

**PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY  
DEVELOPMENT**

**STATEMENT OF AFFAIRS**

**FOR THE YEAR ENDED  
31<sup>ST</sup> DECEMBER, 2017**

**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**  
385, HERBERT MACAULAY WAY  
YABA  
LAGOS.
  
3. **DATE OF INCORPORATION:**  
December 16, 2008
  
4. **BOARD OF DIRECTORS**  
Prof Pat Utomi - Chairman  
Dr. Seyi Adebayo Olubi  
Nick Jekogian  
Dr. Aida Opoku-Mensah  
Dr. Jumai Umar-Ajjola  
'Gbenga Sesan - Executive Director
  
4. **COMPANY SECRETARY/LEGAL ADVISER**
  
5. **BANKERS**  
DIAMOND BANK PLC  
GUARANTY TRUST BANK PLC  
UNITED BANKFOR AFRICA PLC
  
6. **AUDITORS**  
DEBAYO AJAYI & CO  
(Chartered Accountants)  
18A, Akinola Cole Crescent,  
Off Adeniyi Jones Street,  
Ikeja – Lagos.

## Paradigm Initiative for Information Technology Development Year Ended 31 December 2017

### DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 2017.

#### *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 2017 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. Aida Opoku-Mensah  
Dr. Jumai Umar-Ajijola  
Dr. Seyi Adebayo-Olubi  
Nick Jekogian  
'Gbenga Sesan (Executive Director)

In order to improve the governance structure of the Company and deepen board involvement, additional members were invited to join the board in 2017.

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.

**Lagos (HQ):** 2nd Floor, 385 Herbert Macaulay Way,  
Yaba, Lagos  
+234 1 342 62 45

2nd Floor, 39 Baale Street, Ajegunle, Lagos.  
+234 1 291 39 26

**Aba:** 3rd Floor, 17B Ngwa Road, Aba  
+234 82 291 047

**Abuja:** 2nd 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 64 433 430

**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.

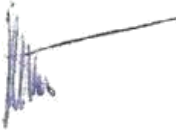
**Events after the reporting date**

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 12, 2018



**'Gbenga Sesan**  
**Executive Director**

March 12, 2018

**Lagos (HQ):** 2nd Floor, 385 Herbert Macaulay Way,  
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Kano.  
+234 64 433 430



# 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, 2017

We have audited the Statement of Affairs of **PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT** on pages 6 -12 in respect of the Company's activities for the year ended December 31, 2017, which have been prepared under the historical cost convention and on the basis of the significant accounting policies set out on page 5.

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, 2017 and have been properly prepared in accordance with the Companies Allied Matters Act, 1990.

**ADEBAYO AJAYI**

LAGOS, NIGERIA

Dated this...March....., 2018



**PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT**

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**(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, 2017**

	NOTE	2017 N	2016
<b>FIXED ASSETS</b>			
Property Plant & Equipment	2	19,728,125	24,770,581
<b>CURRENT ASSETS</b>			
Short-term Investment	3	31,650,000	-
Cash in Hand and at Bank	4	1,027,748	2,587,881
Receivables / Prepayments	5	<u>44,456,344</u>	<u>2,584,344</u>
		<b>77,134,472</b>	<b>5,172,225</b>
<b>CURRENT LIABILITIES</b>			
Payables & Accruals	6	<u>( 3,789,619)</u>	<u>( 1,427,298)</u>
<b>NET CURRENT ASSETS</b>		<u>73,344,853</u>	<u>3,744,927</u>
<b>TOTAL NET ASSETS</b>		<u>93,072,978</u>	<u>28,515,508</u>
<b>FINANCED BY:</b>			
Accumulated Fund	7	<u>93,072,978</u>	<u>28,515,508</u>

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

See notes to the financial statements on pages 10 to 12



**PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT**

**INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 31ST DECEMBER, 2017**

	<i>NOTE</i>	<i>2017</i> <i>N</i>	<i>2016</i> <i>N</i>
<b>INCOME</b>			
General Grants	9	28,609,800	-
Restricted Grants	10	137,134,379	31,931,812
Donations	11	9,671,825	9,788,770
Income from L.I.F.E.		903,515	762,590
Other income		20,993,679	1,171,851
Exchange difference	12	<u>17,149,857</u>	<u>21,241,076</u>
		<b><u>214,463,054</u></b>	<b><u>64,896,099</u></b>
<b>PROGRAM COSTS</b>			
Cybercrime Bill Advocacy		4,176,169	-
Digital Jobs Project		-	406,940
Digital Rights & Freedom Bill		1,110,826	2,254,266
Google Connect		6,408,398	-
INTEL Workshop Expenses		580,000	-
Internews		-	1,437,174
Internet Freedom Forum		27,035,281	9,527,394
IPT		-	3,227,338
L.I.F.E. M&E Expenses		385,580	-
New Media Citizenship Governance		112,902	-
NGO Connection Day		-	2,432,600
Social Media Week		101,520	-
Tech for Good Day		2,917,990	-
Techie Entrepreneurial Nigeria Talented		209,550	501,752
Women's Right		<u>1,451,780</u>	<u>-</u>
		<b><u>46,479,996</u></b>	<b><u>19,787,464</u></b>

**PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT**

**INCOME AND EXPENDITURE CONTD**

**FOR THE YEAR ENDED 31ST DECEMBER, 2017**

	<b>2017</b>	<b>2016</b>
	<b>N</b>	<b>N</b>
<b>EXPENDITURE: OPERATIONS</b>		
Advertising	374,384	202,500
Alumni Forum	576,000	-
Bank Charges	1,042,742	357,390
Courier Service/Bulk SMS	246,320	271,792
Depreciation	8,733,177	8,084,345
Electricity	134,350	209,173
Entertainment	482,265	459,960
Fuel & lubricants	4,016,290	3,467,600
General expenses	497,806	839,260
Internet Service	1,009,400	718,700
Legal and other Professional Services	733,900	237,000
Loss on disposal of assets	-	548,429
Medical expenses	485,000	450,000
Motor vehicle running expenses	2,619,350	1,582,411
Office cleaning	24,910	28,970
Office stationeries	1,294,943	126,100
Office supply	1,276,940	1,197,290
Partners' Appreciation Forum	1,552,500	-
Rent	8,415,833	4,237,755
Repairs & Maintenance	3,158,302	2,762,210
Salaries & Wages	37,772,337	28,478,285
Telephone expenses	504,450	552,500
Town hall meeting	1,056,800	393,580
Transportation	22,067,624	7,086,890
Staff retreat	3,978,014	2,229,261
Staff training & development	643,500	1,914,336
Security expenses	35,100	47,900
Tax Penalty	693,050	-
	<b><u>103,425,587</u></b>	<b><u>66,483,457</u></b>
<b>Total Expenditure</b>	<b><u>149,905,583</u></b>	<b><u>86,270,920</u></b>
Surplus/(Deficit) of Income over Expenditure	<b><u>64,557,470</u></b>	<b><u>(21,374,821)</u></b>

**PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT**

**STATEMENT OF CASHFLOW**

**FOR THE YEAR ENDED 31ST DECEMBER, 2017**

	<b>2017</b>	<b>2016</b>
	<b>₦</b>	<b>₦</b>
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>		
Excess/(Deficit) of income over expenditures	64,557,470	(21,374,821)
<b>Adjustment for items not involving movement of cash:</b>		
Loss on disposal of assets	-	( 548,429)
Depreciation	<u>8,733,177</u>	<u>8,084,345</u>
<b>Operating surplus b4 working capital changes</b>	73,290,647	(13,838,905)
<b>Changes in working capital:</b>		
Increase in debtors and prepayments	(41,872,381)	864,895
Increase in creditors	<u>3,362,321</u>	<u>307,298</u>
	33,130,587	(12,666,712)
<b>Cashflow from financing activities:</b>		
Liquidation of Advance from Director	1,000,000	1,000,000
<b>Cashflow from investing activities:</b>		
Short term investment	31,650,000	
Purchase of fixed assets	(3,690,720)	(9,177,229)
Disposal of fixed assets	<u>-</u>	<u>1,815,054</u>
<b>Decrease in cash and cash equivalents</b>	(1,560,133)	(19,028,887)
Cash and cash equivalents at beginning of the year	<u>2,587,881</u>	<u>21,616,769</u>
Cash and cash equivalents at end of the year	<u><b>1,027,748</b></u>	<u><b>2,587,881</b></u>

**PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT**

**NOTES TO THE ACCOUNTS  
AS AT 31ST DECEMBER, 2017**

**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. PROPERTY, PLANT AND EQUIPMENT**

<b><u>COST</u></b>	<b>FURNITURE &amp; EQUIPMENT N</b>	<b>IMPROVEMENTS TO LEASEHOLD N</b>	<b>MOTOR VEHICLE</b>	<b>TOTAL</b>
As at 1/1/2017	14,564,061	28,494,189	2,260,000	45,318,250
Additions during the year	<u>1,190,841</u>	<u>2,499,880</u>	<u>-</u>	<u>3,690,721</u>
As at 31/12/2017	<b><u>15,754,902</u></b>	<b><u>30,994,069</u></b>	<b><u>2,260,000</u></b>	<b><u>49,008,971</u></b>
<b><u>DEPRECIATION</u></b>				
As at 1/1/2017	5,944,076	12,908,593	1,695,000	20,547,669
Charge for the year	<u>1,969,363</u>	<u>6,198,814</u>	<u>565,000</u>	<u>8,733,177</u>
As at 31/12/2017	<b><u>7,913,439</u></b>	<b><u>19,107,407</u></b>	<b><u>2,260,000</u></b>	<b><u>29,280,846</u></b>
<b><u>NET BOOK VALUE</u></b>				
As at 31/12/2017	<b><u>7,841,463</u></b>	<b><u>11,886,662</u></b>	<b><u>565,000</u></b>	<b><u>19,728,125</u></b>
As at 31/12/2016	<b><u>8,619,985</u></b>	<b><u>15,585,596</u></b>	<b><u>565,000</u></b>	<b><u>24,770,581</u></b>
		<b>2017</b>		<b>2016</b>
		<b>N</b>		<b>N</b>

**3. SHORT TERM INVESTMENT**

60 Days Bank Investment	<u>31,650,000</u>	<u>-</u>
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**4. BANK AND CASH**

i. Diamond Bank Plc Naira Account	3,340	5,366
ii. Guaranty Trust Bank Plc:		
* Naira account	295,336	111,471
* Debit card	283,547	-
* Dollar account	211,322	2,334,823
* Euro account	11,770	13,520
* Pound Sterling account	14,562	-
iii. United Bank for Africa Plc -		
* Naira Account	545	114,545
iv. Cash at hand	<u>207,328</u>	<u>8,157</u>
	<b><u>1,027,748</u></b>	<b><u>2,587,881</u></b>

**PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT  
 NOTES TO THE ACCOUNT CONTD  
 AS AT 31ST DECEMBER, 2017**

	<b>2017</b>	<b>2016</b>
	<b>N</b>	<b>N</b>
<b>5. RECEIVABLES / PLEDGES</b>		
Accounts Receivable	30,971,225	-
Prepaid Rents	5,718,000	1,900,833
Staff Debtors	<u>7,767,500</u>	<u>683,511</u>
	<b><u>44,456,725</u></b>	<b><u>2,584,344</u></b>
<b>6. PAYABLES / ACCRUALS</b>		
Other creditors	3,789,619	427,298
Director's Current Account	<u>-</u>	<u>1,000,000</u>
	<b><u>3,789,619</u></b>	<b><u>1,427,298</u></b>
<b>7. ACCUMULATED FUNDS</b>		
At January 1,	28,515,508	49,890,329
Deficit of Income over Expenditure	<u>64,557,470</u>	<u>(21,374,821)</u>
At December 31,	<b><u>93,072,978</u></b>	<b><u>28,515,508</u></b>
<b>8. INCOME</b>		
The major sources of income of the social enterprise are through donations/contributions/grants from notable foundations, charitable organizations and individuals within and outside Nigeria.		
<b>9. GENERAL GRANTS</b>		
HBS	4,500,000	-
Mozilla	3,053,000	-
Tides Foundation	<u>21,056,800</u>	<u>-</u>
	<b><u>28,609,800</u></b>	<b><u>-</u></b>
<b>10. RESTRICTED GRANTS</b>		
Civicus	4,575,000	-
Facebook	-	4,215,000
Ford Foundation	61,000,000	-
Google	45,676,550	11,822,440
Internews	4,266,770	7,761,781
Intel (She will Connect)	6,109,000	7,230,434
Microsoft Nigeria	9,740,000	-
World Wide Web Foundation	5,767,059	614,187
Others	<u>-</u>	<u>287,970</u>
	<b><u>137,134,379</u></b>	<b><u>31,931,812</u></b>

**PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT**

**NOTES TO THE ACCOUNT CONTD  
AS AT 31ST DECEMBER, 2017**

**2017**                      **2016**  
**N**                              **N**

**11. DONATIONS**

Access Now                      9,671,825                      9,788,770

**12. 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: –                      N359 - \$1 (2016 : N305 - \$1)

Euro Rate :-                      N431 – €1 (2016 : N322– €1)

Pounds Sterling Rate :- N485 – £1 (2016 :N375 – £1)