



**Oando Foundation**

RC 43172

2 Ajayi Adesegun Street, Victoria Island, Lagos, Nigeria  
Tel: 024-12702400 Email: info@oandofoundation.org Website: [www.oandofoundation.org](http://www.oandofoundation.org)

**ANNUAL REPORTS AND AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**



**Building a better  
working world**



**OANDO FOUNDATION**

**REPORT OF THE TRUSTEES AND AUDITED FINANCIAL**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

<b>CONTENTS</b>	<b>Pages</b>
CORPORATE INFORMATION	3
REPORT OF THE TRUSTEES	4
DIRECTOR'S REPORT	6
INDEPENDENT AUDITORS REPORT	8
STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME	10
STATEMENT OF FINANCIAL POSITION	11
STATEMENT OF CHANGES IN EQUITY	12
STATEMENT OF CASH FLOWS	13
NOTES TO THE FINANCIAL STATEMENTS	14
OTHER NATIONAL DISCLOSURES	
STATEMENT OF VALUE ADDED	30
FIVE -YEAR FINANCIAL SUMMARY	31



**OANDO FOUNDATION  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**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:

<b>Name</b>	<b>Designation</b>	<b>Nationality</b>	<b>Appointed</b>	<b>Resigned</b>
Ms. Tokunboh Durosaro	Trustee	Nigerian	4-Feb-11	
Mr. Odein Ajumogobia	Trustee - Chairman	Nigerian	28-Nov-12	9-Oct-15
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 Ajose 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 I, 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 2015**

#### **1. ANNUAL REPORT**

The trustees present their annual report together with the audited financial statements for the year ended 31 December, 2015, 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, CAP 20 Laws of the Federation of Nigeria 2004.

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

	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>
	<b>N'000</b>	<b>N'000</b>
Receipts	221,740	308,423
Expenditure	(221,558)	(311,954)
Surplus/(Deficit)	<u>182</u>	<u>(3,531)</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. FORMAT OF THE FINANCIAL STATEMENT**

The financial statements are presented in accordance with the reporting and presentation requirements of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and International Financial Reporting Standards. The Trustees consider that the format adopted is the most suitable for the Company.

#### **8. EVENTS AFTER REPORTING DATE**

As stated in Note 21, no events or transactions have occurred since the reporting date which would have a material effect on the financial statements as presented.



**OANDO FOUNDATION**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**9. AUDITORS**

Ernst & Young have expressed their willingness to continue in office as the Company's auditors in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

**10. 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.

**11. 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.

**12. 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

10 October.....2016



## **OANDO FOUNDATION**

### **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**



We thank you immensely for your unwavering support and dedication to our mission in the last year. 2015 marked our fourth year of operation at Oando Foundation. Since inception in 2011, Oando Foundation has been steadfast in its commitment to improve access to quality basic education for all children of school age in Nigeria.

In line with the Foundation's expansion strategy, 11 new schools were adopted in 2015 bringing the total number of adopted schools to date to 58 in 23 States and the FCT. The following renovation work was carried out:

- ▶ Completion of construction of 2 blocks of 18 classrooms at Olisa Primary & Inclusive Unit School, Lagos State
  - ▶ Completion Launch of 3 blocks of 10 classrooms at Zumuratul Islamiyat Primary School, Akute, Ogun State
  - ▶ Ongoing rehabilitation of Gbagada school complex to reduce flooding within the compound
- In order to increase ICT literacy and encourage innovation through the use of the internet, the foundation partnered with Protection Plus Nigeria limited to complete a model solar powered ICT center at St Patrick's Primary School, Etinan, Akwa Ibom. The donation has resulted in a 35% increase in student enrollment.

The foundation also set up a three million naira trust in support of the education of two infants under the Ebola Education Support Fund.

As part of activities to commemorate the International Day of the African Child and Girl Child (11th October), the Voices of the Girl Child Campaign was launched to capture previously unheard voices of the Nigerian Girl child and channel back into the corridors of power.

In recognition of our contribution to the achievement of quality education in Nigerian primary schools, Oando Foundation was recognized by the Lagos and Enugu State Governments with the following awards:

- ▶ Enugu State Award for "Contributing to the Improvement of the Primary School System"
- ▶ Lagos State Merit Awards for "Supporting the Primary Education Sector in Lagos State" Category



## **OANDO FOUNDATION**

### **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

Sustainability is at the very core of our interventions at Oando Foundation and education remains the most potent tool in our quest to transform lives. Our accomplishments in the past year, shows us the great task that lies ahead in transforming Nigerian public schools to modern citadels of learning.

We will continue to work with governments and relevant stakeholders to carry out interventions across Nigeria and build on this solid foundation to raise achievements in the coming years.

Special thanks goes to all our partners who helped make 2015 a successful year.



**Tokunboh Durosaro**



## **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 2015, 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 2015 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.





Building a better  
working world

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

### Report on other legal and regulatory requirements

In accordance with the requirements 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.

10 October..... 2016





**OANDO FOUNDATION**

**STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	31 Dec 2015 N'000	31 Dec 2014 N'000
<b>Receipts</b>	3	<u>221,740</u>	<u>308,423</u>
<b>Expenditures</b>			
Scholarship	4	(38,360)	(34,621)
Infrastructure	5	(10,884)	(10,632)
Capacity building	6	-	(22,802)
Donations	7	(433)	(36,491)
Administrative expenses	8	<u>(171,881)</u>	<u>(207,408)</u>
		(221,558)	(311,954)
Surplus/(deficit) before tax		<u>182</u>	<u>(3,531)</u>
Taxation	9	-	-
<b>Surplus/(deficit) for the year transferred to accumulated fund</b>		<u><u>182</u></u>	<u><u>(3,531)</u></u>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<u><u>182</u></u>	<u><u>(3,531)</u></u>

*See notes to the financial statements*




**OANDO FOUNDATION**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2015**

		31 Dec 2015 N'000	31 Dec 2014 N'000
	<b>Note</b>		
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	<u>1,567</u>	<u>4,680</u>
<b>CURRENT ASSETS</b>			
Inventories	11	2,017	2,648
Receivables from Oando Plc	12	21,802	55,880
Cash and cash equivalents	13	<u>79,428</u>	<u>4,312</u>
<b>TOTAL CURRENT ASSETS</b>		<u>103,247</u>	<u>62,840</u>
<b>TOTAL ASSETS</b>		<u><b>104,814</b></u>	<u><b>67,520</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Accumulated fund	16	<u>9,349</u>	<u>9,167</u>
		<u><b>9,349</b></u>	<u><b>9,167</b></u>
<b>CURRENT-LIABILITIES</b>			
Other payables	14	22,007	58,353
Deferred Income	15	<u>73,458</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u><b>95,465</b></u>	<u><b>58,353</b></u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>104,814</b></u>	<u><b>67,520</b></u>

See notes to financial statement

The financial statements were approved by the Board of Trustees on .....  
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 2015**

	<b>Accumulated Fund N'000</b>	<b>Total Equity N'000</b>
Balance at 1 January 2015	9,167	9,167
Surplus for the year	182	182
Other comprehensive income	-	-
<b>Balance at 31 December 2015</b>	<b>9,350</b>	<b>9,350</b>
Balance at 1 January 2014	12,698	12,698
Deficit for the year	(3,531)	(3,531)
Other comprehensive income	-	-
<b>Balance at 31 December 2014</b>	<b>9,167</b>	<b>9,167</b>

*See notes to the financial statement*



**OANDO FOUNDATION**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

		<b>31 Dec 2015</b>	<b>31 Dec 2014</b>
	<b>Note</b>	<b>N'000</b>	<b>N'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus/(deficit) for the year		182	(3,531)
Adjustment for non-cash items:			
Depreciation	10	2,245	3,986
Assets written off	8	2,444	-
Changes in assets and liabilities:			
Decrease/(increase) in inventory		631	1,594
Decrease/(increase) in receivables from Oando plc		34,078	5,092
(Decrease)/Increase in other payables		(36,346)	(2,825)
<b>Net cash flow from operating activities</b>		<b>3,234</b>	<b>4,317</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets	10	(1,576)	-
<b>Net cash flow from investing activities</b>		<b>(1,576)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from EAC grant		73,458	-
<b>Net cash flow from financing activities</b>		<b>73,458</b>	
Net increase in cash and cash equivalents		75,116	4,317
Cash and cash equivalents at beginning of the year		4,312	(5)
<b>Cash and cash equivalents at end of the year</b>	<b>13</b>	<b>79,428</b>	<b>4,312</b>

*See notes to the financial statements*



## **OANDO FOUNDATION**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **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 Sustainable 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 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:

#### **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**

#### **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 based 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.

##### **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 the financial instruments projects: 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.

##### **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 full retrospective method. The Foundation is currently assessing the effects of this standard.



## **OANDO FOUNDATION**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **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 notes to the 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 amendment clarifies 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.

### **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 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 closing rate. 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).



## **OANDO FOUNDATION**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **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 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.

#### **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.



## **OANDO FOUNDATION**

### **NOTES TO THE FINANCIAL STATEMENTS**

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).

##### **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

##### **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**

#### **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 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**

##### **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 compressive income.



## **OANDO FOUNDATION**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **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.

##### **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.



## **OANDO FOUNDATION**

### **NOTES TO 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:

##### **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 (2014: nil). The payable in the books are expected to be settled by grants received.



**OANDO FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**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

#### 3 Receipts

	31 Dec 2015	31 Dec 2014
	N'000	N'000
Donation from Oando Gas and Power Ltd. (Note 3.1)	49,069	38,834
Donation from Oando Marketing Plc. (Note 3.1)	50	35,452
Donation from Oando Plc. (Note 3.1)	15,519	75,744
Gifts- in-kind from Oando Plc.(Note 3.2)	154,201	140,643
Oando Marketing donation to Ebola containment Trust Fund (Note 3.3)	-	8,000
Oando Marketing donation for the sponsorship of Tiffany Amber Fashion Academy	-	5,000
Oando Marketing donation for the University education grant	-	500
Other Income	980	220
Sponsor a child donations.(Note 3.4)	1,921	3,668
Volunteers donate to Build a toilet (Note 3.5)	-	362
	<u>221,740</u>	<u>308,423</u>

##### 3.1 Donation

Oando Plc. donated funds totalling N15.52 million (2014 - N75.744 million) to the Foundation in support of its activities for the year. Oando Gas and Power donated N 49.069 million (2014- N 38,834 million). Oando Marketing Plc. donated N50,000 (2014 - N35.452 million).

##### 3.2 Gifts-in-kind

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

##### 3.3 Oando Marketing donation to Ebola containment Trust Fund

Oando Marketing made donations for the purchase of Personal Protective Equipment for the Ebola containment Trust Fund.

##### 3.4 Sponsor a child donations

This represents donations from staff to sponsor primary school pupils.

##### 3.5 Build a toilet donations

This represents donations to build toilets in primary schools.

#### 4 Scholarship

	31 Dec 2015	31 Dec 2014
	N'000	N'000
Scholar fees (Note 4.1)	38,262	34,125
Communication	-	2
Other expenses (Note 4.2)	-	135
Travel and entertainment	98	209
Public relations	-	150
	<u>38,360</u>	<u>34,621</u>



## OANDO FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS

#### 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 of scholar selection meetings.

#### 5. Infrastructure

	31 Dec 2015	31 Dec 2014
	N'000	N'000
Renovation and repair works	589	14
Early Childhood Care Development (ECCD) centre	112	4,625
Information Communication Technology (ICT) centre	9,879	5,198
Travel and entertainment	304	634
Public relations	-	161
	<u>10,884</u>	<u>10,632</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 on such projects.

#### 6. Capacity building

	31 Dec 2015	31 Dec 2014
	N'000	N'000
Communication	-	122
Travel and entertainment	-	1,554
Stationery and other expenses	-	164
Teacher training	-	20,962
	<u>-</u>	<u>22,802</u>

#### 7. Donations

Donation to Boatshed	-	150
Books donated to various schools	-	1,554
Corporate Gifts to various individuals	133	1,319
Donation to St Augustine University	-	2,500
Donation to Ebola Education Fund	300	-
Fuel to Ebola emergency operation centre	-	303
Inspire African girl's education dreams	-	250
Lagos State Universal Basic Education Board 2014 Awards	-	1,500
Olisa Primary School, Mushin	-	140
Sponsorship of Uturn Africa forum	-	1,153
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
Student tickets for play in commemoration of International day	-	105
University education grant	-	500
	<u>433</u>	<u>36,491</u>



# **OANDO FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

### **8. Administrative expenses**

	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>
	<b>N'000</b>	<b>N'000</b>
Assets written off (See Note 10)	2,444	-
Audit fees	-	-
Bank charges	159	354
Communication	36	285
Depreciation (Note 10)	2,245	3,986
Exchange Gain/Loss	724	
Inventory written off	1,529	
Legal fees	-	33
Management fees (Note 8.2)	8,761	15,256
Professional fees	12,295	22,397
Public relations	9,839	36,531
Staff costs (Note 8.1)	102,711	90,290
Subscription	3,369	6,245
Travel and entertainment	27,134	31,195
Utilities and Office consumables	635	836
	<b>171,881</b>	<b>207,408</b>

### **8.1 Staff costs**

Salaries and other allowances	93,508	80,817
Staff pension	9,203	9,473
	<b>102,711</b>	<b>90,290</b>

### **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 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**

### **10 Property, plant and equipment**

	<b>Motor Vehicles N'000</b>	<b>Computer Equipment N'000</b>	<b>Total N'000</b>
<b>Cost:</b>			
Balance at 1 January 2015	8,438	561	8,999
Additions	-	1,576	1,576
Asset written off	(8,438)	(335)	(8,773)
Balance at 31 December 2015	-	1,802	1,802
<b>Depreciation:</b>			
Balance at 1 January 2015	4,063	256	4,319
Charge for the year	1,979	266	2,245
Asset written off	(6,042)	(287)	(6,329)
Balance at 31 December 2015	-	235	235
<b>Net Book Value:</b>			
At 31 December 2015	-	1,567	1,567
At 31 December 2014	4,375	305	4,680

### **11 Inventory**

	<b>31 Dec 2015 N'000</b>	<b>31 Dec 2014 N'000</b>
Teaching and Learning Materials (Note 11.1)	105	2,508
Computer Equipment/IT (Note 11.2)	31	140
Electrical Equipments	60	-
Corporate gift items	1411	-
Bajaj Motorcycle	410	-
	<u>2,017</u>	<u>2,648</u>

#### **11.1 Teaching and Learning Materials**

Balance at 1 January	2,508	3,962
Books and other teaching aids from David Oladokun	4	-
Books distributed to adopted schools	(878)	(1,454)
Books and stationery written off	(1,529)	-
Balance at 31 December	<u>105</u>	<u>2,508</u>

#### **11.2 Computer Equipment/IT**

Balance at 1 January	140	280
Desktop computers distributed to adopted schools	(140)	(140)
Addition of Pi computer	31	-
Balance at 31 December	<u>31</u>	<u>140</u>



# **OANDO FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **12 Receivable from Oando plc**

	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>
	<b>N'000</b>	<b>N'000</b>
Balance at 1 January	55,880	60,972
Receiveable for the year	21,802	55,880
Received during the year	(55,880)	(60,972)
Balance at 31 December	<u>21,802</u>	<u>55,880</u>

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

Cash at bank	<u>79,428</u>	<u>4,312</u>
--------------	---------------	--------------

### **14 Other payables**

Provision for late filing	-	205
Accruals (Notes 14.1)	22,007	58,148
	<u>22,007</u>	<u>58,353</u>

#### **14.1 Accruals**

At 1 January	58,148	60,972
For the year	22,007	58,148
Payment during the year	(58,148)	(60,972)
At 31 December	<u>22,007</u>	<u>58,148</u>

### **15 Deferred Liability**

As at 1 January	-	-
Additions	73,458	-
At 31 December	<u>73,458</u>	<u>-</u>

Deferred Liability represents grant received from Educate a Child Foundation for Adopt-A-School-Initiative. The cash was paid in 2015 but grant was meant for 2016.

### **16 Accumulated fund**

	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>
	<b>N'000</b>	<b>N'000</b>
At 1 January	9,167	12,698
Surplus/(Deficit) for the year	182	(3,531)
At 31 December	<u>9,349</u>	<u>9,167</u>



## OANDO FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS

#### 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 N169.720 million (2014: N216.387 million) in form of cash and gifts-in kind as follows:

	31 Dec 2015	31 Dec 2014
	N'000	N'000
Cash donations	15,519	75,744
Gifts- in-kind	154,201	140,643
	<u>169,720</u>	<u>216,387</u>

Oando Foundation has receivables of N21.802 million (2014: N 55.880 million) from Oando Plc.

- ii) Other related parties are as follows:

	31 Dec 2015	31 Dec 2014
	N'000	N'000
Oando Marketing Plc.	50	35,452
Oando Gas and Power Limited	49,069	38,834

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

#### 18 Information Regarding Employees

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

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

	31 Dec 2015	31 Dec 2014
	N'000	N'000
Salaries and allowances	93,508	80,817
Pension contribution	9,203	9,473
	<u>102,711</u>	<u>90,290</u>

Management compensation in the form of employee salary paid to Head of Foundation as at 31 December 2015 was N21.508 million.

#### 19 Contingent Liabilities

The Foundation had no contingent liabilities as at 31 December 2015 (2014: Nil).

#### 20 Capital Commitments

The Foundation had no capital commitments, authorised or contracted, as at 31 December 2015 (2014: Nil).



**OANDO FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**21 Events after reporting date**

No events or transactions have occurred since the reporting date which would have a material effect on the financial statements as presented.



**OTHER NATIONAL DISCLOSURES**



**OANDO FOUNDATION**

**STATEMENT OF VALUE ADDED  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	31 Dec 2015 N'000	%	31 Dec 2014 N'000	%
Total receipts	221,740		308,423	
Bought in materials - local	(116,601)		(217,678)	
<b>Value added</b>	<b>105,139</b>	<b>100</b>	<b>90,745</b>	<b>100</b>
<b>Distributions:</b>				
<b>To pay employees:</b>				
Salaries, wages and allowances	102,711	98	90,290	99
<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	2,245	2	3,986	4
- (Deficit)/Surplus for the year	182	-	(3,531)	(4)
	<b>105,139</b>	<b>100</b>	<b>90,745</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. 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**  
**FIVE-YEAR FINANCIAL SUMMARY**

	IFRS			NGAAP	
	31 Dec 2015 N'000	31 Dec 2014 N'000	31 Dec 2013 N'000	31 Dec 2012 N'000	1 Jan 2012 N'000
<b>Statement of comprehensive income</b>					
Surplus/(deficit) for the year before taxation	182	(3,531)	12,813	(115)	(150)
Taxation	-	-	-	-	-
Surplus for the year after taxation	<u>182</u>	<u>(3,531)</u>	<u>12,813</u>	<u>(115)</u>	<u>(150)</u>
Total comprehensive income for the year	<u><u>182</u></u>	<u><u>(3,531)</u></u>	<u><u>12,813</u></u>	<u><u>(115)</u></u>	<u><u>(150)</u></u>
<b>Statement of financial position</b>					
Property, plant and equipment	1,567	4,680	8,666	-	-
Total current assets	<u>103,247</u>	<u>62,840</u>	<u>65,214</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u><u>104,814</u></u>	<u><u>67,519</u></u>	<u><u>73,880</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Total liabilities	95,465	58,352	61,182	115	150
Accumulated funds	<u>9,349</u>	<u>9,167</u>	<u>12,698</u>	<u>(115)</u>	<u>(150)</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><u>104,814</u></u>	<u><u>67,519</u></u>	<u><u>73,880</u></u>	<u><u>-</u></u>	<u><u>-</u></u>