

**PARADIGM INITIATIVE FOR INFORMATION  
TECHNOLOGY DEVELOPMENT**

**STATEMENT OF AFFAIRS**

**FOR THE YEAR ENDED  
31<sup>ST</sup> DECEMBER, 2016**

# **PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT**

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## **PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT**

### **CORPORATE INFORMATION**

1. **COMPANY NAME:**  
PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT
  
2. **REGISTERED OFFICE**  
39, BAALE STREET  
AJEGUNLE  
LAGOS.
  
3. **DATE OF INCORPORATION:**  
December 16, 2008
  
4. **BOARD OF DIRECTORS**  
Prof Pat Utomi - Chairman  
Dr. Seyi Adebayo Olubi  
Nick Jekogian  
'Gbenga Sesan - Executive Director
  
4. **COMPANY SECRETARY/LEGAL ADVISER**
  
5. **BANKERS**  
DIAMOND BANK PLC  
GUARANTY TRUST BANK PLC
  
6. **AUDITORS**  
DEBAYO AJAYI & CO  
(Chartered Accountants)  
24, Oshindehin Street,  
Off Akilo Road,  
Ikeja – Lagos.



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## Paradigm Initiative for Information Technology Development Year Ended 31 December 2016

### DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 2016.

#### *Principal activities*

Paradigm Initiative for Information Technology Development (the Company) is a company incorporated in Nigeria and has its registered office at 39 Baale Street, Ajegunle, Lagos; principal place of business at 385 Herbert Macaulay Way, Yaba, Lagos; and operational offices at 215 Adetokunbo Ademola Crescent, Wuse II, Abuja; 17B Ngwa Road, Aba; and 547 Warhu Hospital Road, Dakata Kawaji, Kano.

The principal activities of the Company, registered under the Nigeria Companies and Allied Matters Decree as an Incorporated Trustee, is to connect under-served Nigerian youth with Information and Communication Technology (ICT) enabled opportunities in order to improve their lives and that of their families.

#### *Results and appropriations*

The state of the Company's affairs for the year ended 31 December 2016 is set out in the Company's financial statements on pages 6 to 12.

#### *Fixed assets*

Details of the tangible fixed assets of the Company are set out in note 2 to the financial statements.

#### *Directors*

The directors of the Company during the year and up to the date of this report were:

Prof Pat Utomi (Chairman)

Dr. Seyi Adebayo-Olubi

Nick Jekogian

'Gbenga Sesan (Executive Director)

info@pinigeria.org

@pinigeria /pinigeria

bit.ly/pinilinkedIn /pinigeria

@pinigeria1

**LAGOS:** 2<sup>nd</sup> Floor 385 Herbert Macaulay Way,  
Yaba, Lagos.

+234 1 342 62 45

2<sup>nd</sup> Floor, 39 Baale Street, Ajegunle, Lagos

+234 1 291 39 26

**ABA:** 3<sup>rd</sup> Floor, 17B Ngwa Road, Aba

+234 82 291 047

**ABUJA:** 2<sup>nd</sup> Floor (Rock & Rule Suite),  
Discovery Mall, 215 Ademola Adetokunbo  
Crescent, Wuse II, Abuja.

+234 9 291 63 01

**KANO:** 547 Warhu Hospital Road

Dakata Kawaji, Kano.

+234 64 453 430



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In order to improve the governance structure of the Company and deepen board involvement, existing directors will be invited to continue in office for the following year while additional members will be invited to join the board.

The Company did not enter into any contract, other than the contracts of service with the directors or any person engaged in the full-time employment of the Company, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any business of the Company.

#### ***Directors' interests in contracts of significance***

No contract of significance to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

#### ***Events after the reporting date***

No significant event, which would affect the state of affairs presented, occurred after the reporting date.

#### ***Auditor***

A resolution will be submitted after the annual board meeting to re-appoint Debayo Ajayi & Co (Chartered Accountants) or name a new auditor of the Company.

On behalf of the Board;

**Prof. Pat Utomi**  
*Chairman*

March 31, 2017

**'Gbenga Sesan**  
*Executive Director*

March 31, 2017

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# DEBAYO AJAYI & CO.

(CHARTERED ACCOUNTANTS)

## REPORT OF THE AUDITORS TO THE MEMBERS OF PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT FOR THE YEAR ENDED 31ST DECEMBER, 2016

We have audited the Statement of Affairs of **PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT** on pages 7 -12 in respect of the Company's activities for the year ended December 31, 2016, which have been prepared under the historical cost convention and on the basis of the significant accounting policies set out on page 6.

The Company's Directors are responsible for the preparation of the Statement of Affairs. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

We conducted our audit in accordance with generally accepted auditing standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Statement of Affairs. It also includes an assessment of the significant accounting estimates and judgments by the Directors in the preparation of the Statement of Affairs, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide sufficient evidence to give reasonable assurance that the Statement of Affairs are free from material misstatement. In forming our opinion, we also evaluated the overall adequacy of the information presented in the Statement of Affairs.

In our opinion, the Statement of Affairs gives a true and fair view of the state of the affairs of the Company at December 31, 2016 and have been properly prepared in accordance with the Companies Allied Matters Act, 1990.

*Debayo Ajayi*

**DEBAYO AJAYI & CO**  
(CHARTERED ACCOUNTANTS)

LAGOS, NIGERIA

Dated this *31st March* ..... 2017



**PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT**

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**(a) Basis of Accounting**

The accounts have been prepared under the historical cost convention.

**(b) Depreciation of Fixed Assets**

Depreciation of tangible assets is calculated to write off the cost on a straight – line basis over the expected useful lives of the assets concerned. The annual rates used for various classes of tangible fixed assets are as follows:

<u>Description</u>	<u>%</u>
Furniture, Fittings and Fixtures	12½
Motor Vehicles	25
Improvements to leasehold	20

**(c) Exchange Rates**

Transactions in foreign currencies were translated to naira at the rate ruling at the date of transaction while balances were translated at the rate ruling at the balance sheet date.

**PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT**

**STATEMENT OF AFFAIRS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	NOTE	2016 N	2015
<b>FIXED ASSETS</b>			
Tangible Assets	2	24,770,581	24,944,321
<b>CURRENT ASSETS</b>			
Cash in Hand and at Bank	3	2,587,881	21,616,769
Debtors / Prepayments	4	<u>2,584,344</u>	<u>3,449,239</u>
		<b>5,172,225</b>	<b>25,066,008</b>
<b>CURRENT LIABILITIES</b>			
Creditors & Accruals	5	<u>( 1,427,298)</u>	<u>( 120,000)</u>
NET CURRENT ASSETS		<u>3,744,927</u>	<u>24,946,008</u>
<b>TOTAL ASSETS</b>		<b><u>28,515,508</u></b>	<b><u>49,890,329</u></b>
<b>FINANCED BY:</b>			
Accumulated Fund	6	<b><u>28,515,508</u></b>	<b><u>49,890,329</u></b>

  
 ..... )  

  
 ..... ) Directors  
 ..... )

See notes to the financial statements on pages 11 to 13



**PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT**

**INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 31ST DECEMBER, 2016**

	<i>NOTE</i>	<b>2016</b> <b>N</b>	<b>2015</b> <b>N</b>
<b>INCOME</b>			
Grants	7	-	15,314,468
Consulting	8	31,931,812	26,969,134
Donations	9	9,788,770	4,990,000
Income from L.I.F.E.		762,590	727,650
Other income		1,171,851	219,500
Exchange difference	10	<u>21,241,076</u>	<u>8,101,166</u>
		<b><u>64,896,099</u></b>	<b><u>56,321,918</u></b>
<b>PROGRAM COSTS</b>			
Google		-	8,738,960
NGO Connection Day		2,432,600	865,200
Social Media Consulting (CTFK)		-	4,353,168
Internews		1,437,174	1,455,112
Techie Entrepreneurial Nigeria Talented		501,752	6,901,530
Digital Jobs Project		406,940	4,560,004
Digital Rights & Freedom Bill		2,254,266	-
Cybercrime Bill Advocacy		-	1,050,024
World Wide Foundation		-	138,000
Hackathon Office of the Citizen		-	73,400
IPT		3,227,338	-
Internet Freedom Forum		<u>9,527,394</u>	<u>-</u>
		<b><u>19,787,464</u></b>	<b><u>28,135,398</u></b>

**PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT**

**INCOME AND EXPENDITURE CONTD**

**FOR THE YEAR ENDED 31ST DECEMBER, 2016**

	<b>2016</b>	<b>2015</b>
	<b>N</b>	<b>N</b>
<b>EXPENDITURE: OPERATIONS</b>		
Salaries & Wages	28,478,285	24,496,568
Repairs & Maintenance	2,762,210	1,308,000
Office Stationeries	126,100	465,225
Rent	4,237,755	6,645,750
Courier Service/Bulk SMS	271,792	391,480
Depreciation	8,084,345	6,883,875
Bank Charges	357,390	229,705
Professional Services	237,000	310,000
Office cleaning	28,970	-
Transportation	7,086,890	6,026,517
Entertainment	459,960	180,500
Internet Service	718,700	802,077
Town hall meeting	393,580	267,880
Telephone expenses	552,500	546,800
Office supply	1,197,290	971,750
Electricity	209,173	190,215
Advertising	202,500	268,000
Motor vehicle running expenses	1,582,411	1,487,950
Fuel & lubricants	3,467,600	2,336,800
Staff retreat	2,229,261	3,141,696
Staff training & development	1,914,336	694,550
Medical expenses	450,000	100,000
Security expenses	47,900	66,000
Loss on disposal of assets	548,429	-
General expenses	<u>839,260</u>	<u>1,398,313</u>
	<b><u>66,483,457</u></b>	<b><u>59,209,652</u></b>
<b>Total Expenditure</b>	<b><u>86,270,920</u></b>	<b><u>87,345,049</u></b>
Deficit of Income over Expenditure	<b><u>(21,374,821)</u></b>	<b><u>(31,023,133)</u></b>

**PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT**

**STATEMENT OF CASHFLOW**

**FOR THE YEAR ENDED 31ST DECEMBER, 2016**

	<b>2016</b>	<b>2015</b>
	<b>N</b>	<b>N</b>
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>		
(Deficit)/excess of income over expenditures	(21,374,821)	(31,023,133)
<b>Adjustment for items not involving movement of cash:</b>		
Loss on disposal of assets	( 548,429)	-
Depreciation	<u>8,084,345</u>	<u>6,883,875</u>
<b>Operating surplus b4 working capital changes</b>	(13,838,905)	(24,139,258)
<b>Changes in working capital:</b>		
Increase in debtors and prepayments	864,895	1,161,011
Increase in creditors	<u>307,298</u>	<u>-</u>
	(12,666,712)	(22,978,247)
<b>Cashflow from financing activities:</b>		
Advance from Director	1,000,000	-
<b>Cashflow from investing activities:</b>		
Purchase of fixed assets	(9,177,229)	(8,857,824)
Disposal of fixed assets	<u>1,815,054</u>	<u>-</u>
<b>Decrease in cash and cash equivalents</b>	(19,028,887)	(31,836,070)
Cash and cash equivalents at beginning of the year	<u>21,616,769</u>	<u>53,452,839</u>
Cash and cash equivalents at end of the year	<u><b>2,587,881</b></u>	<u><b>21,616,769</b></u>

**PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT**

**NOTES TO THE ACCOUNTS  
AS AT 31ST DECEMBER, 2016**

**1. CORPORATE STRUCTURE AND BUSINESS**

The organisation was incorporated on December 16, 2008 as a non-profit social enterprise, an incorporated trusteeship under the Companies and Allied Matters Act 1990.

**2. TANGIBLE FIXED ASSETS**

<b><u>COST</u></b>	<b>FURNITURE &amp; EQUIPMENT N</b>	<b>IMPROVEMENT TO LEASEHOLD N</b>	<b>MOTOR VEHICLE</b>	<b>TOTAL</b>
As at 1/1/2016	10,532,386	25,011,635	2,260,000	37,804,021
Additions during the year	5,694,675	3,482,554	-	9,177,229
Disposals during the year	(1,663,000)	-	-	(1,663,000)
As at 31/12/2016	<u>14,564,061</u>	<u>28,494,189</u>	<u>2,260,000</u>	<u>45,318,250</u>

**DEPRECIATION**

As at 1/1/2016	4,519,944	7,209,755	1,130,000	12,859,699
Charge for the year	1,820,508	5,698,838	565,000	8,084,345
Eliminated on disposals	( 396,375)	-	-	( 396,375)
As at 31/12/2016	<u>5,944,077</u>	<u>12,908,593</u>	<u>1,695,000</u>	<u>20,547,669</u>

**NET BOOK VALUE**

As at 31/12/2016	<u>8,619,985</u>	<u>15,585,596</u>	<u>565,000</u>	<u>24,770,581</u>
As at 31/12/2015	<u>6,012,441</u>	<u>17,801,880</u>	<u>1,130,000</u>	<u>24,944,322</u>

**2016  
N**

**2015  
N**

**3. BANK AND CASH**

i.	Diamond Bank Plc Naira Account	5,366	1,688,326
ii.	Guaranty Trust Bank Plc:		
	* Naira account	111,471	4,681,428
	* Dollar account	2,334,823	15,137,030
	* Euro account	13,520	-
iii.	United Bank for Africa Plc -		
	* Naira Account	114,545	-
iv.	Cash at hand	8,157	109,935
		<u>2,587,881</u>	<u>21,616,769</u>

**PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT**  
**NOTES TO THE ACCOUNT CONTD**  
**AS AT 31ST DECEMBER, 2016**

	2016 N	2015 N
<b>4. DEBTORS / PLEDGES</b>		
Prepaid Rents	1,900,833	2,164,500
Staff Debtors	<u>683,511</u>	<u>1,284,739</u>
	<b><u>2,584,344</u></b>	<b><u>3,449,239</u></b>
<b>5. CREDITORS / ACCRUALS</b>		
Director's Current Account	1,000,000	-
Other Creditors	307,298	-
Accrued Audit Fee	<u>120,000</u>	<u>120,000</u>
	<b><u>1,427,298</u></b>	<b><u>120,000</u></b>
<b>6. ACCUMULATED FUNDS</b>		
At January 1,	49,890,329	80,913,462
Deficit of Income over Expenditure	<u>(21,374,821)</u>	<u>(31,023,133)</u>
At December 31,	<b><u>28,515,508</u></b>	<b><u>49,890,329</u></b>
<b>6. INCOME</b>		
The major sources of income of the social enterprise are through consulting services/donations/ contributions/ grants from notable foundations, charitable organizations and individuals within and outside Nigeria.		
<b>7. GRANTS</b>		
Internews	-	1,928,438
Campaign for Tobacco Free Kids	<u>-</u>	<u>13,386,030</u>
	<b><u>-</u></b>	<b><u>15,314,468</u></b>
<b>8. CONSULTING</b>		
Facebook	4,215,000	-
Intel (She will Connect)	7,230,434	-
Internews	7,761,781	-
Campaign for Tobacco Free Kids	-	4,872,042
Microsoft Nigeria	-	4,600,000
Google	11,822,440	7,231,363
New American Foundation	-	336,600
World Wide Web Foundation	614,187	3,083,800
World Economic Forum	-	381,521
Others	<u>-</u>	<u>6,463,808</u>
	<b><u>72,911,848</u></b>	<b><u>26,969,134</u></b>

**PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT**

**NOTES TO THE ACCOUNT CONTD  
AS AT 31ST DECEMBER, 2015**

	<b>2015</b>	<b>2014</b>
	<b>N</b>	<b>N</b>
<b>9. DONATIONS</b>		
NITDA	3,475,000	-
Stanbic IBTC Bank	500,000	-
Remita STP Transit Account	1,000,000	1,000,000
Future Generation Entrepreneurship	-	600,000
Others	<u>15,000</u>	<u>100,000</u>
	<b><u>4,990,000</u></b>	<b><u>1,700,000</u></b>

**10. EXCHANGE GAIN**

This represents the translation difference arising from the transactions relating to the grants received during the period

The exchange rate as at the time of report is as follows:

Dollar Rate :- N199 - \$1 (2014 : N168 - \$1)