

**Oando Foundation** RC: 43172

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**ANNUAL REPORTS AND AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

OANDO FOUNDATION

REPORT OF THE TRUSTEES AND AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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CONTENTS	Pages
CORPORATE INFORMATION	3
REPORT OF THE TRUSTEES	4
STATEMENT OF TRUSTEES' RESPONSIBILITIES	9
INDEPENDENT AUDITORS' REPORT	10
STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME	13
STATEMENT OF FINANCIAL POSITION	14
STATEMENT OF CHANGES IN EQUITY	15
STATEMENT OF CASH FLOWS	16
NOTES TO THE FINANCIAL STATEMENTS	17
OTHER NATIONAL DISCLOSURES:	
STATEMENT OF VALUE ADDED	31
FIVE -YEAR FINANCIAL SUMMARY	32

## OANDO FOUNDATION

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 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 follows:

Name	Designation	Appointed
Ms. Tokunboh Durosaro	Trustee - Chairperson	4-Feb-11
Dr. Otivere Igbuzor	Trustee	28-Nov-12
Mr. Chude Jideonwo	Trustee	28-Nov-12
Dr. (Mrs) Nguyan Feese	Trustee	29-Jan-16
Mr. Johnson Akponojivi Ikube	Trustee	2-Sep-16

#### Members of the Foundation

- Board of Trustees
- Oando PLC
- Axxela Limited (formerly Oando Gas & Power Limited)
- Oando Energy Resources Limited
- Mr. Adewale Tinubu
- Mr. Omamofe Boyo
- Mr. Bolaji Osunsanya

**Registered Address:** 17a Ozumba Mbadiwe Avenue,  
Victoria Island,  
Lagos, Nigeria.

**Registration Number:** RC43172

**Auditor:** Ernst and Young  
10th & 13th Floors, UBA House,  
57 Marina  
Lagos, Nigeria.

**Legal Adviser/ Secretary:** Olajide Oyewole LLP  
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 2018

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#### 1. ANNUAL REPORT

The trustees present their annual report together with the audited financial statements for the year ended 31 December, 2018, 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 2018 N'000	31 Dec 2017 N'000
Income	988,705	697,231
Expenditure	(1,024,600)	(679,477)
(Deficit)/Surplus	<u>(35,895)</u>	<u>17,754</u>

#### 6. TRUSTEES' INTEREST IN CONTRACTS

Dr. (Mrs.) Nguyan Feese notified the Foundation of a contract with the Foundation during the year under review for the purpose of section 277 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004.

#### 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 Foundation.

#### 8. BUSINESS OVERVIEW

To support inclusive and equitable quality basic education in Nigeria, the Foundation directly targets hard to reach children between the ages of 5 -15 in public primary schools, Out of School Children (OOSC) including internally displaced persons, children with special needs, orphans, vulnerable children and girls in target communities. Our aim is to increase access to basic education, and improve quality of learning for these groups through the Adopt-A-School-Initiative (AASI).

Our target communities are selected following a review of varying research outputs and information sources, triangulated data along OOSC population, security risks, logistical accessibility, Girl Child Education ratio, and presence of development partners/thematic focus. Our selection process prioritizes areas with the most educational needs and relatively low security risk, to maximize impact and promote project continuity.



**REPORT OF THE TRUSTEES - Continued  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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Below is a summary of our achievements in 2018:

**(a) Scholarship:**

An annual scholarship award programme to top performing pupils from our adopted primary schools to transit to secondary education. For the period under review, 478 scholars were supported.

**(b) School Infrastructure Improvement:**

Through the course of the year, we:

- Constructed 2 blocks of 6 classrooms and 1 motorized borehole (kitted with power generating set and water storage facility) at LGEA Primary School, Bungba Gida, Mangu, Plateau;
- Construction of 3 units of child friendly toilets at Sabon Kaura Primary School, Bauchi
- Constructed 1 block of 3 classrooms and provision of Wash bay at Tafida Aminu Primary School, Sokoto;
- Constructed 1 block of 3 classrooms, 1 motorized borehole (kitted with power generating set and water storage facility), and provision of Wash bay at Shehu Malami Primary School, Sokoto;
- Constructed 1 block of 3 classrooms at Bayan Banki Primary School, Bauchi;
- Renovated 1 block of 3 classrooms at LGEA Ipata Primary School, Ipata, Kwara;
- Constructed 3 units of child friendly toilets, 1 motorized borehole (kitted with power generating set, water storage facility and wash bay) at Baptist Primary School Shendam, Plateau;
- Constructed 1 motorized borehole (kitted with power generating set and water storage facility) at:
  - o St Paul's Township Primary School, Jos North, Plateau
  - o LEA Pilot Science Primary School, Jos North, Plateau
  - o Galadima Primary School, Mulun Fashi, Katsina
  - o Radda Primary School, Radda, Katsina
  - o Gidado Primary School, Gidado, Katsina
  - o Model Primary School, Batagarawa, Katsina
  - o General Muhammad Buhari Model Primary School, Katsina
  - o Ibrahim Gusau Nizz. Islamiyat Model Primary School, Sokoto
  - o Salihu Anka Model Primary School Sokoto
  - o Imburu Primary School, Numan, Adamawa
  - o Nyibango Primary School, Yola, Adamawa
  - o Sabon Gari Primary School, Sangere, Adamawa
  - o Chanchaga Primary School, Minna, Niger
  - o Jauro Gbadi Primary School, Jalingo, Taraba
- Provided 600 units of twin desks for students and 24 units of teachers' desks in 6 Schools

**(c) ICT centres:**

Established solar-powered ICT Centers (fully equipped with furniture, solar powered inverters, computers, server, projectors, printers, ICT educational software and text books) in 15 adopted schools;

- o Chanchaga Primary School, Niger
- o Imburu Primary School, Adamawa
- o Sabon Gari Yolde pate primary school Yola, Adamawa
- o Transfer Baptist Science primary School Shendam, Plateau
- o LEA Science Pilot School, Jos, Plateau
- o Daurama Primary School, Katsina
- o Bayan Banki Primary School Alkali, Bauchi
- o Shehu Malami Model Primary School, Sokoto
- o Central Primary School Gamawa, Bauchi.
- o Central Primary School, Liman Katagum, Bauchi.
- o Baptist BLGEA Primary School Okuta, Kwara.
- o Maitunbi Primary School, Niger.
- o Our Lady of Fatima Primary School Jos, Plateau.
- o Mabera Magaji Model Primary School Sokoto.
- o Ibrahim Gusau N.I Model Primary School Sokoto

**REPORT OF THE TRUSTEES - Continued  
FOR THE YEAR ENDED 31 DECEMBER 2018**
**(d) Capacity building:**

Through the course of the year:

- 634 participants made up of 28 Head Teachers, 31 Assistant Head Teachers, 530 teachers, and 45 school support officers were trained in key subject competence and modern pedagogy skills;
- 65 State and Local Government Education Authority (LGEA) Officers trained on Education Management Information Systems (EMIS) to provide school improvement support;
- 363 SBMC members trained and 237 members were mentored to support effective school management and governance;
- Over 3,000 learning and instructional materials were distributed across 60 schools.

**(e) Special Projects:**

Other activities engaged in the year included:

- Scholarship award for 5 indigenous pupils of Ogun State to Nobelhouse College
- Scholarship grant to 4 university beneficiaries on the Ebola Education Trust Fund
- Donation of school supplies (books, school bags, stationery, raincoats) and furniture through the OandoGivesBack Campaign to Idi-Odo Primary School, Gbagada, Lagos, Ogo-Oluwa Primary School,
- Donation of exercise books, t-shirts, math sets and school bags towards the annual school interhouse sports competition of Archbishop Taylor Memorial Primary School, Victoria Island, Lagos, Idi-Odo Primary School, Gbagada, Lagos, Ogo-Oluwa Primary School, Gbagada, Lagos, and Temidire Primary School, Gbagada, Lagos
- Partnership with AMA Foundation to conduct eye examination and provision of corrective glasses to pupils and teachers of Olisa Primary and Inclusive Unit and Methodist Primary Schools, Papa Ajao, Lagos
- Partnership with Lafarge Africa on its 5th Annual National Literacy Competition

The table below shows a full list of partnerships and collaborations established/sustained by the Foundation in 2018:

<b>Educate A Child (EAC)</b>	Oando Foundation partners with EAC, a global initiative launched by Her Highness Sheikha Moza bint Nasser of Qatar. This joint partnership is aimed at reducing the number of out of school children (OOSC) in Nigeria by enrolling 60,000 OOSC across the Foundation's adopted schools over a 3-year period. The partnership is a matching fund grant.
<b>Sumitomo Chemical</b>	The Partnership is aimed at promoting ICT and STEM education by establishing solar powered ICT Centers in Oando adopted schools. 3 ICT Centers were established under this partnership in 2017, and 3 additional Centers were established in 2018
<b>North-East Regional Initiative (NERI)</b>	USAID-NERI was established to provide rehabilitation support to communities ravaged by the Boko Haram insurgency. OF established a strategic partnership with USAID-NERI to support access and quality of learning in rebuilt schools across supported communities in Adamawa state. Two schools rebuilt by NERI have been adopted by the Foundation in Dzungula and Muchalla communities. We are supporting OOSC mobilization and enrolment, teacher capacity building, training of LGEA and SBMC in Education Management Information Systems and school governance, provision of learning materials, and award of scholarships, among others.
<b>Universal Basic Education Commission (UBEC)</b>	Oando Foundation is partnering with UBEC to accelerate the organized private sector support towards basic education in Nigeria. In this role, we are championing strategic engagements between UBEC and the private sector through an established platform.
<b>DFID Education Sector Support Programme in Nigeria (ESSPIN)</b>	The Foundation is replicating the DFID-ESSPIN training model and manuals for the SBMC and LGEA programme components. We are also utilizing the services of consultants who worked with ESSPIN for training in adopted schools.



## OANDO FOUNDATION

### REPORT OF THE TRUSTEES - Continued FOR THE YEAR ENDED 31 DECEMBER 2018

<b>UKAID Teacher Development Programme (TDP)</b>	The Foundation partners with the DFID-TDP to replicate its training model for teacher development and capacity building in adopted schools. TDP provided technical support for the Foundation's WIC component. We also reproduce teacher guides and lesson plans developed by TDP for use in adopted schools. This is a technical partnership with zero funding implication. Utilizing these models allow us leverage existing capacity and knowledge thereby reducing project cost and ensuring sustainability.
<b>National Home Grown School Feeding (HGSF) Programme</b>	In 2016, the Federal Government announced its intention to commence the National Home Grown School Feeding Programme (HGSF) aimed at providing breakfast for children in primary school. Partnership for Child Development (PDC) – a key partner of the Federal government saddled with the responsibility of strengthening the evidence on the costs and benefits of the HGSF reached out to the Foundation on the need for collaboration in adopted schools. The outcome of this engagement informed the reconsideration of our school feeding approach to providing ancillary facilities (water, sanitation, and hygiene) in adopted schools, as support for the HGSF programme.
<b>USAID North East Initiative Plus (NEI Plus)</b>	The Foundation is partnering with USAID-NEI Plus to support the mainstreaming of OOSC (including internally Displaced Persons) from non-formal learning centers supported by the programme into adopted schools in Sokoto and Bauchi.
<b>World Bank-assisted Community and Social Development Project (CSDP)</b>	Our partnership with the Community and Social Development Project (CSDP) under the government's social protection agenda, is providing economic empowerment opportunities in overlapping states where our school communities are located.

#### 9. 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.

#### 10. AUDITORS

Ernst & Young 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 C20, Laws of the Federation of Nigeria 2004.

#### 11. 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.

#### 12. PROPERTY, PLANT AND EQUIPMENT

Information relating to changes in property, plant and equipment during the year is provided in Note 10 to the financial statements. In the opinion of the Trustees, the market value of the property, plant and equipment is not less than the carrying value.

#### 13. HEALTH, SAFETY AT WORK AND EMPLOYEE WELFARE

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.

OANDO FOUNDATION

REPORT OF THE TRUSTEES - Continued  
FOR THE YEAR ENDED 31 DECEMBER 2018

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14. 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 LLP  
Legal Advisers/Secretary

OLAJIDE OYEWOLE & CO.  
Secretaries to the Company

18 October 2019



## OANDO FOUNDATION

### STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2018

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The Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Foundation at the end of the year and of its profit or loss. The responsibilities include ensuring that the Foundation:

- a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Foundation and comply with the requirements of the International Financial Reporting Standards (IFRS), Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and the Financial Reporting Council of Nigeria Act, No 6, 2011;
- b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Trustees accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements 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.

The Trustees are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Foundation and of its deficit for the year ended 31 December 2018. The Trustees further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Trustees to indicate that the Foundation will not continue as a going concern for at least twelve months from the date of this statement.



**Tokunbo Durosaro**  
Chairperson



**Nguyan Feese**  
Trustee

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OANDO FOUNDATION**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Oando Foundation set out on pages 13 to 29 which comprise the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as at 31 December 2018, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the relevant provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and the Financial Reporting Council of Nigeria Act, No. 6, 2011.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of the Foundation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Information**

The Trustees are responsible for the other information. The other information comprises the Report of the Trustees, and Other National Disclosures as required by the Companies and Allied Matter Act, CAP C20 Laws of the Federation of Nigeria 2004. The Other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the Trustees for the Financial Statements**

The Trustees 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 Trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.



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

In preparing the financial statements, the Trustees are responsible for assessing the Foundations's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



**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 Foundation, in so far as it appears from our examination of those books; and
- iii) the statements of financial position and 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  
Lagos, Nigeria.



18 October 2019

**OANDO FOUNDATION**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	31 Dec 2018 N'000	31 Dec 2017 N'000
<b>Income</b>			
Receipts	3	988,331	648,312
Exchange Gain		<u>374</u>	<u>48,919</u>
		<u>988,705</u>	<u>697,231</u>
<b>Expenditures</b>			
Scholarship	4	(26,999)	(26,919)
Infrastructure	5	(651,635)	(383,166)
Capacity building	6	(109,287)	(87,922)
Donations	7	(6,492)	(10,079)
Administrative expenses	8	<u>(230,187)</u>	<u>(171,391)</u>
		<u>(1,024,600)</u>	<u>(679,477)</u>
(Deficit)/surplus before tax		(35,895)	17,754
Taxation	9	<u>-</u>	<u>-</u>
<b>(Deficit)/surplus for the year transferred to accumulated fund</b>	16	<u>(35,895)</u>	<u>17,754</u>
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive income</b>		<u>(35,895)</u>	<u>17,754</u>

The notes to the financial statements on pages 17 to 29 form an integral part of these audited financial statements.

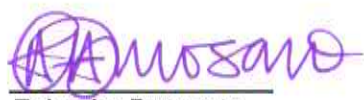
OANDO FOUNDATION

STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 DECEMBER 2018

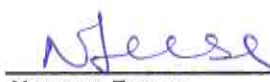
	Notes	31 Dec 2018 N'000	31 Dec 2017 N'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	1,589	2,086
<b>CURRENT ASSETS</b>			
Inventories	11	4,062	4,987
Other receivables	12	1,074	29,827
Prepayments	13	8,130	-
Cash and bank	14	91,309	124,899
<b>TOTAL CURRENT ASSETS</b>		<b>104,574</b>	<b>159,713</b>
<b>TOTAL ASSETS</b>		<b>106,163</b>	<b>161,799</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Accumulated fund	16	91,075	126,970
<b>CURRENT-LIABILITIES</b>			
Other payables	15	15,088	34,829
<b>TOTAL LIABILITIES</b>		<b>15,088</b>	<b>34,829</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>106,163</b>	<b>161,799</b>

The financial statements and notes on pages 17 to 29 were approved by the Board of Trustees on

18 October 2019 and signed on its behalf by:



Tokunbo Durosaro  
Trustee



Nguyen Feese  
Trustee



Adekanla Adegoke  
Head, Foundation



OANDO FOUNDATION

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018

	Accumulated Fund N'000	Total Equity N'000
Balance at 1 January 2018	126,970	126,970
Deficit for the year	<u>(35,895)</u>	<u>(35,895)</u>
<b>Balance at 31 December 2018</b>	<b><u>91,075</u></b>	<b><u>91,075</u></b>
Balance at 1 January 2017	109,216	109,216
Surplus for the year	<u>17,754</u>	<u>17,754</u>
<b>Balance at 31 December 2017</b>	<b><u>126,970</u></b>	<b><u>126,970</u></b>

See notes to the financial statements.

OANDO FOUNDATION

**STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	31 Dec 2018 N'000	31 Dec 2017 N'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Deficit)/surplus for the year before tax		(35,895)	17,754
Adjustment for non-cash items:			
Depreciation	10	907	686
Changes in working capital:			
Increase in prepayments	13	(8,130)	-
Decrease/(increase) in inventory	11	925	(1,009)
Decrease/(increase) in other receivables	12	28,754	(28,252)
Increase/(Decrease) in other payables	15	(19,740)	33,049
<b>Net cash flow from operating activities</b>		<b>(33,179)</b>	<b>22,228</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets	10	(410)	(1,655)
<b>Net cash flow from/(used in) investing activities</b>		<b>(410)</b>	<b>(1,655)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Net cash flow from/(used in) financing activities</b>		<b>-</b>	<b>-</b>
Net increase or net change in cash and cash equivalents		(33,589)	20,573
Cash and cash equivalents at beginning of the year		124,899	104,326
<b>Cash and cash equivalents at end of the year</b>	14	<b>91,310</b>	<b>124,899</b>

See notes to the financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**1 Corporate Information**

Oando 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. The Foundation aims at supporting the Nigerian Government to meet the Sustainable Development Goals, with the focus towards achieving and strengthening universal primary education.

**2 Basis of preparation**

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 Act, No 6, 2011.

The financial statements have been prepared on a historical cost basis, none of the assets or liabilities have been measured at fair value.

**Functional and presentation currency**

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

**Significant accounting judgement, estimates and assumptions**

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

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

**Judgements**

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

**Property, plant and equipment**

Judgments are utilised in determining the depreciation 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 described below:

- The Foundation based its assumptions and estimates on parameters available when the financial statements were prepared.
- Existing circumstances and assumption about future developments, however, may change due to market changes or circumstances arising beyond the control of the Foundation. Such changes are reflected in the assumptions when they occur.



**NOTES TO THE FINANCIAL STATEMENTS - Continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**Taxes**

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

**2.1 Changes in accounting policies and disclosures**

**a) New standards, interpretations and amendments to existing standards**

The following new standards and amendments became effective as of 1 January 2018:

**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. The Foundation adopted the new standard on the required effective date using full retrospective method.

**IFRS 9: Financial Instruments**

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Foundation applied IFRS 9 prospectively, with an initial application date of 1 January 2018. There was no impact on the Foundation's retained earnings at the date of initial application (i.e. 1 January 2018) and no reclassification adjustments resulting from the adoption of IFRS 9.

**b) New standards, amendments and interpretations issued but not yet effective for the financial year beginning 1 January 2018**

The standards and interpretations that are issued, but not yet effective for the financial year beginning 1 January 2018 are listed below. The Foundation intends to adopt these standards, interpretations and amendments, if applicable, when they become effective.

1. IFRS 16 – Leases – 1 January 2019
2. Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Effective date has been deferred indefinitely
3. IFRS 17 – Insurance Contracts – 1 January 2021
4. Amendments to IFRS 9: Prepayment Features with Negative Compensation
5. IFRIC Interpretation 23 Uncertainty over Income Tax Treatment
6. Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
7. Amendments to IAS 28: Long-term interests in associates and joint ventures
8. IFRS 3 Business Combinations
9. IFRS 11 Joint Arrangements
10. IAS 12 Income Taxes
11. IAS 23 Borrowing Costs
12. Definition of a Business – Amendments to IFRS 3
13. Definition of Material – Amendments to IAS 1 and IAS 8
14. The Conceptual Framework for Financial Reporting

The following 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.

**IFRS 16 Leases**

IFRS 16 Leases was issued in January 2016 to replace IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees: leases of 'low-value' assets (e.g., personal computers); and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15.

The Foundation plans to assess the potential effect of IFRS 16 on its financial statements.

**2.2 Summary of significant accounting policies**

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

**a) Foreign currency translation**

Transactions in foreign currencies are translated to the functional currency of The Foundation at the exchange rates ruling on 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).

**b) 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.

**c) 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.



**NOTES TO THE FINANCIAL STATEMENTS - Continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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The cost of replacing part of an item of property, plant and 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 or 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 Vehicle	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 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.

**d) 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.

**e) 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.



**NOTES TO THE FINANCIAL STATEMENTS - Continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**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 loans and receivables.

**Cash and cash equivalents**

Cash and cash equivalents includes 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 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 includes trade and other payables and amounts due to related parties.

**NOTES TO THE FINANCIAL STATEMENTS - Continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**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.

**f) 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.

**g) Taxes**

**Current income and Education taxes**

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

**h) 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 "deferred income".

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

**Forms of contribution to the Foundation**

The forms of contribution to the Foundation shall be:

a) Restricted contributions: A restricted contribution is a contribution that comes with a specific condition or restriction imposed by the donor. The organization must use a restricted contribution for the purpose specified by the donor. Restricted contributions are recognized as revenue only when the performance conditions are met. Restricted contributions received before the revenue recognition criteria are satisfied are recognized as a liability.

b) Endowment contributions: An endowment is a special type of restricted contribution. Typically, an endowment contribution specifies that resources contributed be maintained permanently by the Foundation. Interest earned by endowment contributions may usually be used by the organization either for a purpose specified by the donor or for general purposes.

c) Unrestricted contributions: Unrestricted contributions are donations that fit in neither the restricted nor the endowment categories. Unrestricted contributions are recognized as income in the period they are received.

d) Gifts-in-Kind: Gifts-in-kind is recognized at fair value in Naira when received.

e) Contributed services: Volunteers contribute their services to the organization each year. Due to the difficulty of determining the fair value, these contributed services are not recognized or disclosed in the financial statements.



**Interest income**

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

**i) Expenses****Interest expense**

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

**2.3****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 (2017: 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 - Continued FOR THE YEAR ENDED 31 DECEMBER 2018

3.	Receipts	31 Dec 2018 N'000	31 Dec 2017 N'000
	EAC Grant (Note 3.1)	153,344	152,078
	Donation from Axxela Limited (Note 3.2)	64,814	20,000
	Donation from Oando Trading Dubai (OTD) (Note 3.2)	-	39,525
	Donation from Oando Plc (Note 3.2)	154,036	51,756
	Donation from Oando SERVCO (Note 3.2)	157,831	115,229
	Gifts- in-kind from Oando Plc (Note 3.3)	-	65,528
	Sponsor a child donations (Note 3.4)	166	125
	Other Income (Note 3.5)	21,295	25,424
	SUBEB contribution (Note 3.6)	436,845	178,647
		<u>988,331</u>	<u>648,312</u>

### 3.1 EAC Grant

Donation from Education Above All Foundation to implement a three-year project to increase access to primary education for 60,000 Out Of School Children (OOSC) through the Foundation's Adopt-A-School Initiative.

### 3.2 Donation

Oando Plc and its subsidiaries donated funds totalling N311.9 million (2017 - N206.5 million) to the Foundation in support of its activities for the year. Axxela Limited (formerly Oando Gas and Power) donated N 64.8 million (2017 - N20 million).

### 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 of the top performing pupils from our adopted schools to ease their transition to secondary school.

### 3.5 Other income

This represents cash donations from Sumitomo chemical company N 18 million (2017 - N19.3 million) and other voluntary donations N 3.3 million (2017 - N3.5 million).

### 3.6 SUBEB contributions

This represents construction and renovation works by various State Universal Basic Education Boards (SUBEB).

4.	Scholarship	31 Dec 2018 N'000	31 Dec 2017 N'000
	Scholar fees	<u>26,999</u>	<u>26,919</u>

This represents the amount spent on 478 scholars (2017 - 486 scholars) under the Foundation's scholarship scheme.

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED 31 DECEMBER 2018

5	Infrastructure	31 Dec 2018 N'000	31 Dec 2017 N'000
	Renovation and repair works	553,203	338,881
	Information Communication Technology (ICT) centre	97,792	39,208
	Itori project	640	5,077
		<u>651,635</u>	<u>383,166</u>

Infrastructure represents cost of renovation of schools, ECCD centres, ICT centres and cost associated with embarking on such projects.

6	Capacity building	31 Dec 2018 N'000	31 Dec 2017 N'000
	Teacher training	53,701	30,187
	Teaching Learning Materials	11,402	11,510
	Local Government Education Authority (LGEA) training	8,942	13,836
	School Based Management Committee (SBMC) training	12,337	7,159
	Information Communication Technology (ICT) training	2,814	8,436
	Book drive	-	221
	Walk-In-Center (WIC) establishment	8,271	3,260
	Consultancy fees	4,001	1,509
	Advocacy and communication	1,305	835
	Monitoring and evaluation	4,133	220
	Travel and entertainment	2,381	10,749
		<u>109,287</u>	<u>87,922</u>

Capacity building represents cost of training teachers and head teachers of our adopted schools, building the capacity and equipping LGEA officials on data collection and Education Management Information System usage, strengthening the capacity of SBMC members to become effective at contributing to transformative education, support the enrolment of out-of-school-children with literacy and numeracy skills in a semi-formal establishment (WIC) and the monitoring and evaluation of our projects.

7	Donations	31 Dec 2018 N'000	31 Dec 2017 N'000
	Lafarge Africa National Literacy Competition	3,600	-
	Gbagada school playground	2,892	-
	Sponsorship of African Philanthropic forum	-	2,360
	Provision of furniture for Education Intervention Project in Borno State	-	6,000
	Computers donated to Ogun State Ministry of Education	-	-
	Corporate gifts to various individuals	-	1,319
	Ebola Education Support Trust Fund	-	400
		<u>6,492</u>	<u>10,079</u>

OANDO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED 31 DECEMBER 2018

8	Administrative expenses	31 Dec 2018 N'000	31 Dec 2017 N'000
	Bank charges	2,483	1,803
	Communication	5,536	6,640
	Depreciation (Note 10)	907	686
	Management fees (Note 8.2)	10,370	3,176
	Professional fees	22,412	5,938
	Staff costs (Note 8.1)	153,772	102,949
	Subscription	5,195	5,848
	Travel and entertainment	23,938	17,287
	Utilities and office consumables	355	1,370
	Audit of Implementing Partners	5,219	7,141
	Non-payroll staff	-	18,553
		<b>230,187</b>	<b>171,391</b>

8.1. Staff costs	31 Dec 2018 N'000	31 Dec 2017 N'000
Salaries and other allowances	137,526	91,780
Staff pension	16,246	11,169
	<b>153,772</b>	<b>102,949</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.



**NOTES TO THE FINANCIAL STATEMENTS - Continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**10 Property, plant and equipment**

	<b>Furniture &amp; fitting N'000</b>	<b>Computer Equipment N'000</b>	<b>Total N'000</b>
<b>Cost:</b>			
Balance at 1 January 2018	120	3,336	3,456
Additions	-	410	410
Asset written off	-	-	-
<b>Balance at 31 December 2018</b>	<b>120</b>	<b>3,746</b>	<b>3,866</b>
<b>Depreciation:</b>			
Balance at 1 January 2018	8	1,363	1,371
Charge for the year	30	877	907
<b>Balance at 31 December 2018</b>	<b>38</b>	<b>2,240</b>	<b>2,278</b>
<b>Net Book Value:</b>			
<b>At 31 December 2018</b>	<b>83</b>	<b>1,506</b>	<b>1,589</b>
At 31 December 2017	113	1,973	2,086

**11 Inventories**

**31 Dec 2018    31 Dec 2017**  
**N'000            N'000**

Teaching and learning materials (Note 11.1)	3,552	3,889
Computer equipment/IT (Note 11.2)	6	6
Corporate gift items	94	682
Bajaj motorcycle	410	410
	<b>4,062</b>	<b>4,987</b>

**11.1 Inventories**

Balance at 1 January	3,889	2,242
Books and other teaching aids	-	-
Books distributed to adopted schools	(337)	(671)
Additions to Teaching and Learning materials		2,318
Books and stationery written off	-	
<b>Balance at 31 December</b>	<b>3,552</b>	<b>3,889</b>

**11.2 Computer Equipment / IT**

Balance at 1 January	6	31
Desktop computers distributed to adopted schools	-	(25)
<b>Balance at 31 December</b>	<b>6</b>	<b>6</b>

OANDO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED 31 DECEMBER 2018

12	Other receivables	31 Dec 2018 N'000	31 Dec 2017 N'000
	Due from related parties	-	28,566
	Other receivables	1,074	1,261
		<u>1,074</u>	<u>29,827</u>

Other receivables relates to outstanding donations receivable from Oando plc and its subsidiaries and advance payments made as at the year end.

13	<b>Prepayment</b>		
	HMO	5,019	-
	Group life insurance	3,069	-
	Laptop insurance	42	-
		<u>8,130</u>	<u>-</u>

This relates to amounts paid for in advance of services being received in 2019.

14	<b>Cash and bank</b>		
	Cash at bank	<u>91,309</u>	<u>124,899</u>

15	<b>Other payables</b>		
	PAYE	46	7,016
	National housing fund	162	597
	Cooperative loan	-	762
	WHT payable	2,795	4,474
	VAT payable	-	128
	Accruals (Notes 15.1)	12,085	21,852
		<u>15,088</u>	<u>34,829</u>

**15.1 Accruals**

	At 1 January	21,852	1,780
	For the year	12,085	20,072
	Payment during the year	(21,852)	-
	At 31 December	<u>12,085</u>	<u>21,852</u>

Accruals relate to provisions made for services rendered to the Foundation. The accrual was based on the amount negotiated with the service providers.

16	<b>Accumulated fund</b>	31 Dec 2018 N'000	31 Dec 2017 N'000
	At 1 January	126,970	109,216
	(Deficit)/surplus for the year	(35,895)	17,754
	At 31 December	<u>91,075</u>	<u>126,970</u>

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED 31 DECEMBER 2018

### 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 N154 million (2017 - N117.2 million) in form of cash and gifts-in kind as follows:

	31 Dec 2018 N'000	31 Dec 2017 N'000
Cash donations	154,036	51,756
Gifts- in-kind	-	65,528
	<u>154,036</u>	<u>117,284</u>

- ii) Other related parties are as follows:

	31 Dec 2018 N'000	31 Dec 2017 N'000
Donations from:		
• Oando SERVCO	157,831	115,229
• Donation from Oando Trading Dubai (OTD) (Note 3.2)	-	39,525
• Axxela Limited (formerly Oando Gas and Power Ltd)	64,814	20,000

Servco and OTD are subsidiaries while Axxela Limited is an associate of Oando Plc.

- iii) Balances due from related parties are as follows:

	31 Dec 2018 N'000	31 Dec 2017 N'000
Oando Plc	-	1,575
Oando Energy Resources Inc.	-	26,991
	<u>-</u>	<u>28,566</u>

### 18 Information regarding Employees

	Number	Number
i) Average number of employees employed during the year	<u>6</u>	<u>5</u>
ii) The cost relating to the above staff includes:	31 Dec 2018 N'000	31 Dec 2017 N'000
Salaries and allowances	137,526	91,780
Pension contribution	16,246	11,169
	<u>153,772</u>	<u>102,949</u>

From the salary of N153.8 million paid during the year, management compensation in the form of employee salary paid to Head of Foundation as at 31 December 2018 was N56.7 million (2017 - N53.5 million).

### 19 Contingent Liabilities

The Foundation had no contingent liabilities as at 31 December 2018 (2017: Nil).

### 20 Capital Commitments

The Foundation had no capital commitments, authorised or contracted, as at 31 December 2018 (2017: Nil).

### 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 2018**

	<b>31 Dec 2018</b>		<b>31 Dec 2017</b>	
	<b>N'000</b>	<b>%</b>	<b>N'000</b>	<b>%</b>
Total receipts	988,331		648,312	
Bought in materials - local	(869,547)		(526,923)	
<b>Value added</b>	<b>118,784</b>	<b>100</b>	<b>121,389</b>	<b>100</b>
<b>Distributions:</b>				
<b>To pay employees:</b>				
Salaries, wages and allowances	153,772	129	102,949	85
<b>To pay Government:</b>				
Income tax	-	-	-	-
<b>To provide providers of capital:</b>				
Interest charges	-	-	-	-
<b>To provide for the maintenance of assets:</b>				
Depreciation	907	1	686	1
(Deficit)/Surplus for the year	(35,895)	(30)	17,754	15
	<b>118,784</b>	<b>100</b>	<b>121,389</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 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 C20 Laws of the Federation of Nigeria 2004.

OANDO FOUNDATION

FIVE-YEAR FINANCIAL SUMMARY

31 December	2018 N'000	2017 N'000	2016 N'000	2015 N'000	2014 N'000
<b>Statement of comprehensive income</b>					
(Deficit)/surplus for the year before taxation	(35,895)	17,754	99,867	182	(3,531)
Taxation	-	-	-	-	-
<b>Total comprehensive (loss)/income for the year</b>	<b>(35,895)</b>	<b>17,754</b>	<b>99,867</b>	<b>182</b>	<b>(3,531)</b>
<b>Statement of financial position</b>					
Property, plant and equipment	1,589	2,086	1,117	1,567	4,680
Total current assets	104,574	159,713	109,879	103,247	62,840
<b>Total assets</b>	<b>106,163</b>	<b>161,799</b>	<b>110,996</b>	<b>104,814</b>	<b>67,520</b>
Total liabilities	15,088	34,829	1,780	95,465	58,353
Accumulated funds	91,075	126,970	109,216	9,349	9,167
	<b>106,163</b>	<b>161,799</b>	<b>110,996</b>	<b>104,814</b>	<b>67,520</b>