

FREEHEART AFRICA REACH OUT FOUNDATION (FAROF)

*AUDITED ACCOUNTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2018*

KOLA BAMIWUYE & CO
(Chartered Accountants)
No. 3 Yakubu Gowon Way,
(UBA Building), Kaduna.

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FREE HEARTS AFRICA REACH FOUNDATION (FAROF)

TABLE OF CONTENTS

CONTENTS	PAGES
Corporate Information	1-3
Auditor's Report	4
Auditor's Opinion on Statement of Expenditure	5-6
Statement of Financial Position	7
Profit and Loss	8
Statement of Accounting Policies	9
Cash flow Statement	10-11
Notes to the Financial Statements	12-15
Statement of Value Added	16

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

BOARD OF TRUSTEES

Mallam Faruk Musa
Alh. Yusuf Shehu Idris
Labija Enemone
AL-am Ciroma
Henry Ezugwu
Usman Azom Tanko
Isaac Ikelegbe
Adams Michael Edergba

Chairman
Trustee
Trustee
Trustee
Trustee
Trustee
Trustee
Trustee

REGISTERED OFFICE

No. 5 Kuyambana Street
Narayi High cost Barrawa
Kaduna State.
Nigeria.

BANKERS

First Bank Plc
Access Bank Plc

AUDITORS

Messrs Kola Bamiwuye Co.
(Chartered Accountants)
No. 3 Yakubu Gowon Way
(3rd, Floor, UBA Building)
Kaduna
Tel: 08189839975

**FREEHEARTS AFRICA REACH OUT FOUNDATION (FAROF) NIGERIA
ACCOUNTING POLICES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMENT, 2018**

1 GENERAL INFORMATION ABOUT THE TRUSTEE

FREEHEARTS AFRICA REACH OUT FOUNDATION (FAROF) is an organization incorporated as a Trustee under Nigeria Company and Allied Matters Decree and registered with Corporate Affairs Commission (CAC) 13th May 2013 FAROF is a Non-profit development Organization dedicated in saving one life at a time. Implementing programmes focused in Health-(improving Sexual and Reproductive Health and Rights (SRHR), conflict mitigation and management, HIV Prevention, Nutrition and better hygiene) ; Education - ((Promoting Girl child Education): Child Protection, (Gender Base violence & Exploitation (GBVE) and Community Development Programs-(Enterprise Development and Vocational Skills).

The main objectives of the organization shall include:

- Improving the educational system, health condition and well-being of people in local environments in Nigeria in line with global standards;
- Promoting veritable knowledge skills and education by challenging self and others towards achieving greater ability to restore and improve the lives of children and young people;
- To strengthen the economic system of women and reduce the level unemployment, poverty and hunger in our society through Agricultural practice, empowerment and life building skills programmes.
- Building capacity and establishing sustainable, scalable Education, Health, Empowerment initiatives and other development programs in a safe and conflict free environment.
- Implementing evidence based education, child protection, empowerment and health, care programs and services;
- To address the causes, preventive measure support and treatment of opportunistic infections (HIV/AIDS/STI), and promote sexual reproductive health and rights programs and stop Spread of sanitation related diseases that affects children, Adolescents and young people in our society.
To improve the nutrition of mothers and children as well as reduce the number of maternal death rate and illness from various disease/infection in our society.

OUR MISSION STATEMENTS:

FAROF mission is committed to creating a safe and healthy community for the most disadvantaged children and women through quality health care, education, protection against violence and exploitation, and community development that are sustainable, replicable and appropriate for hard-to-reach-area.

FREEHEARTS AFRICA REACH OUT FOUNDATION (FAROF), NIGERIA
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2018
THE BOARD OF TRUSTEES' REPORT

The Board of Trustees have pleasure in presenting to the members of the organization their Financial statements for the year ended 31st December, 2018.

1 OPERATING RESULTS

The operating results of the company for the year ended 31st December, 2018 are out on page 6 of the Financial Statements.

2 FOUNDER

Ambassador Eunice Eburnola Adams

Secretary / Founder (FAROF)

3 BOARD OF TRUSTEES

The followings Board of Trustee members served during the year ended December, 2018
The Trustees of the (FAROF) consist of:

Malla Faruk Musa	Chairman
Alh. Yusuf Shehu Idris	Trustee
Labija Enemone	Trustee
AL-am Ciroma	Trustee
Henry Ezugwu	Trustee
Usman Azom Tanko	Trustee
Isaac Ikelegbe	Trustee
Adams Michael Ederegba	Trustee

4 FINANCIAL ACTIVITIES

The freehearts Africa Reach Out Foundation (FAROF) is a Foundation incorporated as a Trustee under Nigeria Company and Allied Matters Decree, It was registered with Corporate Affairs Commission (CAC) in 13th May 2013 FAROF is a Non-profit development Organizations, dedicated in saving one life at a time with her greatest strength of working and leading projects as a Consortium, implementing programmes focused in Health- (improving Sexual and Reproductive Health and Rights (SRHR), conflict mitigation and management, HIV prevention, Nutrition and better hygiene); Education- (Promoting Girl child Education); Child protection- (Gender Base Violence & Exploitation (GBVE) and Community Development Programmes- (Enterprise Development and Vocational Skills). We offer professionals, opportunities for career advancement, good working environment and competitive remuneration.

During the year 2018; FAROF engaged TY Danjuma Foundation project. FAROF also continued its work on reaching out to the vulnerable through commitment to children, women and youths through the provision of free health, empowerment and gender base programs that are sustainable and Hard-to Reach Areas.

5.0 EMPLOYMENT AND EMPLOYEES

5.1 DISABLED PERSONS

The

employments are made on the basis of qualification experience and overall suitability for the job irrespective of any physical handicap.

5.2 INVOLVEMENT IN MANAGEMENT

There exist a regular forum for discussion on matters affecting the Trustee is employers and also free

AUDITORS

The Auditor Kola Bamiwuye & Co. (Chartered Accountants) have indicated their willingness to

By the order of the Board

SECRETARY *[Signature]* 2/5/19

DATE 2/5/19



KOLA BAMIWUYE & CO.
(Chartered Accountants/Tax Consultant)

**AUDITORS REPORT TO THE BOARD OF TRUSTEE OF
FREE HEARTS AFRICA REACH FOUNDATION (FAROF)**

We have audited the financial statement of Free Hearts Africa Reach Foundation (FAROF) for the year ended 31st December, 2018 set out on pages 7 to 16 which have been prepared in accordance with the accounting policies set out on page 9.

RESPECTIVE RESPONSIBILITIES OF FREE HEARTS AFRICA REACH 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 31st December, 2018, and are in agreement with the provisions of the various agreements made with Donor organizations and the *Companies & Allied Matters Act, 2004* as amended.



4

Kola Bamiwuye & Co
Kola Bamiwuye & Co
(Chartered Accountants)
FRC/2013/ICAN/0000001236

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PARTNERS:
Kola Bamiwuye Bsc. (Econs), MBA, CFAN, FCIT FCA Tonye Moore Ngalo FCA, Olusegun Kin ojo Bsc (comp Science), ACCA

FREE HEARTS AFRICA REACH FOUNDATION (FAROF)

AUDITORS REPORT ON DISBURSEMENT ACCOUNTS

AS AT 31ST DECEMBER 2018

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 Free Hearts Africa Reach 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 and 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 31st December, 2018.



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

FREE HEARTS AFRICA REACH FOUNDATION (FAROF)

AUDITORS OPINION ON THE STATEMENT OF

EXPENDITURE – SOE

We have examined the expenditure, in respect of withdrawals from the Grants and other income were made during the year ended 31st December, 2018.

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

FREEHEART AFRICA REACH OUT FOUNDATION (FAROF)
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2018

		2018 =N=	2017 =N=
<u>NON-CURRENT ASSETS</u>			
Land, Motor, Office Furniture and Equipment	2	18,281,920	17,989,000
<u>CURRENT ASSETS</u>			
Stocks	3	-	-
Accounts Recievable	4	-	-
Bank and Cash balance	5	-	1,735
Net Current Asset		-	1,735
Total Assets		18,281,920	17,990,735
<u>CAPITAL AND RESERVE</u>			
Capital Accounts			
Accumulated fund	6	17,881,569	17,840,735
<u>CURRENT LIABILITIES</u>			
Accounts payable	7	400,351	150,000
Total Liability and Equity		18,281,920	17,990,735

 2/5/19] Chief Executive Officer

] Proejct Accounts

The notes to the accounts on pages 11 to 13 form and integrl parts o these accounts

**FREEHEART AFRICA REACH OUT FOUNDATION (FAROF)
 PROFIT AND LOSS ACCOUNTS FOR THE YEAR
 ENDED 31ST DECEMBER, 2018**

	NOTES	2018 =N=	2017 =N=
INCOME	8	7,449,578	9,964,750
Less: Direct Cost		<u>-</u>	<u>-</u>
		7,449,578	9,964,750
Less: Project and Administrative Expenses		7,408,744	11,294,740
Net Surplus/ (Deficit)		<u>40,134</u>	<u>(1,329,990)</u>

FREE HEARTS AFRICA REACH FOUNDATION (FAROF)

FINANCIAL STATEMENT FOR THE PERIOD ENDED

31ST DECEMBER, 2018

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.

1.0 BASIS OF ACCOUNTING

The Accounts have been prepared on cash basis and no adjustments have been made in the accounts to reflect the effect of inflation. Accrual basis accounting was no applied.

2.0 FIXED ASSETS AND DEPRECIATION

Fixed assets were valued at cost. Depreciation has not been applied on the fixed assets.

3.0 OPERATIONAL COSTS

Operational costs are capitalized as the project is not profit oriented.

4.0 INCOME

Income is represented by grants and donations from Donor Organizations and bank interest.

FREEHEART AFRICA REACH OUT FOUNDATION (FAROF)
STATEMENT OF CASH FLOW FOR THE YEAR
ENDED 31ST DECEMBER, 2018

	=N=	2018 =N=	2017 =N=	=N=
CASH FLOW FROM OPERATING ACTIVITIES				
Cash received	7,449,578		9,964,750	
Cash paid to supp-	4,768,06		(9,07,240)	
Cash paid to and fro	612,000		(500,000)	
Net cashflow from operating activities		<u>2,069,492</u>		<u>391,510</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Patent Right	-		-	
Fixed Assets	2,071,578		(550,000)	
Purchahsed	-		-	
Net cashflow from investing activities		<u>2,071,578</u>		<u>(550,000)</u>
CASH FLOW FROM FINANCING ACTIVITIES				
Issued and fully paid share capital				
Fund introduced by Directors	-		-	
Net Cashflow from financing activities		<u>-</u>		<u>-</u>
Net Increase/(decrease) in cash and cash equivalent	-	2,086	-	(158,490)
Net cash and cash equivalent at the beginning		1,735		160,225
Net cash and cash equivalent at the end of the year		<u><u>351</u></u>		<u><u>1,735</u></u>

	=N=	2018 =N=	2017 =N= =N=
<u>Reconciliation:</u>			
Net Profit/(Loss) after		40,834	(1,329,990)
Add: Depreciation		1,778,658	1,571,500
		<u>1,819,492</u>	<u>241,510</u>
 <i>Changes in working capital</i>			
Stock	-	-	-
Debtors decrease/(increase)	-	-	-
Increase/(decrease)	250,000	-	-
Increase/(decrease) in Overdraft	-	-	-
Tax Provision	-	-	-
		<u>250,000</u>	<u>-</u>
		<u><u>2,069,492</u></u>	<u><u>241,510</u></u>

FREEHEART AFRICA REACH OUT FOUNDATION (FAROF)
FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2018
NOTES ON THE FINANCIAL STATEMENT

NOTES	LAND	OFFICE FURN. & EQUIPT	PLANT & MACHINERY	MOTOR VEHICLE	TOTAL
2	=N=	=N=	=N=	=N=	=N=
FIXED ASSETS					
COST/VALUATION					
Balance as at 1/1/2018	9,500,000	10,685,000	315,000	2,200,000	22,700,000
Addition during the year	-	2,071,578	-	-	2,071,578
Balance as at 31/12/2018	<u>9,500,000</u>	<u>12,756,578</u>	<u>315,000</u>	<u>2,200,000</u>	<u>24,771,578</u>
DEPRECIATION					
Balance as at 1/1/2018	-	3,612,000	219,000	880,000	4,711,000
Charge for the year	-	1,275,658	63,000	440,000	1,778,658
Balance as at 31/12/2018	<u>-</u>	<u>4,887,658</u>	<u>282,000</u>	<u>1,320,000</u>	<u>6,489,658</u>
NET BOOK VALUE					
Ast at 31/12/2018	<u>9,500,000</u>	<u>7,868,920</u>	<u>33,000</u>	<u>880,000</u>	<u>18,281,920</u>
Ast at 31/12/2017	<u>9,500,000</u>	<u>7,073,000</u>	<u>96,000</u>	<u>1,320,000</u>	<u>17,989,000</u>

FREEHEART AFRICA REACH OUT FOUNDATION (FAROF)
 NOTES TO THE FINANCIAL STATEMENT
 FOR THE YEAR ENDED 31ST DECEMBER, 2018

	2018	2017
	=N=	=N=
3 STOCK		
Materials	<u>-</u>	<u>-</u>
4 ACCOUNT RECEIVABLE		
Trade Receivable	<u>-</u>	<u>-</u>
5 BANK AND CASH BALANCE		
Cash at Hand	-	-
First Bank Plc	-	1,735
Diamond Bank Plc	<u>-</u>	<u>-</u>
	<u>-</u>	<u>1,735</u>
6 ACCUMULATED FUND		
This is in respect of surplus/deficit of income over expenditure from the information of the FAROF to Balance Sheet Date:		
Balance as at 1st January 2018	17,840,735	19,170,725
Member contribution		
Surplus/(Deficit) during the year	<u>40,834</u>	<u>1,329,990</u>
	<u>17,881,569</u>	<u>17,840,735</u>
7 ACCOUNT PAYABLE		
Accrued Audit fee	400,000	150,000
First Bank Acc No. 2023299616	351	-
Taxation	<u>-</u>	<u>-</u>
	<u>400,351</u>	<u>150,000</u>

FREEHEART AFRICA REACH OUT FOUNDATION (FAROF)
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER, 2018

8.0	INCOME	2018	2017
8.1	GRANT	=N=	=N=
	Grant TYDE-WASSAIDP Camp Project	4,432,000	6,592,250
		-----	-----
		4,432,000	6,592,250
8.2	DONNORS	=====	=====
	Contribution from members	2,557,578	3,632,500
	UNICEF	390,000	-
	Ministry of Health	70,000	-
		-----	-----
		3,017,578	3,632,500
		=====	=====
8.3	OTHER INCOME		
	Other Income	-	30,000
		-----	-----
9a	<u>PROJECT; WASSA IDP CAMP/ (FGHIN) OVC</u>		
	Distribution of Treated insecticide Mosquito Net	867,000	-
	Stakeholders Meeting Expenses	70,000	-
	Conducted of Need Assessment	185,000	142,000
	Advocacy visit	170,000	100,000
	OVC Gradution	-	1,619,000
	Training on Financial literacy	-	40,000
	Monitoring and Evaluation	160,000	236,000
	Gender Base Violence	-	165,000
	Travels and workshop	200,000	-
	Capacity Building , Training , Honorarium	30,000	-
	OVC Printing of Referral form	-	71,500
	OVC Training Sanitation hygiene and Promotion Ni	-	15,000
	Verification/Registration of Household/OVC graduation	-	750,000
	Training Skill of OVC and Caregivers	-	22,500
	Transport and Travelling	300,000	484,500
	Teachers, PCV, Caregivers, Gender Norms and analysis	-	475,000
	QTC /workshop for OVC and Caregivers	-	22,500
	Food and Nurtition , Food Suppliment	-	1,162,973
	Distributin of Education Support materials	-	757,500

	Training and support Group	-	300,000
	Distributin of condom commodities	-	615,000
	Kids clubs and Youths activities	-	105,000
	HTS/OBV	-	490,000
	Training (Menstration and personal hygiene)	310,000	-
	Project Reivew Meeting Expenses	30,000	-
	Training Adolescent boys	300,000	-
	Planning Meeting Expenses	55,000	-
	Tea break and lunch for workshop	53,000	-
	Parental SkillTraining	300,000	45,000
		<u>3,030,000</u>	<u>7,681,973</u>
9b	Project and Other Expenses		
	Salaries and Wages	1,500,000	1,465,000
	Utilities	388,000	150,727
	Printing & Stationeries	330,000	76,000
	Repairs & Maintenance	172,000	185,000
	Depreciation	1,778,658	1,571,500
	Auditor Fees	40,000	35,000
	Internet subscription/phone credit	60,000	104,000
	Bank Charges	10,086	25,540
	Filling and fees expenses	100,000	-
		<u>4,378,744</u>	<u>3,612,767</u>
9a +9b		<u>7,408,744</u>	<u>11,294,740</u>

FREEHEART AFRICA REACH OUT FOUNDATION (FAROF)
STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31ST DECEMBER, 2018

	2018 =N=	%	2017 =N=	%
INCOME	7,449,578		9,964,750	
Less: Bought in materials and Ser.	<u>(4,130,086)</u>		<u>(8,258,240)</u>	
	<u>3,319,492</u>	<u>100</u>	<u>1,706,510</u>	<u>100</u>
<i>Applied As Follows:</i>				
<u>To Pay Employees</u>				
Salaries & wages	1,500,000	45.18	1,465,000	85.84
<u>To Pay Government</u>				
Taxation	-	-	-	-
<u>To Pay Shareholders</u>				
Dividend				
<u>Retained in Business for</u>				
<u>Maintenance and Expansion of</u>				
<u>Assets:</u>				
Depreciation	1,778,658	53.58	1,571,50	92.08
Excess of income over Expenditure/(Deficit) for the year	<u>40,834</u>	<u>1.24</u>	<u>(1,329,990)</u>	<u>(77.92)</u>
	<u>3,319,492</u>	<u>100</u>	<u>1,706,510</u>	<u>100</u>

Value Added is the extra wealth created by the business entity during the year. This statement shows how the extra wealth created are distributed among Employees, Trustee, Government.