

**THE DESTINY TRUST  
CHILDREN FOUNDATION**

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**ANNUAL REPORTS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER, 2018**

**THE DESTINY TRUST CHILDREN FOUNDATION**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2018**

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# THE DESTINY TRUST CHILDREN FOUNDATION

## Corporate Information

**REGISTRATION NUMBER:** IT: 58124

**REGISTERED OFFICE:** House 2A, Road,  
Oba Oyekan Estate,  
Lekki Phase I  
Lagos  
Nigeria

**BUSINESS ADDRESS:** The Destiny Trust Centre  
No 6, Brila FM Street  
Off Bola Tinubu Road  
Bogije Ibeju-Lekki  
Lagos  
Nigeria

**LEGAL ADVISERS** AES Triplex LP  
*(Legal Practitioners)*  
61, Marina Street  
Lagos

**AUDITORS** Taiwo Bamiteko & Co  
*(Chartered Accountant)*  
No 5A, Shogunle Street  
Abule Onigbagbo Estate  
Off Mobolaji Bank Anthony Way  
Ikeja, Lagos

**PRINCIPAL BANKERS:** Guaranty Trust Bank

# THE DESTINY TRUST CHILDREN FOUNDATION

## Report of the Coordinator

The Management of the Foundation is pleased to submit to the Trustees, the Audited Financial Statement for the year ended 31st December, 2018

### 1 PRINCIPAL ACTIVITIES

The Foundation is to educate, empower and provide care to the street children and other less privileged young people.

### 2 OPERATING RESULTS

|   | 2018              | 2017             |
|---|-------------------|------------------|
|   | ₦                 | ₦                |
| Income  | <u>17,024,558</u> | <u>9,435,089</u> |
| Excess of Income over Expenditure                 | 5,741,675         | (491,700)        |
| Excess of Income over Expenditure b/f             | <u>(276,657)</u>  | <u>215,043</u>   |
| Excess of Income over Expenditure carried forward | <u>5,465,018</u>  | <u>(276,657)</u> |

### 3 EMPLOYMENT AND EMPLOYEE

#### a) Employment of Disabled Persons

It is the policy of the Foundation that there should be no discrimination in considering applications for employment including those for disabled persons. As at 31st December, 2018 there was no disabled person in the employment of the Foundation.

#### b) Health, Safety and Welfare

Health and safety regulations are in force within the Foundation's premises and employees are aware of existing regulations. The Foundation provides subsidy to all levels of employees for medical, transportation, housing, etc.

### 4 FIXED ASSETS

Information relating to Fixed Assets of the Foundation is contained in notes to the Financial Statements

### 5 INCORPORATED TRUSTEES

The Trustees who served during the year was:

Professor Yemi Osinbajo SAN

Mrs Mabel Irukera

Mrs Ngozi Ken-Udochukwu

## **YEAR 2018 IN REVIEW**

It's that time when we look back on what we have accomplished with our Partners' great support. 2018 was a productive year for us with significant improvement in our care programme, increased school enrolment and back-to-school drive; and the birth of the Kids Innovation Hub, a new initiative to empower underrepresented children with computer programming skills. Looking back at our 2018 goals, we see many targets that could not be attained. These include initiatives aimed at improving the quality of learning in public schools where we work. There was also a 14% shortfall in our school enrollment target for the year but we achieved a 41.8% growth on the number in the preceding year.

In our yearly review, our primary interest has always been to demonstrate the difference our partners make by working with us. We also re-evaluate missed opportunities and failed outcomes to learn new ways-what we can do differently to serve the children better. This sets the basis for what we are doing next and opens a meaningful communication with our partners on how we can collaborate to further highlight their commitment in promoting the best interest of children.

We recognize the immense potential of our work to do more for children in areas of our current priority: care, education and empowerment. We no longer have the ease to hold back on pursuing initiatives that complement our current efforts in these key areas because they are also measures necessary for sustainability. The reality of scarce resources is not enough reason for failing to act. Instead, this challenge is inspiring new thinking about how we can work with good people and organizations in our community who also desire to bring about the change we seek.

We are grateful to you for an amazing 2018. The credit is yours for every child rescued from the destitution of the streets into a loving home, every child taken from the slums to classrooms and every child taught even a line of code and empowered with technology skills to innovate the solutions of the future. You inspire us to do more with your support and we greatly value your trust in us to apply your resources for the purposes for which you gave them. We look forward to an even greater 2019 working with you.

## **OUR IMPACT IN 2018**

### **Education**

Our Education Programme caters to two categories of children. First is the class of rehabilitated street children who are now under continuing care in our shelter and other who have been resettled. The children attend affordable private schools in the environment of the home or in a boarding house. With the support of our partners, we provided 26 scholarships to resident children and those already resettled into families. The second category of beneficiaries of our education initiatives are children who are not in our home but live in slums and communities. Our expansive school enrolment and back-to-school programme is for this category of children. 258 children from Aboki Estate were enrolled in school for the first time or supported to go back to school. Newly enrolled children were admitted into Lagos Model Nursery and Primary School, Marwa.

Because homelessness is a challenge to school attendance for this category of children, our programme is aimed at giving them access to education wherever they are. The impact of this project is not measured merely by the percentage of children retained in school per time. We also see the relevance of this initiative in terms of our capacity to reintegrate children into school in new environments they relocate to after losing their temporary shelter in slums and informal settlements. We recognize the urgent need to expand the capacity of adopted public schools to support this category of children. Our intervention in the education of children who still live on the streets must also be complemented with well-coordinated Afterschool centres that provide assistance beyond the classroom and also help us to conduct more effective monitoring.

### **Rehabilitation and Care**

We provide shelter, daily feeding, healthcare and child protection to homeless children. In 2018, we strengthened the care programme, increased the capacity of the home to accommodate more homeless children. We also completely renovated the Home with the support of our partner, Pistis Foundation of Elevation Church. Pistis Foundation also paid the annual rent of the accommodation and provided a new generator to power the centre.

22 children lived in the home in the course of the year. We served 34,745 meals to children who live in the centre and other less-privileged children who come in daily for food. We also have 6 new children who joined us in addition to existing children. In May, we accommodated a child referred for Care and Supervision by the Family court, Lagos Island. The child was reunited with his family on 31<sup>st</sup> October, 2018. His supervision order was vacated the same day by the court. Two children left the home this year, one with a foster family and the other child now with his biological family. Six resident kids were also admitted into boarding house. This begins the process for their transition from the home and reintegration into the society.

### **Hands of Care Health Outreach**

Through a Medical Outreach tagged "Hands of Care", the Destiny Trust under a partnership with health intervention initiative, Dr. Funmi Alakija Foundation, provided free healthcare to 218 homeless children at a slum on the Elegushi beachfront, Lekki, Lagos. 1,000 packs of personal hygiene materials were also distributed to hundreds of homeless children and families that turned up at the temporary Point of Care set up in the area on Saturday, 24<sup>th</sup> November, 2018. The initiative was supported by Wellahealth, a health technology solutions company, Doctoor Health, short-term healthcare facility provider and Sanitary Aid NG, non-profit providing free sanitary materials to disadvantaged young people.

The Hands of Care outreach is our intervention to promote the health of homeless children who can hardly access healthcare services. The wellbeing of these children is at the heart of our work of educating, empowering and caring for them. We believe that no child should be held back in life by the scourge of disease. While recognizing the urgency for a broad-based approach to address the healthcare challenges of the urban poor children, short-term health

interventions only bring a respite to those who desperately and immediately need healthcare and help us to understand the problem more so we have the right information for planning for the underserved people. Homeless children who live in squalor on the streets and slums would require a more integrated and sustained intervention. This should include addressing the challenges of homelessness and empowering poor households to take care of the children. In the short term, we are expanding the capacity of our in-centre care programmes for homeless children and lending our voice to the development of inclusive communities where the children of the urban poor can live, thrive and participate in the social and economic system of their country”.

## **Empowerment**

Kids Innovation Hub was the anchor programme for our empowerment intervention in 2018. KIH was set up with initial target of reaching 500 kids by end of 2019. We have so far reached 173 children. These participants were profiled from public schools, low-income communities and rehabilitated street children at our center.

The Kids Innovation Hub was launched on 26<sup>th</sup> May, 2018 at our centre in Bogije. 43 participants graduated in the first set of 6-weeks long training. This was followed by our Tech Summer Bootcamp where a total number of 138 children (inclusive of the initial beneficiaries) were certified to have successfully undergone another 6 weeks of intensive and extensive training in digital skills.

This was hosted between July 23 - September 1, 2018. Participants were introduced to general computer appreciation, Python, Scratch, Animation, and various Personal Development sessions. The last training cycle benefitted 45 participants from 8th October to 8th December, 2018.

Kids who show interest in advanced learning have been incorporated into a club called Codetribe. Here, we are growing a community of young coders who can learn together, collaborate and access the resources of the Kids Innovation Hub even after passing out of the initial training.

## **Our Goals for 2019**

We have great hopes for 2019. Our focus would be on strengthening our current initiatives, increasing our investment in initiatives to enhance the quality of learning for non-resident children and increasing the capacity of our Kids Innovation Hub to meet our pilot phase targets.

We will continue to pursue our vision of providing adequate care, empowerment and education to children who depend on us and our interventions. Increased focus on the quality of care would further take precedence as we re-evaluate our processes in view of rising running costs. Resident children will be admitted at the maximum capacity of 22.

We hope to consolidate on our education initiatives and programmes by enhancing visibility and the measurable impacts in our coverage of our Afterschool Programme and Back2Basics campaign.

With renewed targets, working to set up new Afterschool centers outside the Bogije home will be part of the immediate focus for 2019.

We would also expand the target base for the Kids Innovation Hub programme. This would require immediate investment in additional computer hardware. We would increase internship opportunities for Kids at major technology firms and hubs, plan an improved bootcamp for 150 kids or more, painstakingly work towards training 325 kids in different streams and through in-school training through 2019.

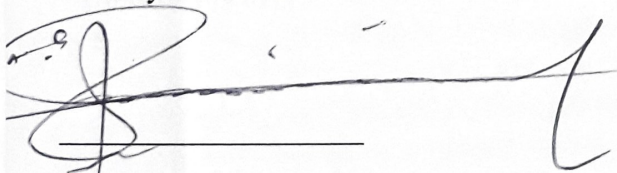
We are spurred by the success of this year's health outreach and look to making this a routine periodic activity with specific focus on medical care of homeless children, health education and distribution of medical and sanitary materials in slums and poor communities.

As we proffer improvements to ensure that our initiatives meet with success, we would make it an immediate future priority to extend our interventions to another Nigerian city with high prevalence of street children. From our work, a significant number of street children in Lagos are from outside Lagos. Our intervention in the first year would be limited to operating a day centre for street children in the new city while designing more effective ways to address their needs within their peculiar social and economic circumstances.

Lastly, we are working with partners to deploy a technology solution that addresses some of the resource challenges commonly experienced by non-profits like ours directly engaged in provision of basic needs to children on a day-to-day basis. We are hoping that this can help us and other non-profits to reduce home running cost and provide a convenient method of giving to donors.

We will continue on this journey with the constant support of partners and volunteers who share in the vision of the organisation.

Once more, we thank you for an amazing 2018 and we look forward to touching more lives with you in 2019.

A handwritten signature in black ink, appearing to be 'Abimbola Ojenike', written over a horizontal line. The signature is stylized and includes a large flourish at the end.

**Abimbola Ojenike (Mr.)**

(Coordinator)





## REPORT OF THE AUDITORS

### To the Board of Trustees of THE DESTINY TRUST CHILDREN FOUNDATION

We have audited the accompanying financial statements of The Destiny Trust Children Foundation which was prepared on the basis of the accounting policies set out on page 9.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Foundation in accordance with the generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes examination, on a test basis, of evidence relevant to the amount and disclosures in the financial statements. It also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management as well as evaluating the overall presentation of the financial statements. The audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

### Opinion

In our opinion and to the best of information and according to the explanation given to us, the financial statements give a true and fair view of the state of the financial affairs of the Foundation as at 31st December, 2018 and of their financial performance and cash flow for the year ended on that day and comply with the requirements of Companies and Allied Matters Act, CAP C20 LFN 2004.

Taiwo Bamiteko  
FRC/ICAN/2018/00002343  
**For: Taiwo Bamiteko & Co**  
(Chartered Accountants)  
Lagos, Nigeria  
APRIL, 2019



# THE DESTINY TRUST CHILDREN FOUNDATION

## Statement of the Accounting Policies

For the year ended 31st December, 2018

The following are the significant accounting policies which have been adopted by the Foundation in the preparation of the accounts:

**a Basis of Accounting**

The Financial Statements for the year ended 31st December, 2018 have been prepared under the historical cost convention, including the use of going concern assumption.

**b Income**

Income for the Foundation's activities are the donations from the founding members and the volunteers who support the cause of the Foundation. There are also donations from an individual and corporate organization for specific aspects of the Foundation's project need.

**c Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation.

**d Depreciation**

Depreciation of Fixed Assets is calculated on cost on a straight line basis to write off the cost of each asset over its estimated useful life at the following rates:

|                          |     |
|--------------------------|-----|
| Furniture, Fittings, etc | 20% |
| Office Equipment         | 20% |
| Plant and Machinery      | 15% |
| Computer Equipment       | 15% |

No depreciation is provided on Fixed Assets until they are brought into use.

**e Cash and Cash Equivalents**

For the purpose of reporting cash flow, cash and cash equivalents includes cash on hand and cash balances with the banks.

**THE DESTINY TRUST CHILDREN FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**

*As at 31st December, 2018*

| <b><u>ASSETS EMPLOYED</u></b>  | Note | 2018<br>₦        | 2017<br>₦        |
|--------------------------------|------|------------------|------------------|
| Fixed Assets                   | 1    | 3,059,607        | 74,745           |
|                                |      | <b>3,059,607</b> | <b>74,745</b>    |
| <br><b>Current Assets</b>      |      |                  |                  |
| Bank and Cash Balances         | 2    | 2,885,411        | 148,598          |
|                                |      | <b>2,885,411</b> | <b>148,598</b>   |
| <br><b>CURRENT LIABILITIES</b> |      |                  |                  |
| Short Term Loan                | 3    | (480,000)        | (500,000)        |
|                                |      | <b>5,465,018</b> | <b>(276,657)</b> |
| <br><b>TOTAL ASSETS</b>        |      |                  |                  |
| <br><b>FINANCED BY:</b>        |      |                  |                  |
| Accumulated Fund               | 4    | 5,465,018        | (276,657)        |
|                                |      | <b>5,465,018</b> | <b>(276,657)</b> |

# THE DESTINY TRUST CHILDREN FOUNDATION

## Income and Expenditure Account

*For the year ended 31st December, 2018*

|  | Note | 2018<br>N         | 2017<br>N        |
|--|------|-------------------|------------------|
| Income                                   | 5    | 17,024,558        | 9,435,089        |
| Other Income                             |      | 4,857,000         |                  |
|  |      | <b>21,881,558</b> | <b>9,435,089</b> |
| <b>Gross Income</b>                      |      |                   |                  |
| <b>Less operating expenses</b>           |      |                   |                  |
| Care & Education Program                 | 6    | 9,366,730         | 6,725,185        |
| Empowerment Program                      | 7    | 1,605,500         | -                |
| Administrative Expenses                  | 8    | 4,588,100         | 2,816,200        |
| Other Expenses                           | 9    | 232,925           | 300,920          |
| Depreciation                             | 10   | 346,628           | 84,484           |
|  |      | <b>16,139,883</b> | <b>9,926,789</b> |
|  |      | <b>5,741,675</b>  | <b>(491,700)</b> |
| <b>Excess of income over expenditure</b> |      |                   |                  |
| <b><u>Appropriation</u></b>              |      |                   |                  |
| Transfer to Reserves                     |      | <b>5,741,675</b>  | <b>(491,700)</b> |

*The attached notes form part of these accounts*

# THE DESTINY TRUST CHILDREN FOUNDATION

## Statement of Cash flow

For the year ended 31st December, 2018

|  | 2018<br>N               | 2017<br>N             |
|--|-------------------------|-----------------------|
| <b>Cash flow from operating activities:</b>                      |                         |                       |
| Excess of income over expenditure                                | 5,741,675               | (491,700)             |
| <i>Adjustment for:</i>   |                         |                       |
| Depreciation of fixed assets 9                                   | <u>346,628</u>          | <u>84,484</u>         |
| <b>Income before working capital changes</b>                     | <b>6,088,303</b>        | <b>(407,216)</b>      |
| <b>Working capital changes</b>                                   |                         |                       |
| Current liabilities  | <u>(20,000)</u>         | <u>-</u>              |
| <b>Net cash flow from operating activities</b>                   | <b>6,068,303</b>        | <b>(407,216)</b>      |
| Purchases of fixed assets  | <u>(3,331,490)</u>      | <u>-</u>              |
| <b>Net cash flow from investing activities</b>                   | <b>2,736,813</b>        | <b>(407,216)</b>      |
| <b>Cash flow from financing activities:</b>                      |                         |                       |
|  | <u>-</u>                | <u>-</u>              |
| <b>Net increase in cash and cash equivalents during the year</b> | <b>2,736,813</b>        | <b>(407,216)</b>      |
| Cash and cash equivalents at the beginning of the year:          | <u>148,598</u>          | <u>555,814</u>        |
| <b>Cash and cash equivalents at the end of the year</b>          | <b><u>2,885,411</u></b> | <b><u>148,598</u></b> |
| <b>Represented by:</b>   |                         |                       |
| Cash and bank balances   | 2,885,411               | 148,598               |
|  | <u>2,885,411</u>        | <u>148,598</u>        |

# THE DESTINY TRUST CHILDREN FOUNDATION

## Notes on the Accounts

For the year ended 31st December, 2018

### 1 FIXED ASSETS

|                         | Furniture and<br>Fittings | Office<br>Equipment | Plant and<br>Machinery | Computer<br>Equipment | Total            |
|-------------------------|---------------------------|---------------------|------------------------|-----------------------|------------------|
|                         | N                         | N                   | N                      |                       | N                |
| <b>COST/VALUATION</b>   |                           |                     |                        |                       |                  |
| As at January 1 2018    | 239,500                   | 111,670             | 95,000                 | -                     | 446,170          |
| Additions               | 529,500                   | 210,000             | 229,990                | 2,362,000             | 3,331,490        |
| As at December 31 2018  | <b>769,000</b>            | <b>321,670</b>      | <b>324,990</b>         | <b>2,362,000</b>      | <b>3,777,660</b> |
| <b>DEPRECIATION</b>     |                           |                     |                        |                       |                  |
| As at January 1 2018    | 219,042                   | 95,383              | 57,000                 | -                     | 371,425          |
| Charge for the year     | 42,766                    | 26,787              | 40,875                 | 236,200               | 346,628          |
| As at December 31 2018  | <b>261,808</b>            | <b>122,170</b>      | <b>97,875</b>          | <b>236,200</b>        | <b>718,053</b>   |
| <b>NET BOOK VALUE</b>   |                           |                     |                        |                       |                  |
| As at December 31 2018  | <b>507,192</b>            | <b>199,500</b>      | <b>227,115</b>         | <b>2,125,800</b>      | <b>3,059,607</b> |
| As at December 31, 2017 | <b>20,458</b>             | <b>16,287</b>       | <b>38,000</b>          | -                     | <b>74,745</b>    |

**THE DESTINY TRUST CHILDREN FOUNDATION**  
**Notes to the Accounts - (Cont'd)**

*For the year ended 31st December, 2018*

|  | 2018              | 2017             |
|--|-------------------|------------------|
|  | N                 | N                |
| <b>2 CURRENT ASSETS</b>                          |                   |                  |
| <b><u>Bank and cash balances</u></b>             |                   |                  |
| Cash and bank balances                           | 2,885,411         | 148,598          |
|  | <u>2,885,411</u>  | <u>148,598</u>   |
| <b>3 CURRENT LIABILITIES</b>                     |                   |                  |
| <b><i>Amount falling due within one year</i></b> |                   |                  |
| Loan from Member                                 | 480,000           | 500,000          |
|  | -                 | -                |
|  | <u>480,000</u>    | <u>500,000</u>   |
| <b>4 ACCUMULATED FUND</b>                        |                   |                  |
| Excess of Income over Expenditure b/f            | (276,657)         | 215,043          |
| Excess of Income over Expenditure for the year   | 5,741,675         | (491,700)        |
| Excess of Income over Expenditure c/f            | <u>5,465,018</u>  | <u>(276,657)</u> |
| <b>5 INCOME</b>                                  |                   |                  |
| Project Fund                                     | 4,857,000         | -                |
| Donations  | 17,024,558        | 9,435,089        |
|  | <u>21,881,558</u> | <u>9,435,089</u> |
| <b>6 CARE &amp; EDUCATION PROGRAM</b>            |                   |                  |
| <b>Resident Children Care</b>                    |                   |                  |
| School Fees/Expenses                             | 2,810,150         | 969,060          |
| Home Supplies                                    | 475,560           | 265,400          |
| Home Repairs and Maintenance                     | 550,800           | 110,500          |
| Medicals   | 290,200           | 371,250          |
| Kids Clothings                                   | 73,700            | 47,710           |
| Home Feeding                                     | 2,867,670         | 2,609,365        |
| <b>Non-Resident Children Care</b>                |                   |                  |
| Non-Resident children Care                       | 259,100           | 320,400          |
| Education Outreach                               | 1,053,400         | -                |
| Medical Outreach                                 | 986,150           | 2,031,500        |
|  | <u>9,366,730</u>  | <u>6,725,185</u> |
| <b>7 EMPOWERMENT PROGRAMS</b>                    |                   |                  |
| Kids Innovation Hub (KIH) Expenses               | 1,605,500         | -                |
|  | <u>1,605,500</u>  | <u>-</u>         |

**THE DESTINY TRUST CHILDREN FOUNDATION**

**Notes to the Accounts - (Cont'd)**

*For the year ended 31st December, 2018*

|                                | <b>2018</b>             | <b>2017</b>             |
|--------------------------------|-------------------------|-------------------------|
|                                | <b>₦</b>                | <b>₦</b>                |
| <b>ADMINISTRATIVE EXPENSES</b> |                         |                         |
| Home Rent                      | 1,571,400               | 1,000,000               |
| Publicity & Branding           | 110,000                 | -                       |
| Staff Salaries                 | 2,772,650               | 1,485,000               |
| Office Expenses                | 134,050                 | 331,200                 |
|                                | <u><b>4,588,100</b></u> | <u><b>2,816,200</b></u> |
| <b>OTHER EXPENSES</b>          |                         |                         |
| Training & Skill Acquisition   | -                       | 178,250                 |
| Bank Charges                   | 48,925                  | 33,570                  |
| Other Expenses                 | 184,000                 | 89,100                  |
|                                | <u><b>232,925</b></u>   | <u><b>300,920</b></u>   |
| <b>DEPRECIATION</b>            |                         |                         |
| Furniture, Fittings, etc       | 42,766                  | 47,900                  |
| Office Equipment               | 26,787                  | 22,334                  |
| Plant and Machinery            | 40,875                  | 14,250                  |
| Computer Equipment             | 236,200                 | -                       |
|                                | <u><b>346,628</b></u>   | <u><b>84,484</b></u>    |



# THE DESTINY TRUST CHILDREN FOUNDATION

## Statement of Value Added

For the year ended 31st December, 2018

|  | 2018             |            | 2017             |            |
|--|------------------|------------|------------------|------------|
|  | N                | %          | N                | %          |
| Fee income   | 17,024,558       |            | 9,435,089        |            |
| Administration overheads and payments for other services                   | (8,114,680)      |            | (8,323,735)      |            |
| <b>Value Added</b>   | <b>8,909,878</b> | <b>100</b> | <b>1,111,354</b> | <b>100</b> |
| <i>Applied as follows:</i>   |                  |            |                  |            |
| <b>In payment to employees:</b>  |                  |            |                  |            |
| - Salaries and wages   | 2,772,650        | 31.12      | 1,485,000        | 133.62     |
| <b>In payment to providers of capital</b>                                  |                  |            |                  |            |
| Finance charges  | 48,925           | 0.55       | 33,570           | 3.02       |
| <b>Retained for future replacement of assets and expansion of business</b> |                  |            |                  |            |
| - Depreciation   | 346,628          | 3.89       | 84,484           | 7.60       |
| - Accumulated Surplus  | 5,741,675        | 64.44      | (491,700)        | (44.24)    |
| <b>Value Added</b>   | <b>8,909,878</b> | <b>100</b> | <b>1,111,354</b> | <b>100</b> |

Value added represents the additional wealth which the firm has been able to create by its own and its' employees' efforts. This statement shows the allocation of that wealth between government, employees, providers of capital and that retained for the future creation of more wealth.