

RUTH TITILAYO EDUCATIONAL FOUNDATION

Review of the Audited Financial Statements — Year Ended 31 May 2026

Prepared for: The Chairman & Board of Trustees

Auditors: Akinhanmi Babatunde & Co. (Chartered Accountants)

This report reviews the Foundation's audited financial statements for the year ended 31 May 2026 and highlights the key results, financial position, observations and recommendations for the Board's attention. **The auditors issued a clean (unqualified) opinion:** the statements give a true and fair view of the Foundation's affairs and performance, the books of account were properly kept, and the statements comply with IFRS, CAMA 2020 and the FRC Act 2011.

Financial Highlights (₦)	2026	2025	Change
Donation income	6,094,235	5,998,000	+1.6%
Investment (interest) income	1,393,821	1,340,789	+4.0%
Total income	7,488,056	7,338,789	+2.0%
Total expenditure	4,169,250	2,263,103	+84.2%
Surplus for the year	3,318,805	5,075,686	-34.6%
Total assets	20,548,490	17,189,685	+19.5%
Cash & investments	15,407,584	11,301,508	+36.3%
Total liabilities	1,835,200	1,835,200	0.0%
Total funds (equity)	18,713,290	15,354,484	+21.9%

Performance

The Foundation recorded a surplus of ₦3.32m, down 34.6% from ₦5.08m. Total income was broadly flat (+2.0% to ₦7.49m), so the lower surplus reflects an 84% rise in expenditure to ₦4.17m — driven largely by **increased mission delivery**: scholarships more than quadrupled to ₦1.38m (2025: ₦0.32m), alongside new website (₦0.45m), welfare (₦0.32m), statutory (₦0.13m) and training costs. Programme/beneficiary spend rose to about 44% of expenditure, from roughly 15% the prior year.

Financial position & reserves

The financial position strengthened. Total assets grew 19.5% to ₦20.55m and total funds rose 21.9% to ₦18.71m, against unchanged liabilities of ₦1.84m. Liquidity is very strong — cash and investments of ₦15.41m cover current liabilities 8.4 times, and reserves now represent about 4.5 years of annual expenditure. Notably, ₦12.73m (83% of cash, 62% of total assets) is held in a single First Asset money market investment, which earned ₦1.39m (an effective yield of about 14.6%).

Key observations

- **Clean audit and sound controls** — an unqualified opinion, with IFRS-based accounting and internal controls affirmed by the trustees and auditors.
- **The lower surplus is healthy in nature** — it reflects a deliberate increase in scholarships and programmes, not weaker income.
- **The Foundation is strongly — arguably over — reserved:** about 4.5 years of expenditure is held, while programme spend is still below half of total outflow.

Recommendations

- Channel part of the accumulated reserves into expanded scholarships and programmes, guided by a Board-approved reserves policy (e.g. 12–18 months' cover).

Conclusion

The Foundation is in a sound and improving financial position — a clean audit, growing funds, strong liquidity and materially increased scholarship delivery. The priorities ahead are to direct more of its healthy reserves toward mission impact and to formalise its investment and reserves governance.