AUDITED REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2018

Prepared by:

OLUFEMI ADENIJI & CO
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NGERIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (NEITI)
WORLD BANK REPORTING COMPLIANCE GRANT (P162344).

THE GRANT MANAGEMENT TEAM

1. Mr. Waziri Adio  Executive Secretary NEITI/Client’s Coordinator
2. Mr. Donald Tyoachimin  Project Coordinator
3. Mrs. Bukola Joseph  Project Accountant
4. Mr. Ahmed Hussaini Abubakar  Procurement Expert

BANKER: Central Bank of Nigeria

PROJECT AUDITORS

Olufemi Adeniji and Co
(Chatered Accountant)
OLADAYO HOUSE
No 9, Summit Avenue, Oke Agala Estate,
Vine Branch Church Area, Off Queen Elizabeth Road,
Mokola, Ibadan,
Oyo State, Nigeria.
ACCOUNTING POLICIES

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

The following are the summary of significant accounting policies which have been adopted by the entity in the preparation of its financial statements.

a) BASIS OF ACCOUNTING
   The Financial Statements are prepared under the historical cost convention.

b) INCOME:
   Grant received from World Bank are accountable for on cash basis.

c) FOREIGN CURRENCIES:
   Transactions in foreign currencies are translated into Naira at the rate of exchange ruling at the transaction date. Assets and Liabilities in foreign currencies are converted to Naira at the exchange rate ruling at the Balance Sheet date. Gain/ Losses from the conversion are credited/debited to the Income and Expenditure Account.

d) STATEMENT OF COMPLIANCE WITH IPSAS
   The Financial statements set out above are in compliance with the requirements of the International Public Sector Accounting Standards (IPSAS), where applicable subject to the statement of accounting policies disclosed above.
AUDITORS’ REPORT TO THE BOARD OF NIGERIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (NEITI) ON WORLD BANK REPORTING COMPLIANCE GRANT (P 162344)
FOR THE YEAR ENDED 31ST DECEMBER, 2018

We have audited the attached Financial Statements of World Bank Grant for NEITI for the year ended 31st December, 2018 which have been prepared on the basis of the Accounting Policies on page 4.

RESPECTIVE RESPONSIBILITIES OF THE MANAGEMENT AND THE AUDITORS.
The Management of the Fund is responsible for the preparation of financial statements in accordance with International Public Sector Accounting Standards (IPSASs). It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.

BASIS OF OPINION
We conducted our audit in accordance with International Standards on Auditing (ISAs). Those ISAs require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of any significant estimates and judgments made by the management on the preparation of the financial statements and of whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed as well as evaluating the overall financial statements presentation.

We planned and performed our 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 misstatements, whether caused by fraud, error or other irregularities. In forming our opinion, we also evaluated overall adequacy of the presentation of the information in the financial statements, and assessed whether Fund’s books of accounts had been properly kept.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION
In our opinion, the financial statements give a true and fair view of the financial position of the World Bank Grant to NEITI as at 31st December 2018 and of its financial performance and its cash flows for the period ended in accordance with International Public Sector Accounting Standards.

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ALL CORRESPONDENCE SHOULD BE DIRECTED TO IBADAN OFFICE

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<table>
<thead>
<tr>
<th>NOTE</th>
<th>2018 Naira (₦)</th>
<th>2018 US ($)</th>
<th>2017 Naira (₦)</th>
<th>2017 US ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank and Cash Equivalent</td>
<td>12,267,021.14</td>
<td>40,130.80</td>
<td>13,708,627.64</td>
<td>44,887.45</td>
</tr>
<tr>
<td>NET ASSETS</td>
<td>12,267,021.14</td>
<td>40,130.80</td>
<td>13,708,627.64</td>
<td>44,887.45</td>
</tr>
<tr>
<td>FINANCED BY:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated Fund b/frwd</td>
<td>13,708,627.64</td>
<td>44,887.45</td>
<td>134,214,664.62</td>
<td>440,000.00</td>
</tr>
<tr>
<td>Surplus/ (Deficit) for the year</td>
<td>(1,441,606.50)</td>
<td>(4,756.65)</td>
<td>(120,506,036.98)</td>
<td>(395,112.55)</td>
</tr>
<tr>
<td></td>
<td>12,267,021.14</td>
<td>40,130.80</td>
<td>13,708,627.64</td>
<td>44,887.45</td>
</tr>
</tbody>
</table>

The Notes on page 9 form part of this financial statement.

Mr Donald Tyoachimin (Project Coordinator)

Mrs. Bukola Joseph (Project Accountant)
# NIGERIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (NEITI)

## WORLD BANK REPORTING COMPLIANCE GRANT (P162344)

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER 2018

<table>
<thead>
<tr>
<th>NOTES</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RECEIPT</strong></td>
<td>Naira (₦)</td>
<td>US ($)</td>
</tr>
<tr>
<td>Grant</td>
<td>36,579,122.75</td>
<td>119,931.55</td>
</tr>
<tr>
<td><strong>PAYMENT:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultancy Services - Oil &amp; Gas Audit</td>
<td>31,255,192.50</td>
<td>102,454.82</td>
</tr>
<tr>
<td>Consultancy Services - Automation</td>
<td>6,780,217.10</td>
<td>22,230.22</td>
</tr>
<tr>
<td>Bank Charges</td>
<td>3,675.00</td>
<td>12.04</td>
</tr>
<tr>
<td><strong>TOTAL PAYMENTS</strong></td>
<td>38,039,084.60</td>
<td>124,697.09</td>
</tr>
<tr>
<td><strong>RECEIPTS LESS PAYMENTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange gain/(loss)</td>
<td>(1,459,561.85)</td>
<td>(4,765.54)</td>
</tr>
<tr>
<td>Surplus/(Deficit) from Operating Activities</td>
<td>18,355.35</td>
<td>8.89</td>
</tr>
<tr>
<td>**(1,441,606.30)</td>
<td>(4,756.65)</td>
<td>(120,506,036.98)</td>
</tr>
</tbody>
</table>
**NIGERIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (NEITI)**
**WORLD BANK REPORTING COMPLIANCE GRANT (P162344)**
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER 2018**

<table>
<thead>
<tr>
<th>Cash Flow from Operating Activities</th>
<th>2018 NAIRA (N)</th>
<th>2018 US ($)</th>
<th>2017 NAIRA (N)</th>
<th>2017 US ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from Exchange Transaction</td>
<td>36,579,122.75</td>
<td>119,931.55</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**OUTFLOWS:**

  - 2014-2015 - 1,404,959.25 167,094.52

- Financial, Physical and Process Audit: Oil and Gas 2014
  - 2014 - 46,666,075.06 152,870.76

- Financial, Physical and Process Audit: Oil and Gas 2015
  - 2015 - 19,716,000.00 64,710.99

- Financial, Physical and Process Audit: Oil and Gas 2016
  - 2016 - 11,538,292.50 37,743.83

- Consultancy services - Automation
  - 6,780,217.10 22,230.22

- Bank Charges
  - 3,675.00 12.04

**TOTAL OUTFLOWS**

- 2018: 38,039,084.60 124,697.09
- 2017: 120,710,065.01 396,061.95

**Net Cash Flow from Operations**

- (1,459,961.85) (4,765.54)

**Cash Flow From Financing Activities:**

- Accumulated Fund
  - 2018: 13,708,627.64 44,887.45
  - 2017: 134,214,664.62 440,000.00

- Exchange gains
  - 2018: 18,555.35 8.89
  - 2017: 204,028.03 949.40

- Net increase/ decrease in cash flow
  - 2018: 12,267,021.14 40,130.80
  - 2017: 13,708,627.64 44,887.45

**Represented By:**

- Bank and Cash Balances
  - 2018: 12,267,021.14 40,130.80
  - 2017: 13,708,627.64 44,887.45
### NOTE 3: CASH AND CASH EQUIVALENT

<table>
<thead>
<tr>
<th>Description</th>
<th>2018 Naira (₦)</th>
<th>2018 US ($)</th>
<th>2017 Naira (₦)</th>
<th>2017 US ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance in Dollar Account</td>
<td>12,520,781.29</td>
<td>39,976.26</td>
<td>13,657,539.82</td>
<td>44,772.56</td>
</tr>
<tr>
<td>Balance in Draw Down Account</td>
<td>47,239.85</td>
<td>154.54</td>
<td>35,887.82</td>
<td>114.89</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>12,568,021.14</td>
<td>40,130.80</td>
<td>13,973,427.64</td>
<td>44,887.45</td>
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</tbody>
</table>

### NOTE 4: GRANT

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (₦)</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Grant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### NOTE 5a: CONSULTANCY SERVICES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (₦)</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial, Physical &amp; Process Audit: OIL &amp; GAS 2015</td>
<td>19,716,900.00</td>
<td>64,710.99</td>
</tr>
<tr>
<td>Financial, Physical &amp; Process Audit: OIL &amp; GAS 2016</td>
<td>11,538,292.50</td>
<td>37,743.83</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>33,265,922.80</td>
<td>182,454.82</td>
</tr>
</tbody>
</table>

### NOTE 5b: CONSULTANCY SERVICES-AUTOMATION

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (₦)</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription</td>
<td>6,768,217.10</td>
<td>22,230.22</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,768,217.10</td>
<td>22,230.22</td>
</tr>
</tbody>
</table>

### NOTE 6: BANK CHARGES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (₦)</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SWIFT Transfer Charges</td>
<td>3,675.00</td>
<td>12.04</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,675.00</td>
<td>12.04</td>
</tr>
</tbody>
</table>

**Total** amount: 3,675.00 in Naira, 12.04 in US dollars.