

STEPH PIOTTI FOUNDATION

**ANNUAL REPORT AND ACCOUNTS
31 DECEMBER 2017**

STEPH PIOTTI FOUNDATION

FOR THE YEAR ENDED 31 DECEMBER 2017

CONTENT	P A G E
CORPORATE INFORMATION	1
STATEMENT OF TRUSTEES' RESPONSIBILITIES	2
REPORT OF THE TRUSTEES	3
INDEPENDENT AUDITOR'S REPORT	4 - 5
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES	6
STATEMENT OF ACTIVITIES	7
STATEMENT OF FINANCIAL POSITION	8
STATEMENT OF CASH FLOWS	9
NOTES TO THE FINANCIAL STATEMENTS	10 - 13
STATEMENT OF VALUE ADDED	14
FINANCIAL SUMMARY	15

STEPH PIOTTI FOUNDATION

CORPORATE INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2017

TRUSTEES		Status	Nationality	Date appointed
	Mr. Stefano Piotti	Executive Chairman	Italian and Nigerian	2015
	Sarah Utomi	Secretary	Nigerian	2015
REGISTERED OFFICE	Plot 17 Trans-Amadi Industrial Layout Port Harcourt, Rivers State Nigeria			
SOLICITORS	LEG-BIZ 2B General Dariyal Street, Off Tombia Street GRA Phase 2 Port Harcourt Rivers State			
BANKERS	United Bank for Africa Plc Diamond Bank Plc			
AUDITORS	Deloitte & Touche (Chartered Accountants) 15 Emeyal street, GRA Phase 2, Port Harcourt, Rivers state.			

STEPH PIOTTI FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

The Trustees of Steph Piotti Foundation are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Foundation as at 31 December 2017, and the results of its operations and cash flows for the year ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011.

In preparing the financial statements, the Trustees are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Foundation's financial position and financial performance; and
- making an assessment of the Foundation's ability to continue as a going concern.

The Trustees are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Foundation;
- maintaining adequate accounting records that are sufficient to show and explain the Foundation's transactions and disclose with reasonable accuracy at any time the financial position of the Foundation, and which enable them to ensure that the financial statements of the Foundation comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Foundation; and
- preventing and detecting fraud and other irregularities.

Going Concern

The Trustees have made an assessment of the Foundation's ability to continue as a going concern and have no reason to believe the Foundation will not remain a going concern in the year ahead.

The financial statements of the Foundation for the year ended 31 December 2017 were approved by the Trustees on _____

Executive Chairman

Secretary

STEPH PIOTTI FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2017

In compliance with the Act, the Trustees present their Annual Report on the affairs of the Steph Piotti Foundation ("the foundation"), together with the financial statements and the independent auditor's report, for the year ended 31 December 2017.

Principal Activities and Business Review

The principal activity of the foundation is to support the less privileged individuals, offering more chances in life. Their vision is to increase constantly and become a leading charity/skills development foundation in Nigeria. The foundation is a legal entity registered with CAC with registration number CAC/IT/NO 74994. It is a not for profit, non governmental, non political organisation conceptualised on the strong desire to bring lasting upliftment in the living standard of less privileged in the Niger Delta. The foundation is the initiative of Stefano Piotti, the founder of the foundation and its objectives include but are not limited to the following:

- To support less privileged individuals by giving opportunity To excel in life through education, access To medical facilities, accommodation and empowerment
- Help in the eradication of poverty by creating job opportunities
- To promote community capacity building
- To set up scholarship schemes for poor but gifted children
- To promote economic empowerment of the widows and less privileged

Results

The foundation had a surplus of income over expenditure of NGN485,000 for the year ended 31 December 2017. The foundation's result for the year is set out on page 7 of the financial statements.

Going concern

The Trustees have a reasonable expectation that the foundation has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the financial statements.

Employment and employees

The Foundation aims to employ high calibre staff, physical disability notwithstanding. However, there are no disabled persons in the entity's employment.

It is the Foundation's policy to maintain effective communications with its employees who, subject to practical considerations, is consulted on and involved in decisions that affect her current job or future prospects. The Foundation also attaches great importance to training and development of its employee.

Events after reporting date

There were no events after the reporting date which could have had a material effect on the state of affairs of the Foundation and on its deficit for the year ended 31 December 2017 that have not been taken into account in this financial statements.

Auditors

The Foundation's auditor, Deloitte & Touche, has expressed their willingness to continue in office and their remuneration have been authorised by the Trustees.

Approved by the Trustees and signed on its behalf.

Stefano Piotti

Executive Chairman, Board of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF STEPH PIOTTI FOUNDATION

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Steph Piotti Foundation which comprise the statement of financial position as at 31 December 2017, the statement of activities, statement of cash flows for the year then ended and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of Steph Piotti Foundation as at 31 December 2017 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act Cap C20 LFN 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the requirements of the Institute of Chartered Accountants of Nigeria Professional Code of Conduct and Guide for Accountants (ICAN Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going Concern

The Foundation's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the Foundation's financial statements is appropriate.

Management has not identified a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the financial statements, we also have not identified such a material uncertainty. However, neither management nor the auditor can guarantee the Foundation's ability to continue as a going concern.

Other Information

The Trustees are responsible for the other information. The other information comprises the Trustees' Report, *obtained prior to the date of this auditor's report*. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustees for the Financial Statements

The Trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004, Financial Reporting Council Act, 2011 and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Sixth Schedule of Companies and Allied Matters Act CAP C20 LFN 2004 we expressly state that:

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Foundation has kept proper books of account, so far as appears from our examination of those books.
- iii) The Foundation's financial position and its statement of activities are in agreement with the books of account and returns.

Henry C. Manafa, FCA, - FRC/2013/ICAN/00000001974

For: Deloitte & Touche
Chartered Accountants
Port Harcourt, Nigeria

2018

STEPH PIOTTI FOUNDATION

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies which have been adopted by the Foundation.

a. Basis of accounting

The financial statements are prepared under the historical cost convention.

b. Income

Credit is taken for all donations received during the year.

c. Foreign currencies

Transactions arising in foreign currencies are recorded in Naira at the rates of exchange ruling at the time they arise. Assets and liabilities existing in foreign currencies are converted to Naira at the foreign exchange rate ruling at the balance sheet date. Gains and losses arising on translations are included in the income and expenditure account.

d. Provision

Provision is recognised when the Foundation has a present obligation, whether legal or constructive as a result of past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation in accordance with IAS 37.

e. Income tax

The Foundation is exempt from company's income tax obligation under Section 23 of the Company's Income Tax Act ("CITA") .

STEPH PIOTTI FOUNDATION

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	2017 N'000	2016 N'000
Assets			
Non-current asset			
Property, plant and equipment	9.	<u>211</u>	<u>-</u>
Current assets			
Advances	8.	485	-
Cash and bank balances	7.	<u>236</u>	<u>229</u>
Total current assets		<u>721</u>	<u>229</u>
Total assets		<u>932</u>	<u>229</u>
Liabilities			
Accrued expenses	6.	1,050	1,000
Paye liability		168	-
Total liabilities		<u>1,218</u>	<u>1,000</u>
Net liabilities		<u>(286)</u>	<u>(771)</u>
Total net liabilities		<u>(286)</u>	<u>(771)</u>
Total liabilities and net liabilities		<u>932</u>	<u>229</u>

These financial statements were approved by
the Trustees on _____ and signed
on its behalf by:

..... }
 }
 } Trustees
 }

The accounting policies and explanatory notes on page 10 to 13 form part of these financial statements.

STEPH PIOTTI FOUNDATION

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 N'000	2016 N'000
Revenue			
Donations	3.	27,626	21,207
		<u>-</u>	<u>-</u>
Total revenue		<u>27,626</u>	<u>21,207</u>
Expenses			
Program funding expenses	4.1	(22,733)	(20,157)
Support service expenses	4.2	<u>(4,408)</u>	<u>(1,784)</u>
Total expenses		<u>(27,141)</u>	<u>(21,941)</u>
Change in net assets/(liabilities)		485	(734)
Net liabilities beginning of year		<u>(771)</u>	<u>(37)</u>
Net liabilities, end of year		<u><u>(286)</u></u>	<u><u>(771)</u></u>

The accounting policies and explanatory notes on page 10 to 13 form part of these financial statements.

STEPH PIOTTI FOUNDATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 N'000	2016 N'000
Cash flows from operating activities			
Change in net liabilities		485	(734)
Add depreciation		24	-
Cash flow used in operations		509	(734)
Increase in working capital			
Increase in payables		168	800
Increase in advances		(485)	-
Increase in accruals		50	-
Net cash provided by operating activities		<u>242</u>	<u>66</u>
Cash flows from investing activities			
computer and equipment		<u>(235)</u>	<u>-</u>
Net cash used in investing activities		<u>(235)</u>	<u>-</u>
Cash flows from financing activities			
Trustees		<u>-</u>	<u>-</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		7	66
Cash and cash equivalents at 1 January		<u>229</u>	<u>163</u>
Cash and cash equivalents at 31 December	7.	<u>236</u>	<u>229</u>

STEPH PIOTTI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. The Foundation

Steph Piotti Foundation is a legal entity registered with Corporate Affairs Commission with registration number CAC/IT/NO. 74994. It is a non-profit, non-governmental and non-political organization conceptualized on the strong desire to bring lasting upliftment in living standard of the less privileged in the Niger Delta, Steph Piotti Foundation is an initiative of Mr. Stefano Piotti the founder of the Foundation. The principal objectives of the forum include but are not limited to the following:

- To support the less privileged individuals by giving the opportunity to excel in life through education, access to medical facilities, accommodation and empowerment.
- Help in the eradication of poverty by creation of job opportunities.
- To promote community capacity building.
- To set up scholarship schemes for the poor but gifted children.
- To promote economic empowerment of the widows and less privileged.

2. Going concern considerations

A significant portion (98%) of the Foundation's revenue comes from the donations received from the executive chairman Stefano Piotti. The remaining 2% represents donations made by external parties who are mostly individuals. Management is however sourcing to expand the revenue base of the foundation and is confident that the foundation will continue as a going concern for the foreseeable future.

3. Donations

	2017	2016
	N'000	N'000
Stefano Piotti	27,039	17,392
Others	<u>587</u>	<u>3,815</u>
	<u>27,626</u>	<u>21,207</u>

STEPH PIOTTI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	N'000	N'000
4. Expenditure		
4.1 Program funding expenses		
Accommodation/rent	2,744	4,549
Medical	2,410	2,011
Sponsorship	10,138	10,136
Charity peagent/assistance	2,143	1,138
	-	950
Empowerment/education programs	<u>5,298</u>	<u>1,373</u>
	<u>22,733</u>	<u>20,157</u>
4.2 General administrative expenses		
Audit fees	1,000	1,000
Stationeries	90	-
Office/admin expenses	1,067	-
Legal expenses	175	-
Salaries and wages	1,982	740
Bank charges	70	44
Depreciation	<u>24</u>	<u>-</u>
	<u>4,408</u>	<u>1,784</u>
5. Surplus/(deficit) of income over expenditure is stated after taking into account the following items:		
Auditors remuneration	<u>1,000</u>	<u>1,000</u>
6. Accrued expenses		
Accrued VAT	50	-
Audit fee	<u>1,000</u>	<u>1,000</u>
	<u>1,050</u>	<u>1,000</u>

STEPH PIOTTI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 N'000	2016 N'000
7. Cash and cash equivalents		
Cash and bank balances (Domiciliary Account)	95	95
Cash and bank balances (Naira Account)	141	134
	<u>236</u>	<u>229</u>

Cash and cash equivalents comprise cash and bank balances.

8. Advances		
Salary advances	345	-
Advances to vendors	140	-
	<u>485</u>	<u>-</u>

Advances relate to salary advanced to employees and payments to vendors for service yet to be received as at year end.

	Computer equipment N'000	Total N'000
9. Property, plant and equipment		
Cost/valuation		
At 1 January 2016	-	-
Additions	-	-
At 31 December 2016	-	-
Additions	235	235
Disposals	-	-
At 31 December 2017	<u>235</u>	<u>235</u>
Depreciation		
At 1 January 2016	-	-
Charge for the year	-	-
At 31 December 2016	-	-
Charge for the year	24	24
At 31 December 2017	<u>24</u>	<u>24</u>
Carrying amount		
At 31 December 2017	<u>211</u>	<u>211</u>
At 31 December 2016	<u>-</u>	<u>-</u>

Impairment of Property, plant and equipment

There are no indicators of impairment at the end of the reporting period. Thus, the Trustees are of the opinion that allowance for impairment is not required.

Assets pledged as security

None of the Company's assets were pledged as security for loans as at the reporting date.

10. Employees

The average number of persons employed during the year were as follows:

	2017 Number	2016 Number
Management	1	1
Senior staff	1	-
Junior staff	1	-
	<u>3</u>	<u>1</u>
	Number	Number

10.1 The number of employees in Nigeria with gross monthly emoluments within the bands stated were:

Below N200,000	3	1
N201,000 - N600,000	-	-
N601,000 - N1,000,000	-	-
N1,000,000 and above	-	-

STEPH PIOTTI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

11. Guarantees and other financial commitments

i. Loans and other transactions with Trustees

The Foundation neither guaranteed nor advanced any loan to the Trustees during the year (2016: Nil).

ii. Contingent liabilities

There were no contingent liabilities in respect of legal actions against the Foundation during the year (2016: Nil).

iii. Financial commitments

The directors are of the opinion that all known liabilities and commitments have been taken into account in the preparation of the financial statements under review.

12. Events after the reporting period

There were no significant events after the reporting period that could have a material effect on the financial statements for the year ended 31 December 2017, which have not been taken into consideration in the preparation of these financial statements.

13. Comparative figures

Certain comparative figures have been restated in order to show a more meaningful comparison.

OTHER NATIONAL DISCLOSURES

STEPH PIOTTI FOUNDATION

STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 N'000	%	2016 N'000
Income	27,626		21,207
Bought-in goods and services rendered	<u>(25,135)</u>		<u>(21,891)</u>
Value added/(consumed)	<u>2,491</u>	<u>100</u>	<u>(684)</u>
Applied as follows			
To pay employees			
Salaries and wages	1,982	80	50
To provide for replacement of fixed assets and development			
Depreciation of property, plant and equipment	24	1	
Change in net liabilities	<u>485</u>	<u>19</u>	<u>(734)</u>
	<u>2,491</u>	<u>100</u>	<u>(684)</u>

Note: "Value added" represents the additional wealth which the foundation has been able to by its own and its employees' efforts. This statement shows the allocation of that wealth amongst employees and that retained for future creation of wealth.

%

100

(7)

107

100

create
with

STEPH PIOTTI FOUNDATION

FINANCIAL SUMMARY YEAR ENDED 31 DECEMBER

	2017 N'000	2016 N'000	2015 N'000
Assets employed			
Non-current asset			
Property, plant and equipment	211	-	-
Current assets			
Advances	485		
Cash and bank balances	236	229	163
Total current assets	721	229	163
Total assets	932	229	163
Liabilities			
Paye liability	168	-	-
Accrued expenses	1,050	1000	200
Total liabilities	1,218	1,000	200
Net liabilities	(286)	(771)	(37)
Total net liabilities	(286)	(771)	(37)
Total liabilities and net liabilities	932	229	163