are as follows:

	31 Dec 2014 N'000	31 Dec 2013 N'000
Oando Marketing Plc.	48,952	-
Oando Gas and Power Limited	38,917	-

Oando Marketing Plc. and Oando Gas and Power Limited are fellow subsidiaries of Oando Plc.

17 Information Regarding Employees

	Number	Number
i) Average number of employees employed during the year	<u>8</u>	<u>5</u>

- ii) The cost relating to the above staff includes:

	31 Dec 2014 N'000	31 Dec 2013 N'000
Salaries and allowances	80,817	66,331
Pension contribution	9,473	6,111
	<u>90,290</u>	<u>72,442</u>

18 Contingent Liabilities

The Foundation had no contingent liabilities as at 31 December 2014 (2013: Nil).

OANDO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

19 Capital Commitments

The Foundation had no capital commitments, authorised or contracted, as at 31 December 2014 (2013: Nil).

20 Reclassification

In 2013 N10.742 million representing management fee previously classified as part of scholarship has been re-classified to administrative expense. This reclassification has no impact on profit or loss.

OTHER NATIONAL DISCLOSURES

OANDO FOUNDATION

**STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2014**

	31 Dec 2014 N'000	%	31 Dec 2013 N'000	%
Total receipts	308,423		208,095	
Bought in materials - local	(217,678)		(122,508)	
Value added	90,745	100	85,587	100
Distributions:				
To pay employees:				
Salaries, wages and allowances	90,290	99.5	72,442	84.6
To pay Government:				
Income tax	-	-	-	-
To provide providers of capital:				
Interest charges	-	-	-	-
To provide for the maintenance of assets:				
- Depreciation	3,986	4.4	332	0.4
- (Deficit)/Surplus for the year	(3,531)	(3.9)	12,813	15.0
	90,745	100.0	85,587	100.0

its own and its employees' efforts. This statement shows the allocation of that wealth among employees, shareholders, government and that retained for future growth. The statement has been prepared to comply with Companies and Allied Matters Act, CAP 20 Laws of the Federation of Nigeria 2004.

OANDO FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOUR-YEAR FINANCIAL SUMMARY**

	31 Dec 2014 N'000	31 Dec 2013 N'000	31 Dec 2012 N'000	31 Dec 2011 N'000
Statement of comprehensive income				
Surplus/(deficit) for the year before taxation	(3,531)	12,813	(115)	(150)
Taxation	-	-	-	-
Surplus for the year after taxation	(3,531)	12,813	(115)	(150)
Total comprehensive income for the year	<u>(3,531)</u>	<u>12,813</u>	<u>(115)</u>	<u>(150)</u>
Statement of financial position				
Property, plant and equipment	4,680	8,666	-	-
Total current assets	<u>62,840</u>	<u>65,214</u>	-	-
TOTAL ASSETS	<u>67,520</u>	<u>73,880</u>		
Total liabilities	58,353	61,182	115	150
Accumulated funds	<u>9,167</u>	<u>12,698</u>	<u>(115)</u>	<u>(150)</u>
TOTAL LIABILITIES AND EQUITY	<u>67,520</u>	<u>73,880</u>	<u>-</u>	<u>-</u>