

PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT

STATEMENT OF AFFAIRS

FOR THE YEAR ENDED 31ST DECEMBER, 2018

PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT

CONTENTS	PAGE
Corporate Information	1
Directors' Report	2 – 3
Report of Auditors	4
Statement of Significant Accounting Policies	5
Statement of Affairs	6
Income and Expenditure Account	7 – 8
Statement of Cashflow	9
Notes to the Account	10 – 12

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 2018

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 2018.

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; operational offices at 215 Adetokunbo Ademola Crescent, Wuse II, Abuja; 17B Ngwa Road, Aba; and 547 Warhu Hospital Road, Dakata Kawaji, Kano; and staff presence in Cameroon, Tanzania, Togo and Zambia.

The principal activities of the Company, registered under the Nigeria Companies and Allied Matters Decree as an Incorporated Trustee, is to connect under-served African 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 2018 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)

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

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 5, 2018



'Gbenga Sesan
Executive Director

March 5, 2018



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, 2018

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, 2018, 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, 2018 and have been properly prepared in accordance with the Companies Allied Matters Act, 1990.

Adebayo Ajayi
ADEBAYO AJAYI

LAGOS, NIGERIA

Dated this... March..... //....., 2019



PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

(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>
Computers	12½
Furniture, Fittings and Fixtures	12½
Generators	12½
Motor Vehicles	25
Improvements to leasehold	20

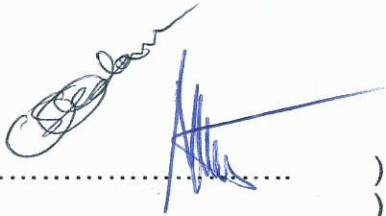
(c) Exchange Rates

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, 2018**

	NOTE	2018 N	2017
FIXED ASSETS			
Property Plant & Equipment	2	41,461,891	19,728,125
CURRENT ASSETS			
Short-term Investment	3	20,666,667	31,650,000
Cash in Hand and at Bank	4	15,542,772	1,027,748
Receivables / Prepayments	5	<u>10,738,265</u>	<u>44,456,344</u>
		46,947,704	77,134,472
CURRENT LIABILITIES			
Payables & Accruals	6	<u>(9,734,471)</u>	<u>(3,789,619)</u>
NET CURRENT ASSETS		<u>37,213,233</u>	<u>73,344,853</u>
TOTAL NET ASSETS		<u>78,675,124</u>	<u>93,072,978</u>
FINANCED BY:			
Accumulated Fund	7	<u>78,675,124</u>	<u>93,072,978</u>


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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, 2018**

	<i>NOTE</i>	2018 ₦	2017 ₦
INCOME			
General Grants	9	11,620,350	28,609,800
Restricted Grants	10	135,143,193	137,134,379
Donations	11	-	9,671,825
Income from L.I.F.E.		529,350	903,515
Income from Facebook		18,005,905	7,637,500
Other income		3,649,467	11,706,179
Exchange difference	12	<u>16,049,747</u>	<u>17,149,857</u>
		<u>184,998,012</u>	<u>212,463,054</u>
PROGRAM COSTS			
Cybercrime Bill Advocacy		-	4,176,169
Digital Jobs Project		706,231	-
Digital Rights & Freedom Bill		3,785,931	1,110,826
DRIF		3,052,000	
Engine Room		21,500	-
Google Policy Fellowship Funds		29,666,517	-
Google Impact Challenge		5,832,686	8,408,398
Google IGF Sponsorship		1,557,846	-
Heinrich Boell Foundation		808,250	-
INTEL Workshop Expenses		1,229,100	580,000
Internews		3,393,290	-
Internet Freedom Forum		29,787,114	27,035,281
Journalism Residency		2,018,446	-
Kenya School of Internet Governance		918,000	-
L.I.F.E. M&E Expenses		372,400	385,580
New Media Citizenship Governance		1,714,117	112,902
Nigeria Internet Governance Forum		795,058	-
Offshore Workshops		681,954	-
PODE Facebook Roundtable		1,929,229	-
Social Media Week		-	101,520

PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT
INCOME AND EXPENDITURE CONTD
FOR THE YEAR ENDED 31ST DECEMBER, 2018

	2018	2017
	N	N
PROGRAM COSTS(Contd.)		
Tech for Good Day	-	2,917,990
Techitary Angel Investment Scheme	400,000	209,550
Women's Right	<u>-</u>	<u>1,451,780</u>
	<u>88,669,669</u>	<u>46,479,996</u>
EXPENDITURE: OPERATIONS		
Advertising	1,212,670	374,384
Alumni Forum	-	576,000
Bank Charges	1,180,019	1,042,742
Courier Service/Bulk SMS	213,757	246,320
Depreciation	13,159,806	8,733,177
Electricity	147,300	134,350
Entertainment	476,880	482,265
Fuel & lubricants	4,033,860	4,016,290
General expenses	1,824,506	497,806
Internet Service	1,722,123	1,009,400
Legal and other Professional Services	1,053,548	733,900
Medical expenses	644,000	485,000
Motor vehicle running expenses	1,784,967	2,619,350
Office cleaning	65,760	24,910
Office stationeries	563,129	1,294,943
Office supply	3,084,975	1,276,940
Partners' Appreciation Forum	-	1,552,500
Provision for Bad Debt	60,000	-
Rent	8,556,269	8,415,833
Repairs & Maintenance	528,900	3,158,302
Salaries & Wages	43,417,149	37,772,337
Security expenses	40,000	35,100
Staff retreat	5,181,203	3,978,014
Staff training & development	948,592	643,500
Telephone expenses	953,569	504,450
Town hall meeting	3,368,321	1,056,800

**PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT
INCOME AND EXPENDITURE CONTD
FOR THE YEAR ENDED 31ST DECEMBER, 2018**

	2018	2017
Transportation/ Travel	16,504,894	22,067,624
Tax Penalty	<u>-</u>	<u>693,050</u>
	<u>110,726,197</u>	<u>103,425,587</u>
Total Expenditure	<u>199,395,866</u>	<u>149,905,583</u>
Surplus/(Deficit) of Income over Expenditure	<u>(14,397,855)</u>	<u>64,557,470</u>

PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT

STATEMENT OF CASHFLOW

FOR THE YEAR ENDED 31ST DECEMBER, 2018

	2018	2017
	N	N
CASHFLOW FROM OPERATING ACTIVITIES		
Excess/(Deficit) of income over expenditures	(14,397,855)	64,557,470
Adjustment for items not involving movement of cash:		
Profit on disposal of assets	(2,819,500)	-
Depreciation	<u>13,159,806</u>	<u>8,733,177</u>
Operating surplus b4 working capital changes	(4,057,549)	73,290,647
Changes in working capital:		
Increase in debtors and prepayments	33,718,460	(41,872,381)
Increase in creditors	<u>5,944,851</u>	<u>3,362,321</u>
	35,605,763	33,130,587
Cashflow from financing activities:		
Liquidation of advance from Director	-	1,000,000
Cashflow from investing activities:		
Short term investment	10,983,333	31,650,000
Purchase of fixed assets	(34,893,573)	(3,690,720)
Disposal of fixed assets	<u>2,819,500</u>	<u>-</u>
Increase in cash and cash equivalents	14,515,024	(1,560,133)
Cash and cash equivalents at beginning of the year	<u>1,027,748</u>	<u>2,587,881</u>
Cash and cash equivalents at end of the year	<u>15,542,772</u>	<u>1,027,748</u>

PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT

NOTES TO THE ACCOUNTS

AS AT 31ST DECEMBER, 2018

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

	FURNITURE & EQUIPMENT	COMPUTERS	GENERATORS	IMPROVEMENTS TO LEASEHOLD	MOTOR VEHICLE	TOTAL
<u>COST</u>	N	N	N	N	N	N
As at 1/1/2018	15,754,902	-	-	30,994,069	2,260,000	49,008,971
Additions during the year	4,517,800	11,680,000	9,998,000	4,562,510	4,135,263	34,893,573
Disposal					(2,260,000)	(2,260,000)
As at 31/12/2018	<u>20,272,702</u>	<u>11,680,000</u>	<u>9,998,000</u>	<u>35,556,579</u>	<u>4,135,263</u>	<u>81,642,543</u>
<u>DEPRECIATION</u>						
As at 1/1/2018	7,913,439	-	-	19,107,407	2,260,000	29,280,846
Charge for the year	2,534,088	1,460,000	1,249,750	7,088,916	827,053	13,159,806
Eliminated on disposal					(2,260,000)	(2,260,000)
As at 31/12/2018	<u>10,447,527</u>	<u>1,460,000</u>	<u>1,249,750</u>	<u>26,196,322</u>	<u>827,053</u>	<u>40,180,652</u>
<u>NET BOOK VALUE</u>						
As at 31/12/2018	<u>9,825,175</u>	<u>10,220,000</u>	<u>8,748,250</u>	<u>9,360,257</u>	<u>3,308,210</u>	<u>41,461,891</u>
As at 31/12/2017	<u>7,841,463</u>	<u>-</u>	<u>-</u>	<u>11,886,662</u>	<u>-</u>	<u>19,728,125</u>

	2018 N	2017 N
3. SHORT TERM INVESTMENT		
60 Days Bank Investment	<u>20,666,667</u>	<u>31,650,000</u>

**PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT
NOTES TO THE ACCOUNT CONTD
AS AT 31ST DECEMBER, 2018**

	2018	2017
	₦	₦
4. BANK AND CASH		
i. Diamond Bank Plc Naira Account	3,340	3,340
ii. Guaranty Trust Bank Plc:		
* Naira account	1,083,960	295,336
* Debit card	1,158,923	283,547
* Dollar account	11,333,126	211,322
* Euro account	1,644,367	11,770
* Pound Sterling account	302,141	14,562
iii. United Bank for Africa Plc -		
* Naira Account	545	545
iv. Cash at hand	<u>16,370</u>	<u>207,328</u>
	<u>15,542,772</u>	<u>1,027,748</u>
5. RECEIVABLES / PLEDGES		
Accounts Receivable	471,225	30,971,225
Prepaid Rents	3,190,010	5,718,000
Staff Debtors	<u>7,077,030</u>	<u>7,767,500</u>
	<u>10,738,265</u>	<u>44,456,725</u>
6. PAYABLES / ACCRUALS		
Other creditors	<u>30,971,225</u>	<u>3,789,619</u>
7. ACCUMULATED FUNDS		
At January 1,	93,072,978	28,515,508
Deficit of Income over Expenditure	<u>(14,397,855)</u>	<u>64,557,470</u>
At December 31,	<u>78,675,123</u>	<u>93,072,978</u>
8. INCOME		
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.		

PARADIGM INITIATIVE FOR INFORMATION TECHNOLOGY DEVELOPMENT

**NOTES TO THE ACCOUNT CONTD
AS AT 31ST DECEMBER, 2018**

	2018	2017
	₦	₦
9. GENERAL GRANTS		
Access Now	8,568,000	-
HBS	-	4,500,000
Mozilla	3,052,350	3,053,000
Tides Foundation	-	<u>21,056,800.</u>
	<u>11,620,350</u>	<u>28,609,800</u>
10. RESTRICTED GRANTS		
Association for progress	237,251	-
Centre for Info Tech & Dev	1,262,084	-
Civicus	-	4,575,000
Collaboration on Inter ICT Policy	301,410	-
Council for Europe	2,811,193	-
DHL	868,480	-
Engine Room	612,000	-
Ford Foundation	-	61,000,000
Global Partners	4,439,764	-
Google.org	33,491,700	45,676,550
Google Global Service	17,066,750	-
Google Policy Fellowship	42,479,605	-
Henrich Boell Foundation	464,223	-
HIVOS	535,500	-
Internews	16,107,311	4,266,770
Intel (She will Connect)	11,169,000	6,109,000
Media Legal Defence	225,000	-
Microsoft Nigeria	-	9,740,000
Nigeria Internet Registration	250,000	-
Observer Research Foundation	339,660	-
World Wide Web Foundation	<u>2,482,261</u>	<u>5,767,059</u>
	<u>135,143,193</u>	<u>137,134,379</u>
11. DONATIONS		
Access Now	<u>-</u>	<u>9,671,825</u>
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: - N306 - \$1 (2017 : N359 - \$1)
Euro Rate :- N369 - €1 (2017 : N431- €1)
Pounds Sterling Rate :- N415 - £1 (2017 :N485 - £1)