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2021 Financial Report

Independent Auditor's Statement For 2021 Fiscal Year.

Connected Development Initiative

Financial statements
for the year ended December 31, 2021
Together with Trustees' and Independent Auditors' Reports

Contents

Corporate Information

Company registration number	CAC/IT/NO 66312
Legal entity	Connected Development Initiative
Country of incorporation and domicile	Nigeria
Nature of business and principal activities	To empower people in marginalized communities to hold their government accountable for improved service delivery.
Trustees	Hamzat Bala Lawal Oludotun Babayemi Anthony Agbor Hosanna Athena Fox
Registered office	Bassan Plaza, Plot 759 3rd Floor, D Wing Central Business District Abuja
Auditors	Pedabo Audit Services 67 Norman Williams Street Ikoyi Lagos Nigeria Signing Partner: Ajibade Taofeek Fashina www.pedabo.com
Bankers	Guaranty Trust Bank Plc Zenith Bank Plc

Trustees' Report

The Trustees presents their report on the affairs of Connected Development Initiative ("the Organization"), together with the financial statements and independent auditor's report for the year ended December 31, 2021.

1. Legal framework

The Organization was incorporated on December 2013 and commenced activities on the same day.

The Organization is domiciled in Nigeria where it is incorporated as a trust under the Companies and Allied Matters Act 2020.

2. Nature of business

The principal activity of the Organization is to empower people in marginalized communities to hold their government accountable for improved service delivery.

There have been no material changes to the nature of the Organization's activity from the prior year.

3. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act 2020. Additional information required by national regulations is included where appropriate. The accounting policies have been applied consistently compared to the prior year.

	2021	**2020**
	N'000	**N'000**
Income	331,711	448,758
(Deficit)/surplus	(160,102)	187,204

4. Trustees

The Trustees in office at the date of this report are as follows:

Trustees	**Office**	**Designation**
Hamzat Bala Lawal	Trustee	Executive
Oludotun Babayemi	Trustee	Executive
Anthony Agbor	Trustee	Executive
Hosanna Athena Fox	Trustee	Executive

5. Trustees' interests in contracts

In accordance with Section 303 of the Companies and Allied Matters Act 2020, none of the Trustees of the Organization had direct or indirect interests in the contracts or proposed contracts with the Organization during the year under review.

6. Events after the reporting period

There were no events after the reporting period which could have a material effect on the financial position of the Organization as at December 31, 2021.

Trustees' Report

7. Going concern

The Trustees believe that the Organization has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The Trustees have satisfied themselves that the Organization is in a sound financial position and that it has access to sufficient grants to meet its foreseeable cash requirements. The Trustees are not aware of any new material changes that may adversely impact the Organization.

8. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the Organization or in the policy regarding their use.

Information relating to changes in property, plant and equipment is disclosed in Note 3 to the financial statements.

9. Employment and employees

a) Employee consultation and training
The Organization places considerable value on the involvement of its employees in major policy matters and keeps them informed on matters affecting them as employees and on various factors affecting the performance of the Organization. This is achieved through regular meetings with employees and consultations with their representatives.

b) Dissemination of information
In order to maintain shared perception of our goals, the Organization is committed to communicating information to employees in a fast and effective manner. This is considered critical to the maintenance of team spirit and high employee morale.

c) Employment of physically challenged persons.
The Organization has no physically challenged persons in its employment. However, the Organization's employment policy does not discriminate against any individual for reason of his/her infirmity as each employment case is purely treated on merit.

d) Employee health, safety and welfare
The Organization has a well established Environmental Health and Safety (EH&S) management system, which formalises EH&S processes, procedures and programmes and provides for integration of EH&S issues into business planning and operations.

Trustees' Report

10. Auditors

In accordance with Section 401(2) of the Companies and Allied Matters Act, 2020 the auditors Messrs Pedabo Audit Services, have indicated their willingness to continue in office as auditors of the Company.

By Order of the Board of Trustees

Nnanna Oketa
Organization Secretary
..1...June, 2022

Trustees' Responsibilities and Approval

The Trustees accept responsibility for the preparation of the annual financial statements set out on pages 9 to 28 that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and in the manner required by the Companies and Allied Matters Act as issued by the International Accounting Standard Board (IASB) and the Financial Reporting Council of Nigeria Act 2011.

The Trustees further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act 2020 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.

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

Signed on behalf of the Board of Trustees By:

01/06/22	
Anthony Agbor	**Hamzat Lawal**
Trustee	**Trustee**
..1...June, 2022	**..1...June, 2022**

Independent Auditor's Report

To the members of Connected Development Initiative

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Connected Development Initiative (the Organization) set out on pages 9 to 26, which comprise the statement of financial position as at December 31, 2021, and the statement of comprehensive income, statement of changes in fund and statement of cash flows for the year then ended, and 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 the Organization as at December 31, 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act 2020 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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Trustees are responsible for the other information. The other information comprises the Trustees' report as required by the Companies and Allied Matters Act 2020, which we obtained prior to the date of this 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 an audit opinion or 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. If, based on the work we have performed, 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 and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act 2020, 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 Organization'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 Organization or to cease operations, or have no realistic alternative but to do so.

Lagos Office
67, Norman Williams Street, Off Keffi Street,

Abuja Office
4th Floor Grand Square,

Pedabo Audit Services

Independent Auditor's Report

Auditor's responsibilities for the audit of the 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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

The Companies and Allied Matters Act 2020 requires that in carrying out our audit, we consider and report to you on the following matters

We confirm that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- the Organization has kept proper books of accounts so far as it appears from our examination of those books and we have received proper returns adeqaute for the purpose of our audit.
- the Organization's Statement of Financial Position and Statement of Comprehensive Income are in agreement with the books of account.

Ajibade Taofeek Fashina

Ajibade Taofeek Fashina
For: Pedabo Audit Services
FRC/2013/ICAN/00000000904
Lagos, Nigeria

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0507926

2..... June, 2022.

Statement of Financial Position as at December 31, 2021

	Note(s)	2021 N'000	2020 Restated * N'000
Assets			
Non-Current Assets			
Property, plant and equipment	3	83,810	62,121
Current Assets			
Trade and other receivables	4	3,082	43,863
Cash and cash equivalents	5	141,076	182,896
		144,158	**226,759**
Total Assets		**227,968**	**288,880**
Equity and Liabilities			
Equity			
Accumulated funds		843	160,941
Current Liabilities			
Deferred income	6	190,761	111,580
Other payables	7	36,364	16,359
		227,125	**127,939**
Total Equity and Liabilities		**227,968**	**288,880**

The financial statements and the notes on page 9 to 28, were approved by the Trustees on 1..... June, 2022 and were signed on its behalf by:

Anthony Agbor
Trustee

Hamzat Lawal
Trustee

The accounting policies on pages 13 to 15 and the notes on pages 16 to 26 form an integral part of the financial statements.

* See Note 15

Statement of Comprehensive Income

	Note(s)	2021 N'000	2020 Restated* Restated * N'000
Income	8	331,711	448,758
Project expenses	9	(259,682)	(181,697)
Other income	10	35	3,995
Other operating expenses	11	(232,166)	(83,852)
(Deficit)/surplus for the year		**(160,102)**	**187,204**

* See Note 15

Statement of Changes in Fund

	Accumulated funds N'000	Total Fund N'000
Restated* Balance at January 1, 2020	**(26,261)**	**(26,261)**
Profit for the year	187,204	187,204
Other comprehensive income	-	-
Total comprehensive income for the year	**187,204**	**187,204**
Balance at January 1, 2021	**160,941**	**160,941**
Loss for the year	(160,102)	(160,102)
Other comprehensive income	-	-
Total comprehensive Loss for the year	**(160,102)**	**(160,102)**
Balance at December 31, 2021	**839**	**839**

* See Note 15

Statement of Cash Flows

	Note(s)	2021 N'000	2020 Restated * N'000
Cash flows from operating activities			
(Deficit)/surplus before taxation		(160,102)	187,204
Adjustments for:			
Depreciation		24,301	7,033
Changes in working capital:			
Trade and other receivables		40,781	(43,143)
Deferred income		79,181	(42,267)
Movement on other liabilities		20,009	11,804
Cash generated from operations		**4,170**	**120,631**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(45,990)	(44,932)
Net cash used in investing activities		**(45,990)**	**(44,932)**
Total cash movement for the year		**(41,820)**	**75,699**
Cash at the beginning of the year		182,896	107,197
Total cash at end of the year	5	**141,076**	**182,896**

* See Note 15

Notes to the Financial Statements

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Companies and Allied Matters Act 2020.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Naira, which is the Organization's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the Organization holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Organization, and the cost of the item can be measured reliably.

Property, plant and equipment are initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Organization and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Notes to the Financial Statements

1.3 Property, plant and equipment (continued)

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Organization. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Plant and machinery	Straight line	10 years
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	4 years

The depreciation charge for each year is recognised in statement of income and expenditure unless it is included in the carrying amount of another asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in statement of income and expenditure when the item is derecognised.

1.4 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the Organization's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Notes to the Financial Statements

1.5 Revenue from contracts with customers

The Organization recognises income from donations from sponsors.

Donations are recognised when there is reasonable assurance that:

(i) the Organization would comply with the conditions attached to them; and
(ii) the donations are received.

1.6 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Naira, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the Organization receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the company initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, Organization determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in statement of income and expenditure in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in statement of income and expenditure, any exchange component of that gain or loss is recognised in statement of income and expenditure.

Cash flows arising from transactions in a foreign currency are recorded in Naira by applying to the foreign currency amount the exchange rate between the Naira and the foreign currency at the date of the cash flow.

1.7 Cash and cash equivalent

Cash and cash equivalents include cash balances with financial institution which are subject to an insignificant risk of change in value.

1.8 Deferred income

This represents amount for unfulfilled conditions and other contingencies attaching to donations and grants received from institutions.

Notes to the Financial Statements

2. New Standards and Interpretations

2.1 New and amended standards

A number of new standards, amendments to standards and interpretations are effective for the year ended 31st December 2021, and have been applied in preparing these financial statements.

(i) Revised conceptual framework for financial reporting

The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:

• reinstating prudence as a component of neutrality
• defining a reporting entity, which may be a legal entity, or a portion of an entity
• revising the definitions of an asset and a liability
• removing the probability threshold for recognition and adding guidance on derecognition
• adding guidance on different measurement basis, and
• stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in the financial statements
.

No changes will be made to any of the current accounting standards. However, entities that rely on the framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 January 2021. These entities will need to consider whether their accounting policies are still appropriate under the revised framework.

Notes to the Financial Statements

	2021	2020
	N'000	N'000

2. New'Standards and Interpretations (continued)

2.2 Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31st December 2021, and have not been applied in preparing these Financial statements. The Company intends to adopt the standards below when they become effective:

(a) Property, plant and equipment: proceeds before intended use - Amendments to IAS 16
The amendment prohibit the deduction from the cost to an item of property, plant and equipment proceeds of the sale of items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management. Instead, an entity should recognize the sale proceeds and related production cost of those items in Profit or loss. This is effective for annual reporting periods beginning on or after 1 January 2022. The amendment is not expected to have any impact on the Company.

(b) Onerous contracts: cost of fulfiling a contract - Amendments to IAS 37
The amendment which is effective for annual reporting periods beginning on or after 1 January 2022 specifies the costs an entity needs to include when assessing whether a contract is onerous. The amendment clarifies that the costs that relate to a contract comprise both incremental costs of fulfilling the contract and an allocation of other direct costs related to the contract activities. The amendment does not have any material impact on the Company.

(c) Classification of liabilities as current or non-current - Amendments to IAS 1
The amendment to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The amendment clarify:
- what is meant by a right to defer settlement.
- that a right to defer must exist at the end of the reporting period.
- that classification is unaffected by the likelihood that an entity will exercise its deferral right.
- that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The Board also added two new paragraphs (Paragraph 76A and 76B) to IAS 1 to clarify what is meant by "settlement" of a liability. The Board concluded that it was important to link the settlement of the liability with the `outflow of resources of the entity.

Notes to the Financial Statements

3. Property, plant and equipment

	2021			2020		
	Cost or revaluation N'000	Accumulated depreciation N'000	Carrying value N'000	Cost or revaluation N'000	Accumulated depreciation N'000	Carrying value N'000
Plant and machinery	4,015	(1,674)	2,341	4,015	(1,273)	2,742
Furniture and fixtures	13,329	(6,255)	7,074	13,093	(4,922)	8,171
Motor vehicles	43,000	(10,625)	32,375	5,000	(1,458)	3,542
Office equipment	53,005	(16,549)	36,456	47,835	(5,719)	42,116
IT equipment	12,258	(6,694)	5,564	9,674	(4,124)	5,550
Total	**125,607**	**(41,797)**	**83,810**	**79,617**	**(17,496)**	**62,121**

Reconciliation of property, plant and equipment - 2021

	Opening balance N'000	Additions N'000	Depreciation N'000	Total N'000
Plant and machinery	2,742	-	(401)	2,341
Furniture and fixtures	8,171	236	(1,333)	7,074
Motor vehicles	3,542	38,000	(9,167)	32,375
Office equipment	42,116	5,170	(10,830)	36,456
IT equipment	5,550	2,584	(2,570)	5,564
	62,121	**45,990**	**(24,301)**	**83,810**

Reconciliation of property, plant and equipment - 2020

	Opening balance N'000	Additions N'000	Depreciation N'000	Total N'000
Plant and machinery	3,144	-	(402)	2,742
Furniture and fixtures	8,389	1,034	(1,252)	8,171
Motor vehicles	4,792	-	(1,250)	3,542
Office equipment	3,177	41,099	(2,160)	42,116
IT equipment	4,720	2,799	(1,969)	5,550
	24,222	**44,932**	**(7,033)**	**62,121**

4. Other receivables

	2021 N'000	2020 N'000
Deposit for assets	-	39,696
Staff advance	150	1,250
Prepayment (Note 4a)	2,932	2,917
	3,082	**43,863**

4a. This represents prepaid rent as at the year end.

Notes to the Financial Statements

	2021 N'000	2020 N'000
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	141,076	182,896
6. Deferred income		
Non-current liabilities	-	-
Current liabilities	190,761	111,580
	190,761	**111,580**
Opening balance	111,580	153,847
Grants received for the year	414,154	406,491
Grants earned for the year	(334,973)	(448,758)
	190,761	**111,580**
The Ford Foundation	30,820	28,500
ChristianAid	-	7,080
Malala Fund	18,999	-
CTAP	34,650	-
NED(Open Parly)	15,948	-
OXFAM	10,161	-
Luminate	30,302	-
Canadian High Commission	4,881	-
John D. and Catherine T MacArthur Foundation	45,000	76,000
	190,761	**111,580**
7. Other liability		
Accrued expenses	2,337	3,175
Pay as you earn payable	11,976	4,780
ITF & NSITF payable	2,835	1,079
Withholding tax payable	1,652	1,577
Trustee current account	4,046	4,046
Pension payable	13,518	1,702
	36,364	**16,359**

Notes to the Financial Statements

	2021 N'000	2020 N'000
8. Income		
Grants	331,711	448,758
Canadian High Commission	14,939	8,267
United Nations Women	14,305	-
John D. and Catherine T MacArthur Foundation	76,000	23,900
Oxford Community for Farming Relief (OXFAM)	38,455	73,797
Open Society Initiative for West Africa	-	5,348
USAID	1,007	-
Auburn University	9,156	-
The Ford Foundation	38,774	9,500
Action Aid	18,480	24,773
Malala	25,146	31,388
National Endowment for Democracy	14,084	-
Research Triangle Institute	-	32,845
Centre for International Private Enterprise	2,196	-
United Nations Spotlight	28,440	-
BudgIT	-	75,810
Christian Aid	7,080	7,080
Oxfam Novib	-	36,121
Luminate	42,847	111,850
Heinrich-Boll-Stiftung (HBF)	187	5,162
Others	615	2,917
	331,711	**448,758**
9. Project expense		
FTM Programs and Meetings	259,682	181,697
Progam personnel cost	81,972	55,791
Travelling	32,871	19,444
Entertainment	9,598	6,952
Communications	30,582	22,540
Events	70,321	47,443
Hotel and Accomodation	20,603	17,790
Marketing and collateral	13,735	11,737
	259,682	**181,697**
10. Other operating income		
Foreign exchange gain	-	3,995
Interest received	35	-
	35	**3,995**

Notes to the Financial Statements

	2021 N'000	2020 N'000
11. Other operating expenses		
Auditors remuneration	1,613	1,075
Bank charges	2,640	1,176
Exchange loss	15,687	-
Consulting and professional fees	26,935	1,663
Office expenses	10,330	1,631
Depreciation	24,301	7,033
Employee costs (Note 12)	88,699	50,171
Entertainment	8,331	552
Donations	-	550
Volunteers fee	3,114	1,727
Fines and Penalties	-	4,218
IT expenses	6,284	6,775
Rentals	5,757	796
Utility expense	3,892	732
Printing and stationery	4,877	384
Promotions	9,405	3,088
Repairs and maintenance	3,337	427
Staff welfare	12,717	500
Transportation	2,747	1,354
Travelling and accomodation	1,500	-
	232,166	**83,852**

	2021 N'000	2020 N'000
12. Employee costs		
Staff salary	53,896	30,927
Medical expenses	5,361	3,024
Other payroll levies	21,131	9,320
Fringe benefit	8,311	6,900
	88,699	**50,171**

Average number of persons employed during the year		
Administration	7	8
Site	37	22
	44	**30**

The table shows the number of employees whose earnings during the year fell within the ranges shown below:

N0 - N150,000	28	-
N150,001 - N235,000	5	18
N235,001 - N325,000	4	4
N325,001 - N455,000	6	8
N580,001 and above	1	-
	44	**30**

Notes to the Financial Statements

13. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the trustees continue to procure funding for the ongoing operations for the company.

14. Events after the reporting period

There were no events after the reporting period which could have a material effect on the financial position of the Organization as at December 31, 2021 and surplus attributable to trustees on that date other than as disclosed in the financial statements

15. Prior period errors

Prior period errors are ommissions or misstatements in the financial statements of prior period. These errors are required to be corrected retrospectively by restating the comparative amounts for the prior period in which the error occoured. Hence, the financial statements have been restated to correct these errors.

The restatements required adjustments to the income statements for the year ended 31 December 2020 and the statements of financial position as at 31 December 2020.

The affected line items and related notes have been restated and details of restatements are as follows:

Statement of Financial Position	
Accumulated Funds	
As previously reported	236,941
Income	(76,000)
	160,941
Deferred Income	
As previously reported	35,580
Increase in deferred income (Note 15a)	76,000
	111,580
Profit or Loss	
Income	
As previously reported	524,758
Decrease in Income(Note 15a)	(76,000)
	448,758

15a. Income was restated to defer funds received in December 2020 from John and Catherine McArthur Foundation for a contract scheduled to commence in the current year. In 2020, this income was recognised as grants received and earned in the year, hence the income was overstated by N76,000,000 and deferred income understated by the same amount.

Notes to the Financial Statements

16. Financial instruments and risk management

Categories of financial instruments

Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

Cash and cash equivalents	5	(141,076)	(182,896)
Equity		843	160,941
Gearing ratio		(16,735)%	(77)%

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk (currency risk and interest rate risk).

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the company's risk management policies. The committee reports quarterly to the board of directors on its activities.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on loans receivable, debt instruments at fair value through other comprehensive income, trade and other receivables, contract receivables, lease receivables, cash and cash equivalents, loan commitments and financial guarantees.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Notes to the Financial Statements

16. Financial instruments and risk management (continued)

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables and contract assets which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, contract assets and lease receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management, therefore, does not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables, contract assets or lease receivables.

The maximum exposure to credit risk is presented in the table below:

Notes to the Financial Statements

16. Financial instruments and risk management (continued)

		2021			2020		
		Gross carrying amount N'000	Credit loss allowance N'000	Amortised cost / fair value N'000	Gross carrying amount N'000	Credit loss allowance N'000	Amortised cost / fair value N'000
Trade and other receivables	4	3,082	-	3,082	43,863	-	43,863
Cash and cash equivalents	5	141,076	-	141,076	182,896	-	182,896
		144,158	**-**	**144,158**	**226,759**	**-**	**226,759**

Amounts are presented at amortised cost or fair value depending on the accounting treatment of the item presented. The gross carrying amount for debt instruments at fair value through other comprehensive income is equal to the fair value because the credit loss allowance does not reduce the carrying amount. The credit loss allowance is only shown for disclosure purposes. Debt instruments at fair value through profit or loss do not include a loss allowance. The fair value is therefore equal to the gross carrying amount.

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

Foreign currency risk

The company is exposed to foreign currency risk as a result of certain transactions which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the company deals primarily with are US Dollars and Euros.

The company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the company's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Notes to the Financial Statements

16. Financial instruments and risk management (continued)

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The debt of the company is comprised of different instruments, which bear interest at either fixed or floating interest rates. The ratio of fixed and floating rate instruments in the loan portfolio is monitored and managed, by incurring either variable rate bank loans or fixed rate bonds as necessary. Interest rate swaps are also used where appropriate, in order to convert borrowings into either variable or fixed, in order to manage the composition of the ratio. Interest rates on all borrowings compare favourably with those rates available in the market.

The company policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

17. Contigencies

The solicitors have confirmed that the Organization did not have any pending legal cases as at 31 December 2021. The Trustees are not aware of any other pending or threatened claims and litigations, or any other contingent liability.

Value Added Statement

"Value added" is the measure of wealth the Company has created in its operations by "adding value" to the cost of products and services. The statement below summarises the total wealth created and shows how it was shared by employees and other parties who contributed to its creation. Also set out below is the amount retained and re-invested in the Company for the replacement of assets and the further development of operations.

	2021 N'000	2021 %	2020 N'000	2020 %
Value Added				
Value added by operating activities				
Donation	331,711		448,758	
Operating expenses	(378,848)		(208,345)	
Other operating income	35		3,995	
	(47,102)	**100**	**244,408**	**100**
Value Distributed				
To Pay Employees				
Salaries, wages, medical and other benefits	88,699		50,171	
	88,699	**(188)**	**50,171**	**20**
To be retained in the business for expansion and future wealth creation:				
Value reinvested				
Depreciation, amortisation and impairments	24,301		7,033	
	24,301	**(52)**	**7,033**	**3**
Value retained				
(Deficit)/ surplus	(160,101)		187,206	
	(160,101)	**340**	**187,206**	**77**
Total Value Distributed	**(47,101)**	**100**	**244,410**	**100**

Value added represents the additional wealth which the Company has been able to create by its own and employees efforts.

Five Year Financial Summary

	2021 N'000	2020 N'000	2019 N'000	2018 N'000	2017 N'000
Statement of Financial Position					
Assets					
Non-current assets	83,810	62,121	24,222	19,922	22,388
Current assets	144,158	226,759	107,917	32,741	76,907
Total assets	**227,968**	**288,880**	**132,139**	**52,663**	**99,295**
Liabilities					
Current liabilities	227,125	127,939	158,403	-	13,081
Equity					
Accumulated funds	843	160,941	(26,264)	52,663	86,214
Total equity and liabilities	**227,968**	**288,880**	**132,139**	**52,663**	**99,295**
Statement of Profit or Loss and Other Comprehensive Income					
Revenue	331,711	448,758	112,135	125,193	196,237
Project expense	(259,682)	(181,697)	(115,620)	(71,613)	-
Other operating income	35	3,995	-	6,155	12,632
Other operating expenses	(232,166)	(83,852)	(75,437)	(40,621)	(148,575)
(Deficit)/ surplus	**(160,102)**	**187,204**	**(78,922)**	**19,114**	**60,294**

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