

**FREEHEARTS AFRICA REACH OUT FOUNDATION  
(FAROF)**

***AUDITED ACCOUNTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31<sup>ST</sup> DECEMBER, 2014***

***KOLA BAMIWUYE & CO***  
(Chartered Accountants)  
*Suite 7, 4<sup>th</sup> Floor Nagwamatse House*  
*48/50, Ahmadu Bello Way, Kaduna.*

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FREEHEARTS AFRICA REACH OUT FOUNDATION (FAROF)

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**FREEHEARTS AFRICA REACH OUT FOUNDATION (FAROF)**

**FINANCIAL STATEMENT FOR THE PERIOD**

**ENDED 31<sup>ST</sup> DECEMBER 2014**

**CORPORATE PROFILE**

**MISSION OFFICE**

No. 6 Rahama Road,  
Narayi High Cost,  
Kaduna State,  
Nigeria.

**LEGAL STATUS**

Registered under the Part C of the Allied Matter Act (1990) Corporate Affairs Commission, Abuja, Nigeria.

**NAMES OF TRUSTEES**

1. Ambassador Eunice Ebunola Adams
2. Isaac Ikelegbe
3. Adams Ederegba Michael
4. Labija Enemona Blessing
5. Al-Amin Ciroma
6. Henry Ezugwu Ikemefuna
7. Yusuf Shehu Idris
8. Usman Azom Tanko

**BANKERS**

First Bank of Nigeria

Diamond Bank

**MISSION STATEMENT**

Reaching out to the Vulnerable, through commitment to Children, Women and Youths under poverty, gender violence & health challenges into the Lime LIGHT of PROVISION of free Education, Health, empowerment and gender base programs that are sustainable and appropriate for Hard-To-Reach-Areas.

## CORE OBJECTIVES

The major objectives of our programs are as follows:

1. Provide Free Education and access to food For Orphans & Vulnerable Children (OVC) "To boost-up our nation's level of Educational literacy".
2. To improve the nutrition of mothers and children, as well as reduce the number of maternal death rate and illness from disease/infection.
3. Create Preventive measure to reduce illness & death due to Malaria.
4. To address Tuberculosis (TB) and the control of the spread of HIV new infection among PWID, FSW, MSM, MTCT and the general Populace in Nigeria and enhance wider awareness in relation to our mission statement.
5. To raise bold, self-reliance citizens and improve an healthy & right way of living in Nigeria and Africa at large.
6. Suppression of STIs, HIV/AIDS through Health training/workshop and distribution of IECs Materials.
7. To reduce the level of unemployment, poverty and hunger in our society through vocational skills and empowerment programs.



# KOLA BAMIWUYE & CO

(Chartered Accountants)

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Nagwamatse House 48/50  
Ahmadu Bello Way, Kaduna.  
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**HEAD OFFICE:**

No 2<sup>nd</sup> Abanya Okilo (Railway Close)  
Back of NITEL Office,  
Opposite Providence Hospital,  
Port-Harcourt, River State.  
☎: 080-37078614  
e-mail: kolawolebamiwuye@yahoo.com

**OTHER OFFICES:**

Abuja, Lagos,  
Ibadan.

**AUDITORS REPORT TO THE BOARD OF TRUSTEE OF  
FREEHEARTS AFRICA REACH OUT FOUNDATION (FAROF)**

We have audited the financial statement of FreeHearts Africa Reach Out Foundation (FAROF) for the year ended 31<sup>st</sup> December, 2014 set out on pages 6 to 12 which have been prepared in accordance with the accounting policies set out on page 9.

**RESPECTIVE RESPONSIBILITIES OF FREEHEARTS AFRICA REACH OUT FOUNDATION (FAROF) AND AUDITORS**

In accordance with the provision of *section 335 of the Companies & Allied Matters Act, 2004*, FAROF is responsible for the preparation of the accounts which give true and fair view of the State of Affairs of the Project as at end of the accounting year.

These responsibilities include ensuring that:

- 1) Adequate internal control procedures are instituted to safeguard assets, prevent and detect fraud and other irregularities.
- 2) Proper accounting records are maintained.
- 3) Applicable accounting standards are followed.
- 4) Suitable accounting policies are used and consistently applied.
- 5) The accounts are prepared on the going concern basis unless it is inappropriate to presume that company will continue in business.

It is our responsibility to form an independent opinion, based on our audit, on the financial statement prepared by FAROF and to report our opinion to you.

**BASIS OF OPINION**

We conducted the 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 financial statements. It also includes an assessment of the significant estimates and judgment made by the Executing Board in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the Corporation, consistently applies and adequately disclosed.

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

**OPINION**

In our opinion, the Financial Statements give a true and fair view of the State of Affairs of the Project and of Cash flow for the year ended 31<sup>st</sup> December, 2014, and are in agreement with the provisions of the various agreements made with Donor organizations and the *Companies & Allied Matters Act, 2004* as amended.



Kola Bamiwuye & Co  
(Chartered Accountants)  
FRC/2013/ICAN/00000001236

**FREEHEARTS AFRICA REACH OUT FOUNDATION (FAROF)**

**AUDITORS REPORT ON DISBURSEMENT ACCOUNTS**

**AS AT 31<sup>ST</sup> DECEMBER 2014**

We have audited the Statement of Disbursements Accounts.

Our audit was carried out in accordance with the International Accepted Auditing Standards.

The accompanying Disbursement Accounts were prepared on the basis of cash deposit by the FreeHearts Africa Reach Out Foundation (FAROF) for the purpose of complying with the Agreement.

In our opinion, the accompanying Disbursements Accounts were prepared on the basis of confirmation of receipts of the amounts through the sub-recipient, First Bank of Nigeria Plc. and Diamond Bank Plc.

In our opinion, the receipts of the Disbursement Accounts have been properly accounted for in accordance with the Agreements and in view of the movement on the accounts for the year ended 31<sup>st</sup> December, 2014.



Kola Bamiwuye & Co  
(Chartered Accountants)  
FRC/2013/ICAN/00000001236

**FREEHEARTS AFRICA REACH OUT FOUNDATION (FAROF)**

**AUDITORS OPINION ON THE STATEMENT OF**

**EXPENDITURE – SOE**

We have examined the expenditure, in respect of which withdrawals from the Grants and other income were made during the year ended 31<sup>st</sup> December, 2014.

In our opinion, the Internal control Procedures involved in the preparation of the Statements of Expenditures are adequate and all expenditures were wholly, necessarily, reasonably and exclusively incurred for the project.



Kola Bamiwuye & Co  
(Chartered Accountants)  
FRC/2013/ICAN/00000001236

**FREEHEARTS AFRICA REACH OUT FOUNDATION (FAROF)**

**FINANCIAL POSITION AS AT 31<sup>ST</sup> DECEMBER, 2014**

	NOTES	2014 N	2013 N
<b><u>NON- CURRENT ASSETS</u></b>			
Fixed Assets	2	9,929,100	9,840,000
<b><u>CURRENT ASSETS</u></b>			
Cash in hand and at bank	3	55,000	40,819
		<u>9,984,100</u>	<u>9,880,819</u>
<b>NET ASSETS</b>		<b><u>9,984,100</u></b>	<b><u>9,880,819</u></b>
<b><u>FINANCED BY:</u></b>			
Accumulated Funds	4	9,984,100	9,880,819
		<u>9,984,100</u>	<u>9,880,819</u>

 **TRUSTEES**  



The notes on pages 8 to 10 form an integral part of these financial statements.



**FREEHEARTS AFRICA REACH OUT FOUNDATION (FAROF)**  
**INCOME AND EXPENDITURE ACCOUNTS FOR**  
**THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2014**

	NOTES	2014 N	2013 N
INCOME:			
Grant	5	4,920,000	4,450,750
Donations	6	328,000	650,000
		5,248,000	5,100,750
LESS: EXPENDITURE			
Project and other Expenses	7	5,179,000	4,929,285
		5,179,000	4,929,285
EXCESS OF INCOME OVER EXPENDITURE		69,000	171,465

S. A. M. - Chairman

 - Secretary

The notes on pages 8 to 10 form an integral part of these financial statements.

**FREEHEARTS AFRICA REACH OUT FOUNDATION (FAROF)**

**CASH FLOW STATEMENT FOR THE YEAR**

**ENDED 31<sup>ST</sup> DECEMBER, 2014**

	2014 N	2013 N
<b><u>Cash Flow from Operating Activities</u></b>		
Excess of Income over Expenditure for the year	69,000	171,465
Depreciation on Fixed Assets	719,900	710,000
Cash Flow before changes in working capital	788,900	881,465
<b>Changes in Working Capital</b>		
Increase/ Decrease in Creditors	-	-
Net Cash Flow from Operating Activities	788,900	881,465
<b><u>Cash Flow from Investing Activities</u></b>		
Purchase of Fixed Assets	(10,649,000)	(10,550,000)
Net cash flow from investing activities	(9,860,100)	(9,668,535)
<b><u>Cash Flow from Financial Activities</u></b>		
Members Contributions	9,874,281	9,709,354
Net Increase/ Decrease in and Cash Equivalents	14,181	40,819
Cash and Cash Equivalent 1/1	40,819	-
Cash and Cash Equivalent 31/12	<u>55,000</u>	<u>40,819</u>

The notes on pages 8 to 10 form an integral part of these financial statements.

**FREEHEARTS AFRICA REACH OUT FOUNDATION (FAROF)**

**FINANCIAL STATEMENT FOR THE PERIOD ENDED**

**31<sup>ST</sup> DECEMBER, 2014**

**STATEMENT OF ACCOUNTING POLICIES**

The following summarizes significant Accounting Policies by the Free Hearts Africa Reach Foundation (FAROF) in the preparation of the Financial Statements, Supporting Notes and Schedules.

**1) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:**

**a) Accounting Convention:**

The Financial Statements are prepared under the historical cost convention as modified by the revaluation of land and buildings

**b) Income**

This presents members subscriptions, registration fees and sundry donations received from kindhearted philanthropist, Non- Government organization , Government Agencies and Members donations

**c) Depreciation**

No depreciation has been provided on land and buildings however, depreciation is calculated on the fixed assets on straight line basis at annual rates, estimated to write off the assets over their estimated useful lives at the following annual rates:

Land and Building	2%
Office Furniture and Equipment	10%
Motor Vehicle	20%
Plant and Machinery	20%

**FREEHEARTS AFRICA REACH OUT FOUNDATION (FAROF)**

**NOTES TO THE ACCOUNTS FOR THE YEAR**

**ENDED 31<sup>ST</sup> DECEMBER 2014**

**2. SCHEDULE OF FIXED ASSETS**

<b>Assets</b>	<b>Land</b>	<b>Office Furniture &amp; Equipment</b>	<b>Plant &amp; Machinery</b>	<b>Total</b>
	<b>₦</b>	<b>₦</b>	<b>₦</b>	<b>₦</b>
Cost as at 1/1/2014	4,500,000	5,900,000	150,000	10,550,000
Additions	-	99,000	-	99,000
As at 31/12/2014	<u>4,500,000</u>	<u>5,999,000</u>	<u>150,000</u>	<u>10,649,000</u>
<b><u>DEPRECIATION</u></b>				
As at 1/1/2014	-	9,900	-	9,900
Charge for the year	90,000	590,000	30,000	710,000
As at 31/12/2014	<u>90,000</u>	<u>599,900</u>	<u>30,000</u>	<u>719,900</u>
<b><u>NET BOOK VALUE</u></b>				
As at 31/12/2014	<u>4,410,000</u>	<u>5,399,100</u>	<u>120,000</u>	<u>9,929,100</u>
As at 31/12/2013	<u>4,410,000</u>	<u>5,399,100</u>	<u>120,000</u>	<u>9,929,100</u>

**FREEHEARTS AFRICA REACH OUT FOUNDATION (FAROF)**

**NOTE TO THE ACCOUNT FOR THE YEAR**

**ENDED 31<sup>ST</sup> DECEMBER, 2014**

	2014	2013
	N	N
<b>3. <u>CASH IN HAND AND AT BANK</u></b>		
First Bank of Nigeria	45,000	30,515
Diamond Bank Plc.	10,000	10,304
	<u>55,000</u>	<u>40,819</u>
<b>4. <u>ACCUMULATED FUNDS</u></b>		
Brought Forward	9,880,819	-
Members Contribution	34,281	9,709,354
Excess of Income over Exp. for the year	69,000	171,465
Accumulated Funds C/B to balance sheet	<u>9,984,100</u>	<u>9,880,819</u>
<b>5. <u>GRANT</u></b>		
Grant Received	4,920,000	4,450,740
	<u>4,920,000</u>	<u>4,450,740</u>
<b>6. <u>DONATIONS</u></b>		
Members Donations	224,000	650,000
Sundry Donations	104,000	-
	<u>328,000</u>	<u>650,000</u>

**FREEHEARTS AFRICA REACH OUT FOUNDATION (FAROF)**

**NOTE TO THE ACCOUNT FOR THE YEAR**

**ENDED 31<sup>ST</sup> DECEMBER, 2014**

	2014 N	2013 N
<b>7. PROJECT AND OTHER EXPENSES</b>		
Salaries & Allowances	980,000	1,250,000
Transport & Traveling	770,000	300,000
Printing & Stationery	63,000	56,000
Repairs & Maintenance	94,500	270,000
Educational Support (Materials/Renovation)	950,000	350,000
Gender Norms & Analysis	59,000	-
Depreciation	620,000	710,000
Capacity Building/Training/Meeting	904,000	-
Audit Fee	65,000	55,000
Empowerment (Enterprise Development)	530,250	-
Internet Subscription	38,000	38,000
Miscellaneous Expenses	95,000	62,000
Bank Charges	10,250	7,535
	<u>5,179,000</u>	<u>3,098,535</u>

*2014*  
*Chairman*  
*Secretary*