



# Oando Foundation

...transforming lives through education

2013 - 2015  
Annual Report





**Oando Foundation**



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# Welcome to Oando Foundation

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## Introduction

In 2011, Oando Foundation was established by Oando PLC as an independent charity to champion sustainable development in Nigeria through improvement in the public education system. The Foundation is committed to improving access to quality basic education for children of school age in Nigeria.

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## Vision

To create a sustainable and successful educational system in Nigeria that educates and empowers children.

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## Mission

To improve the learning environment in primary schools by holistically operating world class basic education systems accessible in every community





## What we do

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Oando Foundation's Adopt-A School Initiative (AASI) is a public private partnership designed to improve the deplorable state of public primary schools in Nigeria. The Foundation is committed to improving access to quality education in Nigeria by creating world-class learning environments in public primary schools across the country through its signature project the Adopt-A-School Initiative (AASI); leveraging resources, best practices, and cross cutting solutions that have delivered similar results we aim to achieve.

The AASI adopts an integrated school improvement approach aimed at addressing critical supply and demand factors that affect learning, teaching, management, parental/community participation and responsiveness to children's needs.

It comprises Infrastructural Development (including Water and Sanitation), Teacher Capacity Development, Information and Communications Technology (ICT) Education, Early Childcare Development, Grants and scholarships, Strengthening institutional management of education, and other projects geared towards improving access to quality education and transforming the lives of children in communities across Nigeria.

# Trustees And Professional Advisors

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## Trustees:

**Mr. Odein Ajumogobia**  
(Board Chair: 2012 – 2015)

**Ms. Tokunboh Durosaro**  
(Director: 2011 – 2015; Ag. Board Chair: 2015)

**Dr. Otivere Igbuzor**  
(Trustee)

**Mr. Chude Jideonwo**  
(Trustee)

**Mrs Fatima WaliAbdurrahman**  
(Trustee)

**Mrs Folasade Adefisayo**  
(Trustee)

## Auditors:

**PriceWaterHouseCoopers**  
252E, Muri Okunola Street  
Victoria Island  
Lagos, Nigeria

## Company Secretary/Legal advisers:

**Olajide Oyewole LLP**  
Plot 5, Block 14 Bashorun Okusanya Avenue  
Off Admiralty Road  
Lekki Phase 1  
Lagos, Nigeria

## Bankers

**Guarantee Trust Bank**  
56A, Adeola Odeku Street  
Victoria Island  
Lagos, Nigeria



# Our Governance Structure

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## **Oando Foundation is:**

- Governed by a Board of Trustees that provide oversight role for effective delivery of its operations.
- Managed by a Director who is supported by a team of dedicated Foundation staff.
- Funded from 1% of Oando PLC's profit before tax. This funding is supplemented by income generated from grant seeking activities with International Donors, Development Partners and select Private Sector entities.
- Registered as a Charity in the United States with a 501(c)3 status and with the United Kingdom Charities Commission

## **Project/ Partner Selection Policy**

- For effective programme management of the Adopt A School Initiative (AASI), the Foundation adopts a cluster approach in the selection of its schools i.e. adopting more schools in the states it currently operates in. This has significantly reduced the cost of programme administration, monitoring and evaluation, but more importantly enhances an effective and robust impact assessment in the long term.
- Renovation and school maintenance are financially tasking interventions. For sustainability of interventions, the Foundation engages government agencies to assist in defraying costs of renovation thereby promoting local ownership. Memoranda of Understanding signed with the respective State Universal Basic Education Boards (SUBEBs) led to SUBEBs donation of furniture to some adopted schools. Experience has shown us that securing government commitment helps move the project forward and ensure sustainability.
- Engaging implementing partners also helps in the smooth execution of projects. Presently, local NGOs effectively implement and administer all components of the AASI programme across twenty-two (22) states and the FCT. NGOs were selected based on: years of experience, organizations/partners they have worked with and grants managed in the past. Their combined wealth of experience has contributed greatly to our programme delivery approach.
- To ensure community ownership, return on investment and sustainability of AASI projects, Oando Foundation adopts best procurement practices in selection of contractors through transparent open competitive bidding processes and a Community Based Renovation (CBR) Strategy. CBR involves working directly with the local community through the School Based Management Committees (SBMCs), SUBEBs, and Local Governments Education Authorities for school development.



# Chairman's statement



**H. Odein Ajumogobia SAN, OFR**  
Chairman



**In recognition of our contribution to the achievement of quality education in Nigerian primary schools, in 2015, Oando Foundation was recognized by the Lagos and Enugu State Governments with various awards**

Over the past few years, I have had the pleasure of seeing Oando Foundation raise the bar for itself and its stakeholders. Even as the external environment for nonprofit and philanthropic organizations in Nigeria remains particularly challenging, I have seen our organization show resilience, determination and demonstrate an infectious shared sense of purpose, as it has worked tirelessly and effectively to transform the lives of Nigerian children.

Access to quality primary school education remains a challenge for a majority of Nigerian children. The UNESCO Education for All 2013/14 Report reveals that up to a staggering 10.5million of the 60 million children out of school globally, are in Nigeria. This indeed is a call to action to impact and expand the Nigerian public primary education space, both in terms of access and quality.

Over the years, our interventions have taken place across a wide range of areas. Oando Foundation focused on school infrastructure upgrade, establishment of ICT centers; increase in the number of scholarships in addition to capacity building for members of school based management committees and teachers.

## **Our major accomplishments by 2015 include:**

- Adoption of additional schools bringing the total number of Oando adopted schools to 58 across 22 states and the FCT
- Renovation of school infrastructure at:
  - Olokun Primary School, Ilasamaja, Lagos
  - Zumuratul Islamiyyat Primary School, Akute, Ogun
  - Government Primary School, Etim Ekpo, Akwa-Ibom
  - Normadic Primary School, Nasarawa, Cross River
  - Central Primary School, Udobo, Gombe, Bauchi
- Upgrade of Early Childhood Care and Development (ECCD) Centers at:
  - Archbishop Taylor Primary School, Lagos; and
  - St Patrick's Primary School, Odukpani, Cross River
- Establishment of 3 Solar powered ICT Centres at:
  - Archbishop Taylor Primary School, Lagos
  - St. Patrick's Primary School, Odukpani, Cross River; and
  - St. Patrick's Primary School, Etinan, Akwa Ibom States
- Award of scholarships to 845 beneficiaries
- School Based Management Committees (SBMC) capacity building trainings conducted for over 300 community members in 15 adopted schools
- 507 Teachers from 23 adopted schools across 12 states trained
- Development and distribution of literacy and numeracy lesson plans for 1,004 Lagos State public primary schools in partnership with Lagos State Universal Basic Education Board and DFID-funded Education Sector Support Programme in Nigeria (ESSPIN)
- Donation of 5,000 personal protective equipment and fuel to the Ebola Containment Trust Fund
- Establishment of the Ebola Education Support Fund to finance the education of children who lost their parents to the Ebola Virus Disease
- Establishment of partnerships and collaboration with Microsoft

for ICT training, LEGO for early childhood resource materials, IL Bagno for upgrade of sanitation facilities, ESSPIN for SBMC training, Pearson/National Teachers Institute for teacher training and Protection Plus for the establishment of an ICT Centre.

In recognition of our contribution to the achievement of quality education in Nigerian primary schools, in 2015, 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 A

At Oando Foundation, our twin commitment is to get every child in school by understanding and

holistically addressing the multiple causes of exclusion and to ensure they learn with qualified teachers in healthy and safe environments. We realize that support from parents and community members is critical in sustaining progress made in the development of our adopted schools.

As I take a bow and relinquish leadership of the Board, I am proud of what Oando Foundation has achieved over the years and I am excited about the future. Oando Foundation’s sustainable investments in the education sector in Nigeria are having a real impact on the communities they serve. We have also demonstrated the power of collaboration through partnerships with public and private sector to achieve the common goal of quality basic education for all. Every child deserves quality education and the foundation is committed to achieving this.



# Director's Message

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**Ms. Tokunboh Durosaro**

(Director: 2011 – 2015; Ag. Board Chair: 2015)

To all Esteemed Oando Foundation Donors, Partners and Friends, we thank you immensely for your unwavering support and dedication to our cause over the years.

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

Through the Adopt-A-School Initiative (AASI), Oando Foundation supports the development of government-owned primary schools through the rehabilitation of school infrastructure, teacher training, upgrade of Early Childhood Care and Development Centers (ECCD), establishment of ICT/Creative centers, provision of scholarships and strengthening school governance through capacity building for School Based Management Committees (SBMC) and Local Government Education Authority (LGEA) members.

Primary education in particular is the level of education that develops in the individual the capacity to read, write and calculate. In other words, it helps to eradicate illiteracy, which is one of the strongest inroads to poverty. In the past year, Oando Foundation focused on implementing its



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**In a bid to promote ICT literacy and encourage innovation through the use of the internet, the foundation has completed 3 model solar powered ICT centers across Lagos, Akwa Ibom and Cross River States.**







strategic objectives and allocating its resources to increase access and provide quality education in Nigerian public primary schools. In line with the Foundation's expansion strategy, our number of adopted schools increased to 58 in 22 States and the FCT. Renovation work was also carried out at various primary schools.

Research has shown that the first 1000 days of a child's life are vital to his/her success as an adult. Oando Foundation has completed ultra- modern Early Childhood Care Development Centres in 2 adopted schools to assist pre-nursery aged pupils develop the cognitive abilities they need to learn. Capacity building training for Early Childhood Care Development Centre teachers and care givers was also held in conjunction with our training partners.

In a bid to promote ICT literacy and encourage innovation through the use of the internet, the foundation has completed 3 model solar powered ICT centers across Lagos, Akwa Ibom and Cross River States. at Archbishop Taylor Primary School, Lagos.

Oando Foundation worked closely with policymakers, government bodies and the communities to carry out numerous projects. OF partnered with the UK Department for International Development (DfID) Education Support Programme in Nigeria (ESSPIN) to conduct SBMC trainings for over 300 SBMC members from 16 adopted schools.

To further improve the quality of its core programmes, the foundation formed strategic alliances with key government institutions and Non-Governmental Organizations, International Development Organizations and Private Sector organisations. OF also developed a robust donor engagement strategy, which has led to more exposure about the work we do. It has also helped reduce programme costs and provided necessary technical expertise to grow our programs.

At Oando Foundation, our programmes are community centred and rely heavily on community buy-in. Sustainability is at the very core of our interventions and education remains the most potent tool in our quest to transform lives. Our accomplishments in the past years show us the great task that lies ahead in transforming Nigerian public schools to modern citadels of learning.

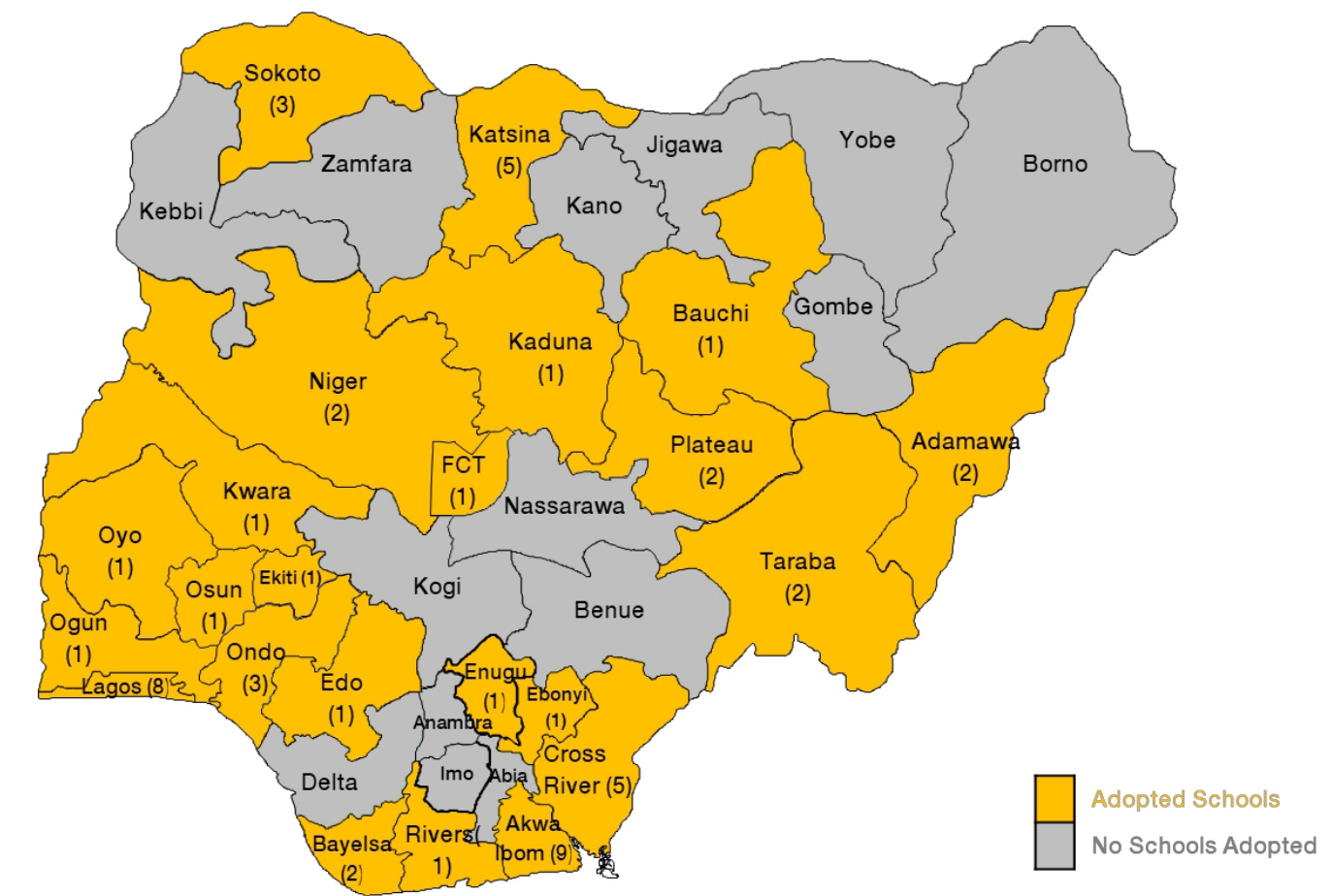
Oando Foundation is improving learning environments through a sustainable programme approach and making education for all a reality. We will continue to work with our stakeholders to carry out interventions across Nigeria and build on this solid foundation to raise achievements in the coming years.

Allow me to present to you the Oando Foundation Annual Report (2013 - 2015).



# Our Projects

Oando Foundation has adopted 58 schools across 22 states and the FCT.







Newly renovated Classroom blocks at Olisa Primary & Inclusive Unit School, Lagos State



Cross section of teachers trained by NTI/Pearson at Ilorin, Kwara State

## School Infrastructure Development

Poor learning environments and fast decaying infrastructure characterize public primary schools. In order to ensure we reach schools with the most pressing needs, we work with the State Universal Basic Education Board (SUBEB) giving consideration to school population, level of deterioration and community population.

Oando Foundation improves learning by supporting infrastructural development in public primary schools through renovation and construction of new structures, provision of sanitary facilities.

## Teacher training

We invest in capacity development programmes for teachers in all its adopted schools. With participatory methodology, Oando Foundation tasks its teachers to build their competencies in instructional methods, use of ICT and modern pedagogical practice.

Working in partnership with Pearson Nigeria and National Training Institute, OF deployed a holistic approach in the implementation of this programme in 2014. Over 500 teachers from 23 schools across 18 states were successfully trained in the Oando Teacher training programme.

## Upgrade of Early Childhood Care Development Centers

By facilitating the establishment and upgrade of Early Childhood Development Centers in all its adopted Schools, these centers assist pre-nursery aged pupils develop the cognitive abilities they need to learn. The pilot phase of the ECCD centres were completed in Lagos and Cross River States. These centers in our adopted schools target the 2-5 age group, as they are not typically catered for in public primary schools.

We ensure that teachers are supported to deepen their knowledge and practice changes due to training received. To better understand issues and capacity gaps in the delivery of ECCD in our adopted schools.



ECCD Centers at Archbishop Taylor Memorial Primary School, Lagos and St. Patrick's Primary School, Calabar.



# Our Projects continued

## Establishment of ICT/Creative Centers

The Foundation contributes to the implementation of ICT Curricula in its adopted schools, through the establishment of ICT/Creative Centers. Our ICT centres increase ICT literacy, enhance learning capabilities of pupils and teachers and encourage innovation through the use of the internet.

With the establishment of three ICT Centres in Lagos, Cross River and Akwa Ibom States, our ICT interventions have been cited as being responsible for 25% increase in enrolment in the identified schools.



ICT Centre at St Patrick's Primary School, Calabar



ICT Centre at Arch Bishop Taylor Primary School, Lagos

## Scholarships

Every year, scholarships are awarded to the best performing students in each of our adopted schools. The scholarship supports pupils' transition to secondary school, covers tuition (where applicable) and is renewable subject to continuous excellent academic performance. As at 2015, Oando Foundation had awarded scholarships to 845 beneficiaries.



Miss Joy Taiwo, Lagos State Beneficiary



Master Ezekiel Okon, Cross River State Beneficiary

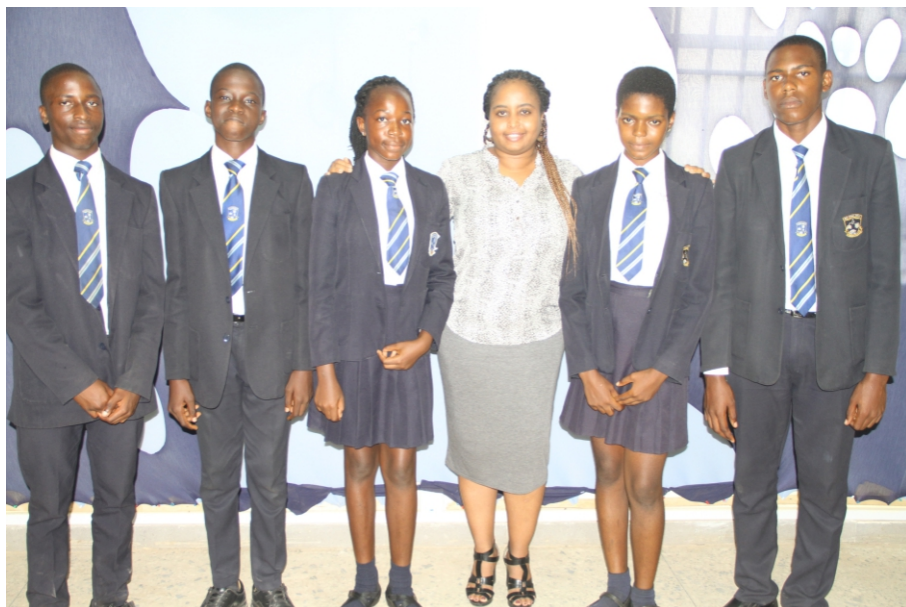
## Igniting Passion for Community Service through SBMC Capacity Building

In order to fulfill our commitment to strengthen the effectiveness of key partners vested with the mandate of school development; we partnered with The UK Department for International Development under its Education Sector Support in Nigeria (ESSPIN) programme in 2013 to provide resources and technical support for Teacher training and SBMC trainings in 10 schools in Lagos, Kaduna, Kwara and Enugu. Over 300 SBMC members benefitted from this training.

The training which was based on identified areas of need provided participants with relevant skills and competencies necessary to improve the quality of education at the community level, enhance access to education, and strengthen local systems of school governance.



Stakeholder engagement meetings in Ogun and Enugu States



Beneficiaries of Maiyegun Scholars Grant with a representative of Oando Foundation

## Special Projects

We support special projects that seek to address key societal issues in order to promote sustainable economic empowerment and poverty alleviation.

**Oando Foundation Ebola Education Support Fund:** On September 1, 2014, the Foundation launched the Ebola Education Support Fund in the wake of the deadly Ebola Virus Disease (EVD) in Nigeria. The Fund supports the education of Nigerian children who have lost their parents to the EVD and require financial assistance to stay in school until they graduate from University. The Education fund covers school fees and other education costs and was distributed to 6 beneficiaries for the 2014-2015 academic school year.

In addition to the Education Support Fund, Oando Foundation also supported the Ebola Containment Trust Fund to prevent further spread of the

disease by donating over 5,000 protective suits, gloves, protective glasses and boot covers to the Infectious Disease Hospital Yaba which is the Ebola treatment centre in Lagos State. The Foundation also donated fuel for use in ambulances and trucks for a three-month period to assist in the centre's operations.

**Maiyegun Scholars Grant** – Since the start of the 2013/2014 session, Oando Foundation has gifted an annual sponsorship donation of N5,000,000 (Five Million Naira), over a period of Six (6) years, for Five (5) scholars in Nobel House College formerly Maiyegun College, Abeokuta. Each grant covers the annual tuition fees and other extraneous costs, including uniforms, textbooks, exam fees (IGCSE), activities and excursions, extracurricular activities and school photographs.



## Our Projects continued



**Youth and Sport Development Grant:** Oando Foundation has supported youth from underprivileged background with excellent sporting prowess. A case in point is Mr. Mohammed Muazu, a brilliant golfer who has represented Nigeria in a lot of junior tournaments and done remarkably well.

Mohammed started playing golf at the age of 11 at the Ikoyi Golf Club that was close to his parent's house in Dodan Barracks. Prior to that, he used to watch professionals play the game and at first, he thought that it was such a dull game that requires hitting a small round ball with a "stick". Yet he found it fascinating. His mother didn't like him playing other popular sports like football with other children in the neighborhood when he should be helping in her business of selling drinks. Golf became his secret alternative as well as an avenue to sell soft drinks to the players at the Club. In 2006, he participated in the Amateur golf championship in South Africa, while in 2008 - 2010 he travelled to Ghana to participate in another golf tournament.

In 2014, Mohammed graduated with a Professional Golf Teaching Certificate from the Professional Golfers' Association (PGA), South Africa where Oando Foundation covered his tuition and living fees for the period of his studies. Mohammed is now an Assistant Golf Instructor at Lakowe Lakes Golf and Country Estate.

### Employee Volunteer Programme

Members of the Oando Plc Employee Volunteer Programme met regularly to carry out mentoring activities, support distribution of learning and educational materials.





# Special Events



## Advocacy

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. The Campaign spanned 23 states and captured responses from 2000 girls on the enablers and barriers to education in different states

## International Day of the African Child

To celebrate the International Day of the African Child, Oando Foundation invited 100 children from 7 of its adopted schools in Lagos to watch "The Story of Joseph", a play by BoatSeed Productions. The play was a family-oriented drama with a hilarious/African twist to the biblical story of Joseph. Most of the kids in our schools had never seen a live play before and this was a welcome opportunity to put a smile on their faces



## International Day of the Girl Child

OF celebrated the 'International Day of the Girl Child', a day which promotes girls' human rights, highlights gender inequalities that remain between girls and boys and addresses the various forms of discrimination and abuse suffered by girls around the world. 4 scholars on the Oando foundation scholar scheme were selected by The Public Affairs Section of the United States Consulate General, Lagos to participate and air their views at a conference titled "Celebrating the Girl Child"

## World Literacy Day

To commemorate the 2014 International Literacy Day, Oando Foundation organized a book drive aimed at promoting literacy and entrenching a reading culture among Nigerian children. In response to the Foundation's book Drive, First Veritas Education Delivery Limited donated books for primary 1 to 6 classes. Members of the Oando Employee Volunteer Program distributed received items across 3 adopted schools: Metropolitan Primary School, Iganmu, LEA Primary School, Rido, Kaduna and Anglican Primary School, Apapa.

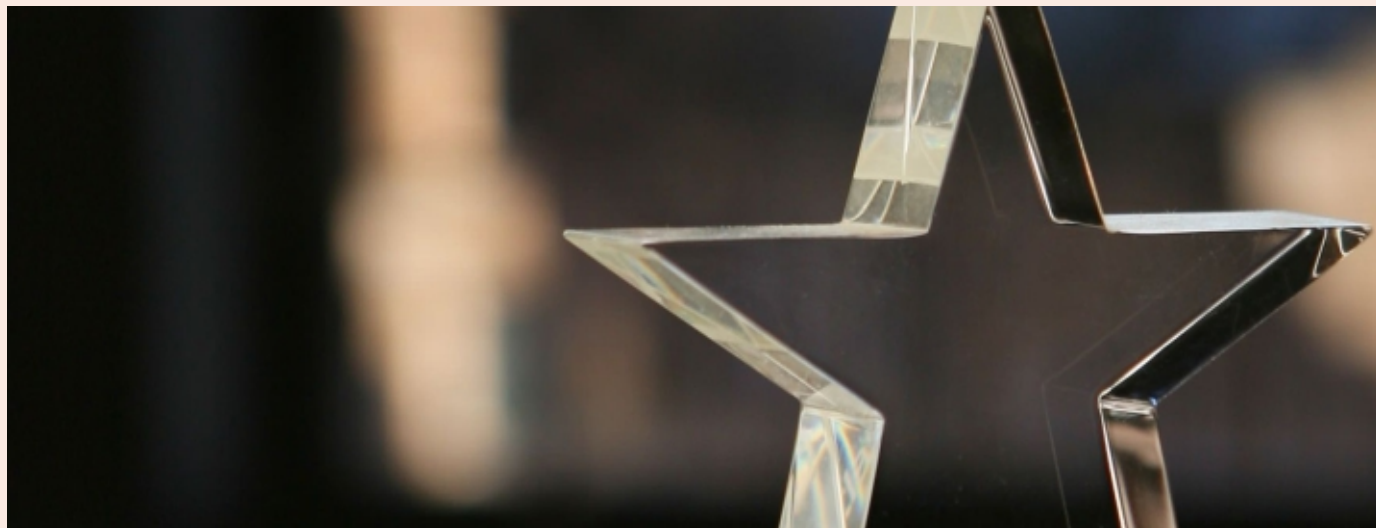


# Partners



1. LEGO: Arc Light (Official distributors of Lego in Nigeria), donated early learning range of resource materials for the Early Child Care Development (ECCD) classes in 5 of our adopted schools.
2. Computer Warehouse Nigeria Limited: Donated 3 DELL computers to support the Foundation's drive to improve ICT in public primary schools.
3. US Department of State Global Partnership Initiative: Oando Foundation partnered with the US Department of State Global Partnership Initiative, CoderDojo Ireland and the LIONS@FRICA to launch a new initiative called AfriCoderDojo to teach 21st century computer coding skills to students between 7-17 years old. The partnership is based on the global CoderDojo scheme, and relies on a volunteer network of implementers and mentors to teach youth the basics of coding. The pilot classes ran from March to July 2014 with 40 pupils remarkably improving their ICT literacy skills.
4. Whitney Young Information Resource Centre of the Lagos US Consulate organised capacity building workshops on conducting basic online research for ten (10) teachers of Oando Foundation adopted schools
5. ESSPIN in collaboration with UBEC partnered with the Foundation to distribute lesson plan to 1004 public primary schools in Lagos. ESSPIN also provided resources and technical support for teacher and SBMC training in Lagos, Kaduna, Kwara and Enugu State
6. Pearson Education Publishing Limited: As part of events to commemorate International Literacy Day on September 8, Pearson Education Publishing Limited, the world's leading learning company, today donated 4,000 books and learning aids to Oando Foundation. The Foundation was established to radically improve the quality of teachers and learning in Nigerian schools and communities by ensuring access to worldclass basic education systems.

# Awards



| YEAR | AWARD   |
|------|---|
| 2015 | <p>Enugu State Award for “Contributing to the improvement of the Primary School System”</p> <p>Lagos State Merit Awards for “Supporting the Primary Education Sector in Lagos State” Category A</p> |
| 2014 | <p>Nigeria CSR Award for “Best Company in Sustainability Design”</p> <p>Lagos State Merit Awards for “Supporting the Primary Education Sector in Lagos State”</p>                                   |
| 2013 | <p>Africa Oil and Gas CSR initiative award</p> <p>Lagos State Government, Support our schools’ initiative Merit Award</p>   |
| 2012 | <p>Lagos State Government, Support our schools’ initiative Merit Award</p>  |
| 2011 | <p>Lagos State Government, Support our schools’ initiative Merit Award</p>  |





# 2013

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

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# OANDO FOUNDATION

## TRUSTEES AND PROFESSIONAL ADVISORS

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### Board of Trustees

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

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

### Members:

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

### Auditors:

PricewaterhouseCoopers  
252E, Muri Okunola Street  
Victoria Island  
Lagos  
Nigeria

### Legal Advisers:

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

### Secretary:

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



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

## 1. ANNUAL REPORT

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

## 2. LEGAL FORM

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

## 3. PRINCIPAL ACTIVITIES

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

## 4. TRUSTEES' RESPONSIBILITY

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

## 5. RESULT FOR THE YEAR

|              | 2013      | 2012  |
|--------------|-----------|-------|
|              | N'000     | N'000 |
| Income       | 208,095   | 150   |
| Expenditures | (195,282) | (115) |

## 6. TRUSTEES' INTEREST IN CONTRACTS

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

## 7. AUDITORS

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

## 8. EMPLOYMENT OF DISABLED PERSONS

The Foundation has a policy of fair consideration of job applications by disabled persons having regards to their abilities and aptitude. The Foundation's policy

prohibits discrimination against disabled persons in the recruitment, training and career development of its employees.

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


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

## 10. EMPLOYEE TRAINING

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

By order of the board of trustees

Company Secretary/Legal Adviser

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

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

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

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

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

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

Our major accomplishments in 2013 include:

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

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

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



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Tokunbo Durosaro  
**Director**



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

### Report on the financial statements

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

### Directors' responsibilities for the financial statements

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

### Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


### Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of the foundation's financial affairs at 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

### Report on other legal and regulatory requirements

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) the foundation has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received;
- iii) the foundation's statements of financial position and comprehensive income are in agreement with the books of account.

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



10 December 2015



# OANDO FOUNDATION

## STATEMENT OF COMPREHENSIVE INCOME

### FOR THE YEAR ENDED 31 DECEMBER 2013

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

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


# OANDO FOUNDATION

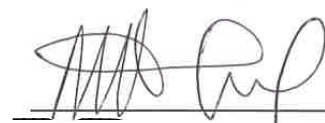
## STATEMENT OF FINANCIAL POSITION

### AS AT 31 DECEMBER 2013

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

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

  
Trustee

  
Trustee

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

# OANDO FOUNDATION

## STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 31 DECEMBER 2013

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



# OANDO FOUNDATION

## STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 DECEMBER 2013

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

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013

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#### 1. Corporate information

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

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

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

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

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

#### Functional and presentation currency

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

#### Significant accounting judgement, estimates and assumptions

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

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

Property, plant and equipment and Intangible assets

Judgments are utilized in determining the depreciation and amortization 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 summarized accounting policies.

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013

#### Estimates and assumptions

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

#### Taxes

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

## 2.2 Standards issued but not yet effective

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

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

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



# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013

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#### 2.3. Summary of significant accounting policies

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

##### 2.3.1 Foreign currency translation

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

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

##### 2.3.2 Intangible Assets

###### *Computer software*

Only individualized and clearly identified software is capitalized and amortized over a certain period depending on the Foundation's usage of the software.

##### 2.3.3 Property, Plant and Equipment

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

The cost of replacing part of an item of property or equipment is recognized 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 derecognized.

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.

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013

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#### **De-recognition**

Property plant and equipment are derecognized 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 recognized 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 recognized.

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 recognized 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 amortization or depreciation) had no impairment loss been recognized for the asset in prior years. Impairment losses and impairment reversals are recognized 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 recognizes 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 recognized initially at fair value plus directly attributable transaction costs, except for financial assets and liabilities classified as fair value through profit or loss.

#### **Financial Assets**

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

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

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

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

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

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

# **OANDO FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2013**

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#### **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**

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

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

##### **Trade payables**

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

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

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

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

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



# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013

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#### 2.3.7 Taxes

##### **Current income and Education taxes**

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

#### 2.3.8 Donations and Grants

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

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

##### **Forms of contribution to the Foundation**

The forms of contribution to the Foundation shall be:

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

##### **Interest income**

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

#### 2.3.9 Expenses

##### **Interest expense**

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

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

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

# **OANDO FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2013**

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

#### **Credit risk**

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

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

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

#### **Liquidity risk**

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

#### **Interest rate risk**

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

#### **Currency rate risk**

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

#### **Equity price risk**

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

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

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

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

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 2.5.1 Exemptions applied

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

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

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

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

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

|   | 31 December<br>2013<br>N'000 | 31 December<br>2012<br>N'000 |
|---|------------------------------|------------------------------|
| <b>4 Receipts</b>   |                              |                              |
| Donation from Oando Plc.(Note 4.1)  | 91,660                       | 150                          |
| Gifts- in-kind from Oando Plc.(Note 4.2)  | 112,103                      | -                            |
| Pearson Education limited (books and other teaching aids)   | 4,052                        | -                            |
| Computer warehouse group (desktop computers)  | 280                          | -                            |
|   | <u>208,095</u>               | <u>150</u>                   |
| <b>4.1 Donation</b>   |                              |                              |
| Oando Plc. donated funds totaling N91,660 million (2012; N150,000) to the Foundation in support of its activities for the year. |                              |                              |
| <b>4.2 Gifts-in-kind</b>  |                              |                              |
| This represents staff costs and other administrative expenses of the Foundation paid by Oando Plc.                              |                              |                              |
| <b>5 Scholarship</b>  |                              |                              |
| School fees (Note 5.1)  | 28,574                       | -                            |
| Management fees (Note 5.2)  | 10,742                       | -                            |
| Communication   | 13                           | -                            |
| Other expenses  | 4                            | -                            |
|   | <u>39,333</u>                | <u>-</u>                     |



# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013

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#### 5.1 School fees

This represents the amount spent on school fees for the 501 students under the Foundation's scholarship.

#### 5.2 Management fees

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

| 6. Infrastructure                                 | 31 December<br>2013<br>N'000 | 31 December<br>2012<br>N'000 |
|---|------------------------------|------------------------------|
| Renovation and repair works                       | 9,844                        | -                            |
| Early Childhood Care Development (ECCD) centre    | 12,832                       | -                            |
| Information Communication Technology (ICT) centre | 13,881                       | -                            |
| Travel and entertainment                          | 1,297                        | -                            |
| Communication                                     | 16                           | -                            |
| Other expenses                                    | 2                            | -                            |
|   | <u>37,872</u>                | <u>-</u>                     |
| 7. Capacity building                              |                              |                              |
| Communication                                     | 7                            | -                            |
| Travel and entertainment                          | 2,325                        | -                            |
| Stationery and other expenses                     | 45                           | -                            |
|   | <u>2,377</u>                 | <u>-</u>                     |
| 8. Donations                                      |                              |                              |
| Cost of various items donated to schools          | <u>3,170</u>                 | <u>-</u>                     |
| 9. Administrative expenses                        |                              |                              |
| <b>Gifts-in-kind</b>                              |                              |                              |
| Staff costs (Note 9.1)                            | 72,442                       | -                            |
| Utilities and office consumables                  | 1,056                        | -                            |
| Professional fees                                 | 27,260                       | -                            |
| Travel and entertainment                          | 8,689                        | -                            |
| Subscription                                      | 2,661                        | -                            |
|   | <u>112,108</u>               | <u>-</u>                     |
| <b>Others</b>                                     |                              |                              |
| Penalty for late tax filing                       | 90                           | 115                          |
| Depreciation                                      | <u>332</u>                   | <u>-</u>                     |
|   | <u>112,530</u>               | <u>115</u>                   |

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013

|                               | 31 December<br>2013<br>N'000 | 31 December<br>2012<br>N'000 |
|-------------------------------|------------------------------|------------------------------|
| <b>9.1 Staff costs</b>        |                              |                              |
| Salaries and other allowances | 66,331                       | -                            |
| Staff pension                 | 6,111                        | -                            |
|                               | <u>72,442</u>                | <u>-</u>                     |

## 10 Taxation

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

## 11 Property, plant and equipment

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

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013

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| <b>12. Inventory</b>                 | <b>31 December<br/>2013<br/>N'000</b> | <b>31 December<br/>2012<br/>N'000</b> |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Books and other teaching aids (12.1) | 3,962                                 | -                                     |
| Desktop computers (12.2)             | <u>280</u>                            | <u>-</u>                              |
| Balance at 31 December 2013          | <u><b>4,242</b></u>                   | <u><b>-</b></u>                       |

#### **12.1 Books and other teaching aids**

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

#### **12.2 Desktop computers**

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

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013

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



# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013

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#### 17. Related Party Disclosures

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

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

ii) Other related parties are as follows:

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

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

#### 18. Information Regarding Employees

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

#### 19. Contingent Liabilities

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

#### 20. Capital Commitments

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

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### THREE-YEAR FINANCIAL SUMMARY

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#### 21. Post Balance Sheet Events

##### i Programme Implementation

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

##### a. Teacher Training

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

##### b. ICT Centres

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

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

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

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

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

##### d. Scholarship

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

##### e. Renovation

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

##### ii Partnerships

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

# OANDO FOUNDATION

## STATEMENT OF VALUE ADDED

### FOR THE YEAR ENDED 31 DECEMBER 2013

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

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

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### THREE-YEAR FINANCIAL SUMMARY

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



The background of the page features a photograph of two young children, a boy and a girl, looking towards the camera. They are both wearing white t-shirts that have a large, colorful Oando logo on the front. The logo consists of concentric circles in shades of orange, red, and yellow, with a dark blue center. The word "Oando" is printed in a bold, dark blue font below the logo. The entire image is overlaid with a semi-transparent pinkish-red filter. The year "2014" is prominently displayed in the center of the image in a large, white, outlined font.

# 2014

# **OANDO FOUNDATION ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

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# OANDO FOUNDATION

## CORPORATE INFORMATION

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### Board of Trustees

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

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

### Members:

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

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

**Registration Number:** RC43172

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

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

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

# OANDO FOUNDATION

## REPORT OF THE TRUSTEES

### FOR THE YEAR ENDED 31 DECEMBER 2014

#### 1. ANNUAL REPORT

The trustees present their annual report together with the audited financial statements for the year ended 31 December 2014, which discloses the state of the affairs of the Foundation.

#### 2. LEGAL FORM

Oando Foundation (or "The Foundation") was incorporated in Nigeria on 4 February 2011 under the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004.

#### 3. PRINCIPAL ACTIVITIES

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

#### 4. TRUSTEES' RESPONSIBILITY

The management of the Foundation is vested in a Board of Trustees who is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria 2004.

#### 5. RESULT FOR THE YEAR

|                   | 31 Dec<br>2014<br>N'000 | 31 Dec<br>2013<br>N'000 |
|-------------------|-------------------------|-------------------------|
| Receipts          | 308,423                 | 208,095                 |
| Expenditures      | (311,954)               | (195,282)               |
| (Deficit)/Surplus | <u>(3,531)</u>          | <u>12,813</u>           |

#### 6. TRUSTEES' INTEREST IN CONTRACTS

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

#### 7. AUDITORS

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

#### 8. EMPLOYMENT OF DISABLED PERSONS

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


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

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

#### 10. EMPLOYEE TRAINING

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

By order of the board of trustees

  
**OLAJIDE OYEWOLE & CO.**  
 (Secretaries to the Company)  
 Company Secretary & Legal Adviser  
 Plot 5, Block 14 Eastern Okeja Avenue  
 Off Admiralty Road, Lekki Peninsula Scheme 1  
 Lagos 101007, Nigeria  
 26 September  
 2016



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

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

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

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

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

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

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

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

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

Tokunboh Durosaro

## Report on the financial statements

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

## Directors' responsibilities for the financial statements

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

## Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OANDO FOUNDATION (Cont'd)

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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.



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



26 September 2016

# OANDO FOUNDATION STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

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

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

on its behalf by:

PAmosano

Trustees

Trustees

Fin  
**Finance**

See notes to the financial statements



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

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

*See notes to the financial statements*

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

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

*See notes to the financial statements*

# OANDO FOUNDATION

## STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 DECEMBER 2014

|  | Note | 31 Dec 2014<br>N'000 | 31 Dec 2013<br>N'000 |
|--|------|----------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>          |      |                      |                      |
| (Deficit)/surplus for the year                       |      | (3,531)              | 12,813               |
| Adjustment for non-cash items:                       |      |                      |                      |
| Depreciation   | 11   | 3,986                | 332                  |
| Changes in assets and liabilities:                   |      |                      |                      |
| Decrease/(increase) in inventory                     |      | 1,594                | (4,242)              |
| Decrease/(increase) in receivables from Oando plc    |      | 5,092                | (60,972)             |
| (Decrease)/Increase in other payables                |      | (2,825)              | 61,062               |
| <b>Net cash flow from operating activities</b>       |      | <b>4,317</b>         | <b>8,993</b>         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>          |      |                      |                      |
| Purchase of fixed assets                             | 11   | -                    | (8,998)              |
| <b>Net cash flow from investing activities</b>       |      | <b>-</b>             | <b>(8,998)</b>       |
| Net increase/(decrease) in cash and cash equivalents |      | 4,317                | (5)                  |
| Cash and cash equivalents at beginning of the year   |      | (5)                  | -                    |
| <b>Cash and cash equivalents at end of the year</b>  | 13   | <b>4,312</b>         | <b>(5)</b>           |

*See notes to the financial statements*

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

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#### 1. Corporate information

Oando Foundation "the Foundation" was incorporated in Nigeria on 4 February 2011, under the Companies and Allied Matters Act. The Foundation aims at supporting the Nigerian Government to meet the Millennium Development Goals, with the focus towards achieving and strengthening universal primary education. Accordingly, the Foundation provides access to world-class education to pupils in adopted public primary schools in Nigeria.

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

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

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

#### Functional and presentation currency

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

#### Significant accounting judgement, estimates and assumptions

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

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

#### Judgements

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

#### Property, plant and equipment and Intangible assets

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

#### 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.



# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

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#### **Taxes**

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

#### **2.2 Standards issued but not yet effective**

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

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

#### **IFRS 9 Financial Instruments**

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

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

#### **IFRS 15 Revenue from Contracts with Customers**

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

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

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

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

#### **Amendments to IAS 1 Disclosure Initiative**

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

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

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- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

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

#### **2.3 Summary of significant accounting policies**

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

##### **2.3.1 Foreign currency translation**

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

Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair

Value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively.

##### **2.3.2 Intangible Assets**

###### **Computer software**

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

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

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

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

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

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

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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.

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.

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

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Included in this classification are personal loans given to employees. Loans and receivables are derecognised when extinguished. The Foundation deploys age analysis tools to track the payment pattern of loans and receivables.

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

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

#### **Impairment of financial assets**

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

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

#### **Derecognition of financial assets**

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

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

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

#### **Financial liabilities**

##### **Classification**

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

##### **Trade payables**

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

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

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

# **OANDO FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2014**

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

#### **Interest income**

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



# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

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#### 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 (2013: nil). The payable in the books are expected to be settled by grants received.

##### Market risk:

##### Interest rate risk

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

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

#### 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.

### 3. Reciepts

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

#### 3.1 Build a toilet donations

This represents donations to build toilets in primary schools.

#### 3.2 Donation

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

#### 3.3 Gifts-in-kind

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

#### 3.4 Sponsor a child donations

This represents donations from staff to sponsor primary school pupils.

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

#### 4. Scholarship

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

##### 4.1 Scholar fees

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

##### Other expenses

##### 4.2 This represents cost for scholar selection meetings.

#### 5. Infrastructure

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

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

#### 6. Capacity building

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

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

#### 7. Donations

|  | 31 Dec 2014   | 31 Dec 2013  |
|--|---------------|--------------|
|  | N'000         | N'000        |
| Books donated to various schools                               | 1,554         | -            |
| Corporate Gifts to various individuals                         | 1,319         | -            |
| Donation to Boatshed   | 150           | -            |
| Donation of a computer to Olisa Primary, Mushin                | 140           | -            |
| Donation to St Augustine University                            | 2,500         | -            |
| Fuel to Ebola emergency operation centre                       | 303           | -            |
| Inspire African girl's education dreams                        | 250           | -            |
| Lagos State Universal Basic Education Board 2014 Awards        | 1,500         | -            |
| Production of lesson plans for 1004 public schools             | 12,000        | -            |
| Protective Equipment for Ebola containment                     | 8,417         | -            |
| Sponsorship of BEAFRICA  | 250           | -            |
| Sponsorship of Nigeria CSR Awards                              | 1,000         | -            |
| Sponsorship of Nigerian Institute of Public relations Awards   | 350           | -            |
| Sponsorship of Uturn Africa forum                              | 1,153         | -            |
| Student tickets for play in commemoration of International day | 105           | -            |
| University education grant                                     | 500           | -            |
| Other donations to schools                                     | -             | 3,170        |
|  | <b>36,491</b> | <b>3,170</b> |

#### 8. Administrative Expenses

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

##### 8.1 Staff costs

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

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

#### 8.2 Management fees

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

#### 9 Taxation

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

#### 10. Property, plant and equipment

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

#### 11. Inventory

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

##### 11.1 Books and other teaching aids

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



# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

---

#### 11.2 Desktop computers

|  | 31 Dec 2014 | 31 Dec 2013 |
|--|-------------|-------------|
| Balance at 1 January                             | 280         | -           |
| Desktop computers from Computer Warehouse Group  | -           | 280         |
| Desktop computers distributed to adopted schools | (140)       | -           |
| Balance at 31 December                           | <u>140</u>  | <u>280</u>  |

#### 12. Receivable from Oando plc

|                          |               |               |
|--------------------------|---------------|---------------|
| Balance at 1 January     | 60,972        | -             |
| Additions                | 55,880        | 60,972        |
| Received during the year | (60,972)      | -             |
| Balance at 31 December   | <u>55,880</u> | <u>60,972</u> |

#### 13. Cash and cash equivalents

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

#### 14. Other payables

|   |               |               |
|---|---------------|---------------|
| Provision for late filing of annual returns | 205           | 205           |
| Accruals (Notes 14.1)                       | 58,147        | 60,972        |
|   | <u>58,352</u> | <u>61,177</u> |

#### 14.1 Accruals

|                          |               |               |
|--------------------------|---------------|---------------|
| At beginning of the year | 60,972        | -             |
| Additions                | 58,147        | 60,972        |
| Payment during the year  | (60,972)      | -             |
| At end of the year       | <u>58,147</u> | <u>60,972</u> |

#### 15. Accumulated fund

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

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

#### 16 Related Party Disclosures

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

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

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

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

- ii) Receipts from other related parties are as follows

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

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

#### 17 Information Regarding Employees

|   | Number        | Number        |
|---|---------------|---------------|
| i) Average number of employees employed during the year | <b>8</b>      | <b>5</b>      |
| ii) The cost relating to the above staff includes:      |               |               |
| Salaries and allowances                                 | 80,817        | 66,331        |
| Pension contribution                                    | 9,473         | 6,111         |
|   | <b>90,290</b> | <b>72,442</b> |

#### 18 Contingent Liabilities

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

#### 19 Capital Commitments

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

#### 20 Reclassification

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

## OTHER NATIONAL DISCLOSURES

# OANDO FOUNDATION

## STATEMENT OF VALUE ADDED

### FOR THE YEAR ENDED 31 DECEMBER 2014

|  | 31 Dec 2014<br>N'000 | %                 | 31 Dec 2013<br>N'000 | %                 |
|--|----------------------|-------------------|----------------------|-------------------|
| Total receipts                                   | 308,423              |                   | 208,095              |                   |
| Bought in materials - local                      | <u>(217,678)</u>     |                   | <u>(122,508)</u>     |                   |
| <b>Value added</b>                               | <b><u>90,746</u></b> | <b><u>100</u></b> | <b><u>85,587</u></b> | <b><u>100</u></b> |
| <b>Distributions:</b>                            |                      |                   |                      |                   |
| <b>To pay employees:</b>                         |                      |                   |                      |                   |
| Salaries, wages and allowances                   | 90,290               | 99                | 72,442               | 85                |
| <b>To pay Government:</b>                        |                      |                   |                      |                   |
| Income tax                                       | -                    | -                 | -                    | -                 |
| <b>To provide providers of capital:</b>          |                      |                   |                      |                   |
| Interest charges                                 | -                    | -                 | -                    | -                 |
| <b>To provide for the maintenance of assets:</b> |                      |                   |                      |                   |
| - Depreciation                                   | 3,986                | 4                 | 332                  | -                 |
| - (Deficit)/Surplus for the year                 | <u>(3,531)</u>       | <u>(4)</u>        | <u>12,813</u>        | <u>15</u>         |
|  | <b><u>90,746</u></b> | <b><u>100</u></b> | <b><u>85,587</u></b> | <b><u>100</u></b> |

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

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOUR-YEAR FINANCIAL SUMMARY

---

|  | 31 Dec 2014<br>N'000  | 31 Dec 2013<br>N'000 | 31 Dec 2012<br>N'000 | 31 Dec 2011<br>N'000 |
|--|-----------------------|----------------------|----------------------|----------------------|
| <b>Statement of comprehensive income</b>       |                       |                      |                      |                      |
| Surplus/(deficit) for the year before taxation | (3,531)               | 12,813               | (115)                | (150)                |
| Taxation                                       | -                     | -                    | -                    | -                    |
| Surplus for the year after taxation            | <u>(3,531)</u>        | <u>12,813</u>        | <u>(115)</u>         | <u>(150)</u>         |
| Total comprehensive income for the year        | <u><b>(3,531)</b></u> | <u><b>12,813</b></u> | <u><b>(115)</b></u>  | <u><b>(150)</b></u>  |
| <b>Statement of financial position</b>         |                       |                      |                      |                      |
| Property, plant and equipment                  | 4,680                 | 8,666                | -                    | -                    |
| Total current assets                           | <u>62,840</u>         | <u>65,214</u>        | <u>-</u>             | <u>-</u>             |
| <b>TOTAL ASSETS</b>                            | <u><b>67,519</b></u>  | <u><b>73,880</b></u> | <u></u>              | <u></u>              |
| Total liabilities                              | 58,352                | 61,182               | 115                  | 150                  |
| Accumulated funds                              | <u>9,167</u>          | <u>12,698</u>        | <u>(115)</u>         | <u>(150)</u>         |
| <b>TOTAL LIABILITIES AND EQUITY</b>            | <u><b>67,519</b></u>  | <u><b>73,880</b></u> | <u><b>-</b></u>      | <u><b>-</b></u>      |





A young girl with her hair in a bun, wearing a school uniform, is the background of the page. The year '2015' is written in large white outline font across her face. The '0' and '5' are partially cut off by the left and right edges of the page respectively. The '1' is a thin vertical line. The '2' and '4' are the left and right parts of the '0' and '5' respectively.

# 2015

# **OANDO FOUNDATION ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

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# OANDO FOUNDATION

## CORPORATE INFORMATION

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### Board of Trustees

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

| Name                     | Designation        | Nationality | Appointment Date | Resigned  |
|--------------------------|--------------------|-------------|------------------|-----------|
| Ms. Tokunboh Durosaro    | Director           | Nigerian    | 4-Feb-11         |           |
| Mr. Odein Ajumogobia     | Trustee – Chairman | Nigerian    | 28-Nov-12        | 09-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 Ajoye Adeogun Street,  
Victoria Island,  
Lagos, Nigeria.

**Registration Number:** RC43172

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

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

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

# OANDO FOUNDATION

## REPORT OF THE TRUSTEES

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 1. ANNUAL REPORT

The trustees present their annual report together with the audited financial statements for the year ended 31 December 2014, which discloses the state of the affairs of the Foundation.

#### 2. LEGAL FORM

Oando Foundation (or "The Foundation") was incorporated in Nigeria on 4 February 2011 under the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004.

#### 3. PRINCIPAL ACTIVITIES

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

#### 4. TRUSTEES' RESPONSIBILITY

The management of the Foundation is vested in a Board of Trustees who is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria 2004.

#### 5. RESULT FOR THE YEAR

|                   | 31 Dec<br>2015<br>N'000 | 31 Dec<br>2014<br>N'000 |
|-------------------|-------------------------|-------------------------|
| Receipts          | 221,740                 | 308,423                 |
| Expenditure       | (221,558)               | (311,954)               |
| Surplus/(Deficit) | 182                     | (3,531)                 |

#### 6. TRUSTEES' INTEREST IN CONTRACTS

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

#### 7. AUDITORS

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

#### 8. EMPLOYMENT OF DISABLED PERSONS

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


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

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

#### 10. EMPLOYEE TRAINING

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

By order of the board of trustees

  
**OLAJIDE OYEWOLE & CO.**  
 Secretaries to the Company  
 Company Secretary  
 10 October 2016



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

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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 A.

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***



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## 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OANDO FOUNDATION (Cont'd)

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## 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<br>N'000 | 31 Dec 2014<br>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    | <u>-</u>             | <u>-</u>              |
| <b>Surplus/(deficit) for the year transferred to accumulated fund</b> |      | <u><b>182</b></u>    | <u><b>(3,531)</b></u> |
| Other comprehensive income  |      | <u>-</u>             | <u>-</u>              |
| <b>Total comprehensive income</b>                                     |      | <u><b>182</b></u>    | <u><b>(3,531)</b></u> |

*See notes to the financial statements*

# OANDO FOUNDATION

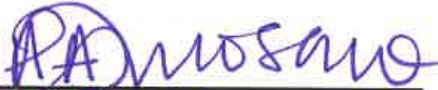
## STATEMENT OF FINANCIAL POSITION

### AS AT 31 DECEMBER 2015


|                                     |      | 31 Dec 2015           | 31 Dec 2014          |
|-------------------------------------|------|-----------------------|----------------------|
|                                     | Note | N'000                 | N'000                |
| <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 financial statement*



**OANDO FOUNDATION**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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

See notes to the financial statement

# OANDO FOUNDATION

## STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 DECEMBER 2015

|   |      | 31 Dec 2015    | 31 Dec 2014  |
|---|------|----------------|--------------|
|   | Note | N'000          | N'000        |
| <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>  | <b>-</b>     |
| Net increase in cash and cash equivalents                 |      | 75,116         | 4,317        |
| <b>Cash and cash equivalents at beginning of the year</b> |      | <b>4,312</b>   | <b>(5)</b>   |
| <b>Cash and cash equivalents at end of the year</b>       | 13   | <b>79,428</b>  | <b>4,312</b> |

*See notes to the financial statements*

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 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.

#### 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.

# **OANDO FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2015**

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#### **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.

#### **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 amortize 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

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2015

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

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

## **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).

### **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.

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2015

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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.

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.



# **OANDO FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2015**

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

##### **Impairment of financial assets**

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

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

# **OANDO FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2015**

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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 comprehensive income.

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

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

#### **2.3.7 Taxes**

##### **Current income and Education taxes**

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

#### **2.3.8 Donations and Grants**

Donations and grant income is recognised as revenue when received and all associated conditions have been met. Where grants have been given for a specific purpose, or with conditions attached, income is not recognised until agreed upon services and conditions have been satisfied.

Government grants relating to income are recognised as income over the periods necessary to match them with the related services when performed. Grants received for which the requirements and services have not been met is treated as "income in advance under current liabilities.

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

##### **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.

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2015

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- b) Endowment contributions: An endowment is a special type of restricted contribution. Typically, an endowment contribution specifies that resources contributed be maintained permanently by the Foundation. Interest earned by endowment contributions may usually be used by the organization either for a purpose specified by the donor or for general purposes.
- c) Unrestricted contributions: Unrestricted contributions are donations that fit in neither the restricted nor the endowment categories. Unrestricted contributions are recognized as income in the period they are received.
- d) Gifts-in-Kind: Gifts-in-kind is recognized at fair value in Naira when received.
- e) Contributed services: Volunteers contribute their services to the organization each year. Due to the difficulty of determining the fair value, these contributed services are not recognized or disclosed in the financial statements.

#### **Interest income**

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

#### **2.3.9 Expenses**

##### **Interest expense**

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

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

The Foundation deploys a number of financial instruments (financial assets and financial liabilities) in carrying out its activities. The key financial liabilities of the Foundation comprise bank 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.

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 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.

#### 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.

### 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            |
|   | <b>221,740</b> | <b>308,423</b> |

#### 3.1 Donation

Oando Plc. donated funds totaling 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).

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 3.2 Gifts-in-kind

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

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

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

#### **Sponsor a child donations**

- 3.4 This represents donations from staff to sponsor primary school pupils.

#### **Build a toilet donations**

- 3.5 This represents donations to build toilets in primary schools.

#### 4. Scholarship

|                           | 31 Dec 2015<br>N'000 | 31 Dec 2014<br>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                  |
|                           | <b>38,360</b>        | <b>34,621</b>        |

#### 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<br>N'000 | 31 Dec 2014<br>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                  |
|   | <b>10,884</b>        | <b>10,632</b>        |

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.

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 6. Capacity building

|                               | 31 Dec 2015<br>N'000 | 31 Dec 2014<br>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

|                                  | 31 Dec 2015<br>N'000 | 31 Dec 2014<br>N'000 |
|----------------------------------|----------------------|----------------------|
| <b>Gifts-in-kind</b>             |                      |                      |
| Assets written off (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

### FOR THE YEAR ENDED 31 DECEMBER 2013

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#### 10. Property, plant and equipment

|                             | Motor<br>Vehicles<br>N'000 | Computer<br>Equipment<br>N'000 | Total<br>N'000 |
|-----------------------------|----------------------------|--------------------------------|----------------|
| <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          |
| <b>At 31 December 2014</b>  | <b>4,375</b>               | <b>305</b>                     | <b>4,680</b>   |

#### 11. Inventory

|   | 31 Dec 2015<br>N'000 | 31 Dec 2014<br>N'000 |
|---|----------------------|----------------------|
| 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                  | -                    |
|   | <b>2,017</b>         | <b>2,648</b>         |

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013

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#### 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                  | <u>(1,529)</u>    | <u>-</u>            |
| Balance at 31 December                            | <u><b>105</b></u> | <u><b>2,508</b></u> |

#### 11.2 Computer Equipment/IT

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

#### 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               |
| Receivable for the year  | 21,802               | 55,880               |
| Received during the year | <u>(55,880)</u>      | <u>(60,972)</u>      |
| Balance at 31 December   | <u><b>21,802</b></u> | <u><b>55,880</b></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)     | <u>22,007</u>        | <u>58,148</u>        |
|                           | <u><b>22,007</b></u> | <u><b>58,353</b></u> |

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 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

|                                | 31 Dec 2015<br>N'000 | 31 Dec 2014<br>N'000 |
|--------------------------------|----------------------|----------------------|
| 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>         |

#### 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<br>N'000 | 31 Dec 2014<br>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<br>N'000 | 31 Dec 2014<br>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

# OANDO FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2015

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

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).

#### 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



## OTHER NATIONAL DISCLOSURES

### OANDO FOUNDATION STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2015

|  | 31 Dec 2015    |            | 31 Dec 2014   |            |
|--|----------------|------------|---------------|------------|
|  | N'000          | %          | 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<br>2015<br>N'000 | 31 Dec<br>2014<br>N'000 | 31 Dec<br>2013<br>N'000 | 31 Dec<br>2012<br>N'000 | 1 Jan<br>2012<br>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><b>182</b></u>       | <u><b>(3,531)</b></u>   | <u><b>12,813</b></u>    | <u><b>(115)</b></u>     | <u><b>(150)</b></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><b>104,814</b></u>   | <u><b>67,519</b></u>    | <u><b>73,880</b></u>    | <u><b>-</b></u>         | <u><b>-</b></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><b>104,814</b></u>   | <u><b>67,519</b></u>    | <u><b>73,880</b></u>    | <u><b>-</b></u>         | <u><b>-</b></u>        |





# Oando Foundation

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