

**FOUNDATION FOR PARTNERSHIP INITIATIVES
IN THE NIGER DELTA (PIND)**

ABRIDGED
**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2016**

**FOUNDATION FOR PARTNERSHIP INITIATIVES
IN THE NIGER DELTA (PIND)**

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**FOUNDATION FOR PARTNERSHIP INITIATIVES
IN THE NIGER DELTA (PIND)
CORPORATE INFORMATION**

Board of Trustees:	Jeff Ewing	- Chairman (wef 30/03/2017)
	Monday Ovuede	- Member
	Sam Ogbemi Daibo	- Member
	Professor Femi Ajibola	- Member
	Mina Ogbanga	- Member
	Jones Okoro	- Member
	Anire Celey-Okogun	- Member
	Dara Akala	-Executive (wef 30/03/2017)

Secretary Olatunji Idowu (wef 30/03/2017)

Registered office: 25 Jimmy Carter Street Asokoro,
Abuja.

Bankers: Standard Chartered Bank Limited
Guaranty Trust Bank Plc

Auditors: Baker Tilly Nigeria
(Chartered Accountants),
No 7 Gwandu Close, Off Badagry Street,
Off Jibia Street, Area 2, Garki,
Abuja, Nigeria.

FOUNDATION FOR PARTNERSHIP INITIATIVES
IN THE NIGER DELTA
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER, 2016

The trustees have pleasure in submitting their report together with the audited financial statements of the Foundation for the year ended 31 December, 2016.

Principal activity

PIND's (the Foundation) principal activities are to engage in activities which empower communities to achieve a peaceful and enabling environment for equitable economic growth in the Niger Delta. These activities include trainings, workshops, implementing agricultural pilot programs, providing sub-grants to local communities and initiating community development programs.

Legal status

Under the agreement between the Foundation and the Federal Republic of Nigeria dated 1st July 2010, the Foundation was incorporated as a non-governmental organisation. The government's monitoring agency is the National Planning Commission.

State of affairs

In the opinion of the trustees, the state of affairs of the Foundation is satisfactory and no events have occurred since the reporting date which would affect the financial statements as presented.

Results for the year:

	2016	2015
	₦'000	₦'000
Revenue	2,077,485	1,899,840
	=====	=====
Excess of revenue over expenses	698,343	295,736
	=====	=====

Property, Plant and Equipment

Information relating to changes in property, plant and equipment is shown in note 18 to the financial statements. In the opinion of the trustees, the market value of the Foundation's property, plant and equipment is not less than the carrying value shown in the financial statements.

Trustees

The names of the trustees who held office during the year are as follows;

Clay Neff	- Chairman
Monday Ovuede	- Member
Sam Ogbemi Daibo	- Executive Member (till 30/11/2016)
Professor Femi Ajibola	- Member

Mina Ogbanga	- Member
Jones Okoro	- Member
Anire Celey-Okogun	- Member

Members' interest in contracts

None of the trustees has notified the Foundation for the purpose of Section 277 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 of any direct or indirect interest in contracts with which the Foundation is involved as at 31 December 2016.

Employment of disabled persons

It is the policy of the Foundation that there will be no discrimination in considering applications for employment including those from disabled persons. All workers whether disabled or not are given equal opportunities to develop their experience and knowledge. As at 31 December 2016, no disabled person was employed by the Foundation.

Consultants' involvement and training

The Foundation is committed to keeping consultants fully informed as much as possible regarding the Foundation's performance and progress and in seeking their views whenever practicable on matters which particularly affect them as stakeholders.

Management, professional and technical expertise are the Foundation's major assets and investments in developing such skills are part of the Foundation's ideals. The Foundation's expanding skills base has extended the range of training provided and has broadened opportunities for career development within the Foundation.

Health, safety and welfare of consultants

Health and safety regulations are in force within the Foundation's premises and consultants are aware of existing regulations.

Events after reporting year

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

Format of financial statements

The financial statements of the Foundation for Partnership Initiatives in the Niger Delta have been prepared in accordance with the reporting and presentation requirements of the International Financial Reporting Standards as modified by SAS 32. The deferral method of preparation has been used.

Auditors

Baker Tilly Nigeria (Chartered Accountants) have expressed their willingness to continue as the Foundation's auditors in accordance with section 357(2) of the Companies Allied Matters Act, CAP C20.Laws of the Federation of Nigeria 2004.

BY ORDER OF THE BOARD

Olatunji Idowu
Secretary

Abuja
16 May, 2017

FOUNDATION FOR PARTNERSHIP INITIATIVES
IN THE NIGER DELTA
STATEMENT OF MANAGEMENT’S RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER, 2016.

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

- a) Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Foundation and comply with the requirements of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.
- b) Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c) Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The trustees accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards issued by the International Accounting Standards Board and the relevant provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004.

The trustees are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Foundation as at 31 December, 2016 and of its surplus for the year ended on that date. The trustees further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal control.

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

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Member

16 May, 2017

.....

Member



BAKERTILLY
NIGERIA

Chartered Accountants

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Off Jibia Street,

Area 2, Garki
Abuja

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REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF FOUNDATION

FOR PARTNERSHIP INITIATIVES IN THE NIGER DELTA

Report on the Audit of the Financial Statements

We have audited the financial statements of the Foundation, which comprise the statement of financial position as at December 31, 2016, the statement of operating activities, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Partnership Initiatives in the Niger Delta as at December 31, 2016, its financial performance and its cash flows for the year then ended in accordance with the provisions of the Companies and Allied Matters Act CAP C20 LFN 2004 and the Financial Reporting Council of Nigeria (FRCN) Act No.6 of 2011.

Basis of Opinion

We conducted our audit in accordance with the Nigerian Standards on Auditing (NSAs) issued by the Institute of Chartered Accountants of Nigeria (ICAN). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going Concern

The Foundation's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Management has not identified a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and accordingly none is disclosed in the financial statements.

Based on our audit of the financial statements, we also have not identified such a material uncertainty.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements which are in compliance with the requirements of both Financial Reporting Council of Nigeria Act, No. 6 of 2011 and the Companies and Allied Matters Act, Cap C20 LFN, 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with Nigerian Standards on Auditing (NSAs) issued by the Institute of Chartered Accountants of Nigeria. Those standards require that we comply with ethical requirements and plan and perform the 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. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Report on Other Legal and Regulatory Requirements

The Companies and Allied Matters Act, CAP C20 LFN, 2004 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) in our opinion, proper books of account have been kept by the Foundation; and
- iii) the Foundation's statement of financial position and statement of operating activities are in agreement with the books of account.



Solomon O. Adeleke
FRC/2013/ICAN/0000000765
for: Baker Tilly Nigeria
Chartered Accountants

Abuja, Nigeria
17 May, 2017

**FOUNDATION FOR PARTNERSHIP INITIATIVES
IN THE NIGER DELTA
STATEMENT OF OPERATING ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER, 2016**

Income:	Note	2016 ₦'000	2015 ₦'000
Revenue: Grants from NDPI and other sources	6	2,017,804	1,810,312
Other income	7	59,681	89,528
		-----	-----
		2,077,485	1,899,840
		-----	-----
Expenses:			
Consultancy	8	873,459	878,866
Legal, audit and other service fees	9	29,687	52,167
Travel, accommodation and meeting expenses	10	96,952	105,812
Technical assistance and monitoring cost	11	39,102	12,990
Publicity cost	12	32,424	22,812
Grant contribution and capacity building cost	13	77,010	160,633
Office and operational expenses	14	123,434	201,511
Depreciation	15	55,322	57,804
Finance expenses	16	922	1,384
Insurance	17	23,411	20,368
Training and other expenses		23,704	82,482
Net book value of assets written off		-	7,275
Research and analysis		<u>3,715</u>	-----
		1,379,142	1,604,104
		-----	-----
Total comprehensive income for the year		698,343	295,736
		=====	=====

The notes on pages 12 to 31 form an integral part of these financial statements

FOUNDATION FOR PARTNERSHIP INITIATIVES IN THE NIGER DELTA

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER, 2016

ASSETS AND LIABILITIES	Note	2016 ₦'000	2015 ₦'000
Non-current assets			
Property, plant and equipment	18	422,350	468,902
Long term prepayment	19a	44,845	99,165
		-----	-----
		467,195	568,067
		=====	=====
Current assets			
Receivables		8,677	15,630
Short-term prepayment	19b	70,919	80,722
Cash and cash equivalents	20	<u>1,266,950</u>	<u>421,468</u>
		1,346,546	517,820
		-----	-----
Total assets		<u>1,813,741</u>	<u>1,085,887</u>
		=====	=====
LIABILITIES:			
Current liabilities			
Accounts payables	21	52,773	35,612
Accruals	22	<u>54,401</u>	<u>42,051</u>
		107,174	77,663
		-----	-----
Total liabilities		107,174	77,663
		-----	-----
Net Assets			
Accumulated Fund	23	1,706,567	1,008,224
		-----	-----
Total accumulated fund and liabilities		<u>1,813,741</u>	<u>1,085,887</u>
		=====	=====

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Dara Akala
Executive Director
FRC/

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Ayodele Ogunsemowo
Financial Secretary
FRC/2016/ICAN/00000009398

The notes on pages 12 to 31 form an integral part of these financial statements

**FOUNDATION FOR PARTNERSHIP INITIATIVES IN THE NIGER DELTA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 DECEMBER 2016**

As at 31/12/2016

	Accumulated Fund ₦'000	Total ₦'000
01/01/2016	1,008,224	1,008,224
Excess of revenue over expenses	<u>698,343</u>	<u>698,343</u>
31/12/2016	1,706,567	1,706,567
	=====	=====

As at 31/12/2015

01/01/2015	712,488	712,488
Excess of revenue over expenses	<u>295,736</u>	<u>295,736</u>
31/12/2015	1,008,224	1,008,224
	=====	=====

**FOUNDATION FOR PARTNERSHIP INITIATIVES IN THE NIGER DELTA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 ₦'000	2015 ₦'000
Cash flow from operating activities			
Operating surplus before working capital changes	24	720,611	356,709
Changes in working capital	25	<u>100,587</u>	<u>24,618</u>
Net cash inflow from operating activities		821,198	381,327
		-----	-----
Cash flow from investing activities:			
Purchase of property, plant and equipment		(9,494)	(89,791)
Proceed from disposal of fixed assets		1,665	253
Interest received on deposit		<u>32,113</u>	<u>3,853</u>
Net cash inflow/ (outflow) from investing activities		24,284	(85,685)
		-----	-----
Net increase in cash and cash equivalents		845,482	295,642
Cash and cash equivalents at beginning of year		<u>421,468</u>	<u>125,826</u>
Cash and cash equivalents at end of year	20	1,266,950	421,468
		=====	=====

The notes on pages 12 to 31 form an integral part of these financial statements

FOUNDATION FOR PARTNERSHIP INITIATIVES IN THE NIGER DELTA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2016

1 Nature of operations

PIND's (the Foundation) principal activities are to engage in activities which empower communities to achieve a peaceful and enabling environment for equitable economic growth in the Niger Delta. These activities include trainings, workshops, implementing agricultural pilot programs, providing sub-grants to local communities and initiating community development programs.

2 General information and statement of compliance

The financial statements of the Foundation for the year ended 31 December 2016 have been prepared in accordance with International Financial Reporting Standards (IFRSs), except for the use of statement of activities in place of statement of profit or loss and other comprehensive income, statement of changes in net assets in place of statement of changes in equity in order to suit the IFRS terminologies for not-for-profit organisations.

The financial statements were authorised for issue by the Board of Trustee of PIND on

3 Basis of preparation

The financial statements have been prepared on historical cost basis.

The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

The deferral method of recognising contributions has been applied in preparation of the Foundation's financial statements as no separate funds are reported.

(a) Functional and presentation currency

These financial statements are presented in Nigeria Naira, which is the Foundation's functional currency

(b) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year.

Standards and interpretations issued but not yet effective.

Standard	Content	Effective year
IFRS 9	Financial Instruments	01-Jan-18

IFRS 9: Financial instrument – Classification and measurement

IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cashflow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates a qualitative mismatch. With the adoption of IFRS, the Foundation's financial assets, will now have two main categories i.e. fair value and amortized cost (as opposed to the four categories prescribed by IAS 39- fair value through profit & loss, loans & receivables, held to maturity and available for sale financial assets) but will potentially have no impact on classification and measurements of financial liabilities.

4. Summary of Accounting Policies

(a) Revenue

Revenue comprises grants received from NDPI and other sources.

Revenue is recognised when the amount of revenue can be measured reliably, and when the criteria for each of the entity's different activities have been met. Details of the activity- specific recognition criteria are described below.

(i) Grants from Niger Delta Partnership Initiative (NDPI) & Other Sources

The foundation's programs are supported by grants received from the Niger Delta Partnership Initiative (NDPI) based in the U.S. Grants are received when requests are made upon submission of the required documents. Revenue is therefore recognised as at the time of receipt

(ii) Interest income

Interest income is recognized as it accrues, using the effective interest method. The Foundation receives interest on its deposit.

(iii) Grants and Government grants

Donations or grants are sometimes received on the condition that specified services are delivered, or conditions are fulfilled. Revenue is recognised as services are performed or conditions are fulfilled and at year-end a liability is recognised for those amounts where conditions are not satisfied.

Revenue from non-reciprocal donations or grants that are not subject to conditions are recognised when the entity obtains control of the funds, economic benefits are probable and the amount of the donations or grants can be measured reliably.

Donations or grants can be received in monetary or non-monetary terms. Non-monetary grants or donations are recognised at fair value at the date of donation or grants.

The Foundation currently does not receive government grants

(b) Foreign currency transactions

Transactions in foreign currencies are converted into Naira at the rate applicable at the transaction date. At each reporting date, monetary assets and liabilities are translated at the closing rate and the resulting exchange differences are recognised as 'other income' (exchange gain) or 'other expenses (exchange loss)

(c) Operating expenses

Operating expenses are recognised in statement of activities upon utilisation of the service or at the date of their origin

(d) Income tax

The Foundation is exempted from all taxes due to its non-trading status according to the agreement between it and the Federal government of Nigeria.

(e) Property, Plant and Equipment

(i) Recognition and measurement

Property plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of donated items of property, plant and equipment is the fair value at the date of acquisition.

Self-constructed assets in the course of construction for operational and administrative purposes are carried at cost less any recognised impairment loss. Cost include, direct costs, appropriation of material and other overhead associated with the production of the assets, professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the foundation's accounting policy. Such properties are classified to the appropriate property, plant and equipment and depreciation commences when the assets are ready for their intended use.

Maintenance, repairs and renewals are generally charged to expense during the financial period in which they are incurred. The Foundation recognises its items of property, plant and equipment using historical cost value.

Losses or gains on disposal of assets are recognised in the statement of activities under gains and losses on disposal.

(ii) Subsequent cost

The cost of replacing part of an item of property, plant and 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 recognised in the statement of activities as incurred.

(iii) Depreciation

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction), less their residual value over their useful lives, using straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each period, with the effect of changes in estimate accounted for on a prospective basis. An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Freehold land is not depreciated. Depreciation on other assets is charged to the statement of activities on a straight-line basis to write down their cost or re-valued amounts to their residual values over their estimated useful lives as follows:

	%
Building	2
Motor Vehicles	25
Furniture and fittings	25
Office and communication equipment	25
Tools, machine and equipment	25

Where the cost of a part of an item of property, plant and equipment is significant when compared to the total cost, that part is depreciated separately based on the pattern which reflects how economic benefits are consumed.

Property, plant and equipment under construction are not depreciated until they are put to use.

(iv) De-recognition

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of activities in the year the asset is disposed of.

(v) Impairment

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up shall be included in the statement of activities when the compensation becomes receivable.

(vi) Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks, cash at hand and highly liquid financial assets with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value. The Foundation's ARM Investment on behalf of the Consultants qualifies as cash and cash equivalent because it is a money market instrument with maturity period within three months.