

**AFRICAN RADIO DRAMA ASSOCIATION (ARDA)  
BALANCE SHEET  
AS AT 31ST DECEMBER 2020**

ASSETS	2020 N'000	2019 N'000
Property Plant and Equipment	8,979	19,258
Intangible Assets	2	4
Investment	26,405	11,258
Receivables	4,566	80,000
Cash and Cash equivalent	43,301	36,421
<b>TOTAL ASSETS</b>	<b>83,253</b>	<b>146,941</b>
<b>LIABILITIES</b>		
Accrued Expenses	2,644	350
<b>NON-CURRENT LIABILITIES</b>		
Deferred revenue	-	-
<b>TOTAL LIABILITIES</b>	<b>2,644</b>	<b>350</b>
<b>ACCUMULATED FUND</b>	<b>80,609</b>	<b>146,591</b>
Total liabilities and accumulated fund	<b>83,253</b>	<b>146,941</b>

Approved by the Trustees on 7th Sept, 2021 and  
signed on their behalf by :

*[Signature]*  
MRS DATAPHIDO  
Trustee

*[Signature]*  
MR FEMI JARRETT  
Trustee

*[Signature]*  
MRS CHIKA IHEMNACHO  
Accountant

**AFRICAN RADIO DRAMA ASSOCIATION (ARDA)  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER 2020**

	2020 N'000	2019 N'000
Revenue	131,411	218,249
Direct cost of Project	(97,105)	(159,429)
Other income	4,389	13,157
<b>EXPENSES</b>	<b>38,695</b>	<b>71,977</b>
Depreciation/ Amortisation	(2,312)	(1934)
Administrative Expenses	(34,961)	(40,582)
Surplus	1,422	29,461
<b>APPLIED AS FOLLOWS</b>		
Transferred to accumulated fund	1,422	29,461

**REPORT OF THE INDEPENDENT AUDITORS TO  
THE AFRICAN RADIO DRAMA ASSOCIATION  
(ARDA)**

We have audited the financial statement of African Radio Drama Association (ARDA) for the year ended 31st December, 2020 from which the summarized financial statements were derived, in accordance with international standards on Auditing. In our report dated 8<sup>th</sup> September, 2021 we expressed an unqualified opinion on the financial statements and stated inter alia, that the Association has kept proper accounting records and the records in all material aspects and give in the prescribed manner, information required by the Companies and Allied Matters Act CAP C20 of Laws of Federation of Nigeria, 2020.

**OPINION**

In our opinion, the accompanying summarized financial statements are consistent, in all material respects, with the financial statements from which they were derived.

**NOTICE TO READERS**

For a better understanding of the financial position and the results of its operations for the year and of the scope of our audit, the summarized financial statements should be read in conjunction with the financial statements from which the summarized financial statements were derived and our audit report thereon.

Signed: *[Signature]*  
Ambrose O. Okechukwu, FCA  
For: Odili Okechukwu & Co.  
Chartered Accountants  
FCA/2013/ICAN/00000002715  
8<sup>th</sup> Sept, 2021.  
Lagos, Nigeria.





**AFRICAN RADIO DRAMA ASSOCIATION**

**REPORT OF THE TRUSTEES,  
AUDITED FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY FINANCIAL INFORMATION  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020**

**AFRICAN RADIO DRAMA ASSOCIATION  
ANNUAL REPORT AND FINANCIAL STATEMENT  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020**

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**AFRICAN RADIO DRAMA ASSOCIATION  
CORPORATE INFORMATION  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020**

**BOARD OF TRUSTEES**

Mrs. Data Phido	- Executive Director
Mr. Femi Jarreett	- Executive Producer
Mr. Ihria Enakimio	- Trustee
Mr. Kola Ogunjobi	- Trustee
Mrs. Mini Soyata	- Trustee
Mr. Toni Phido	- Trustee
Mrs. Lola Payne	- Trustee
Dr. (Mrs) Myma Belo-Osagie	- Trustee

**REGISTERED OFFICE:**

Suite 20/20A, East Pavillion,  
Tafawa Balewa Square (TBS),  
Lagos.

**BANKERS:**

United Bank for Africa Plc  
Zenith Bank Plc

**AUDITORS:**

Odili Okechukwu & Co.  
(Chartered Accountants)  
40, Shipeolu Street,  
Off Ikorodu Road,  
Palmgrove,  
P.O. Box 5294,  
Marina, Lagos.



**AFRICAN RADIO DRAMA ASSOCIATION  
BOARD OF TRUSTEES' REPORT  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020**

**1. LEGAL FORM**

The Board of Trustees are pleased to present their report on the affairs of the Association, together with the financial statements.

**2. PRINCIPAL ACTIVITIES**

The Association is engaged in many social and development campaigns that affect all class of people directly or indirectly like maternal and adolescent reproductive health; family planning and child spacing; education of the girl child; climate change and agriculture; human rights and responsibilities; peace and reconciliation programs and others.

**3. STATE OF AFFAIRS**

In the opinion of the Trustees, the state of the Association's affairs is satisfactory and no events have occurred since the statement of financial position as at 31<sup>st</sup> December 2020, which would affect the financial statements as presented.

**4. PROPERTY, PLANT AND EQUIPMENT**

Information relating to changes in property, plant and equipment during the year is given in Note 5 to the financial statements. In the opinion of the board of Trustees, the market value of the Association's tangible fixed assets is not less than the value shown in the financial statements.

**5. CONTRIBUTION AND CHARITABLE GIFTS**

In compliance with Section 38(2) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2020, the Association did not make any donations or gifts to any political association or for any political purpose during the year under review.

**6. EMPLOYMENT AND EMPLOYEES**

**i. Employment of physically challenged persons**

It is the policy of the Association that there should be no discrimination in considering applications for employment including those from physically challenged persons. All employees are given equal opportunities to broaden their experience and knowledge and to qualify for promotion in furtherance of their careers. As at 31<sup>st</sup> December 2020, there was no physically challenged person in the employment of the Association.

**ii. Industrial relations**

The Association is committed to keeping employees fully informed as much as possible regarding their performance and progress, and seeking their views wherever practicable on matters, which particularly affect them as employees. Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate and some of these schemes include bonus, promotions, wages review, etc.

**iii. Employees' involvement and training**

Management, professional and technical expertise are the Association's major assets and investment in developing such skills continues. The Association's expanding skill base has extended the range of training provided and has broadened opportunities for career development within the Association.

**iv. Healthy, safety and welfare at work**

The Association places a high premium on the health, safety and welfare of its employees in their place of work. Health and safety precautions are in force at the Association's premises and the Association takes interest.

**AFRICAN RADIO DRAMA ASSOCIATION  
BOARD OF TRUSTEES' REPORT CONTINUED  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020**

**7. BUSINESS ETHICS AND COMPLIANCE CODE**

The Association has instituted a sound Business Ethics and Compliance Code, which ensures that its business is conducted in conformity with highest ethical principles, standards and integrity. It continually created ethical awareness amongst its Trustees, the officers and business partners to ensure full compliance with Nigerian and applicable international laws and conventions on anti-corruption, anti-money laundering and anti-terrorism.

**8. INTERNATIONAL FINANCIAL REPORTING STANDARDS**

In line with the IFRS transition roadmap released by the Financial Reporting Council of Nigeria (FRCN), AFRICAN RADIO DRAMA ASSOCIATION (ARDA) is classified as other Public Interest Entity and has prepared these financial statements in accordance with International Financial Reporting Standards (IFRS).

**9. AUDITORS**

The Auditors, Messrs Odili Okechukwu & Co. Chartered Accountants have indicated their willingness to continue in office in accordance with section 357 (2) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2020.

**BY ORDER OF THE BOARD OF TRUSTEES**



**COMPANY SECRETARY**

8<sup>th</sup> September 2021

**AFRICAN RADIO DRAMA ASSOCIATION  
STATEMENT OF BOARD OF TRUSTEES RESPONSIBILITY  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020**

The Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2020, requires the Board to prepare the financial statements for each financial year that give a true and fair view of the state of financial affairs of the Association. The responsibilities include ensuring that the Association;

- a) Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Association and comply with the requirements of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2020 and Financial Reporting Council of Nigeria Act No 6, 2011.
- b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c) Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Trustees accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS released by the Financial Reporting Council of Nigeria and requirements of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of 2020 and the Financial Reporting Council of Nigeria Act No 6, 2011.

The Board of Trustees is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Association and for the year ended 31<sup>st</sup> December, 2020. The Trustees further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as an adequate system of internal financial control.

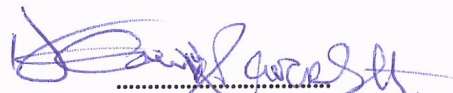
Nothing has come to the attention of the Board of Trustees to indicate that the Association will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of Board of Trustees on

.....7/9/.....2021



**Data Phido (Mrs.)**  
Executive Director /Trustee



**Femi Jarreett**  
Executive Producer /Trustee





**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF  
AFRICAN RADIO DRAMA ASSOCIATION**

**Opinion**

We have audited the financial statements of African Radio Drama Association which comprise the statement of financial position at 31<sup>st</sup> December 2020, statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association at 31<sup>st</sup> December 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS); in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and with the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2020.

**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 Association in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 and Statement of Trustees Responsibility but does not include the financial statements and our auditor's report thereon.

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

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

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 and those charged with Governance for the Financial Statements**

The Trustees are responsible for the preparation and fair presentation of financial statements in accordance with the International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and the requirements of the Companies and Allied Matters, CAP C20, LFN 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 Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern of accounting unless the Trustees either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the association's financial reporting process.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
AFRICAN RADIO DRAMA ASSOCIATION - CONTINUED**



**Auditors' 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.

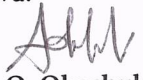
Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ambrose O. Okechukwu.

  
**Ambrose O. Okechukwu, FCA**  
FRC/2013/ICAN/00000002715  
For: Odili Okechukwu & Co  
(Chartered Accountants)  
Lagos, Nigeria.

..... 8 Sept. .... 2021

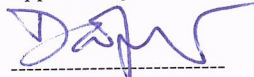




AFRICAN RADIO DRAMA ASSOCIATION  
STATEMENT OF FINANCIAL POSITION  
AS AT 31<sup>ST</sup> DECEMBER, 2020

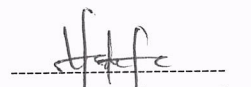
	Notes	2020	2019
<b>NON-CURRENT ASSETS</b>		<b>₦</b>	<b>₦</b>
Property, Plant and Equipment	5	8,979,287	19,258,437
Intangible Assets	6	<u>2,061</u>	<u>4,120</u>
		8,981,348	19,262,557
Investment	7	26,405,233	11,258,400
<b>NON-CURRENT ASSETS HELD FOR SALE</b>		<b>10</b>	<b>10</b>
<b>CURRENT ASSETS</b>			
Receivables	8	4,565,642	80,000,000
Cash and Cash Equivalent	9	<u>43,301,319</u>	<u>36,420,621</u>
<b>TOTAL ASSET</b>		<b><u>83,253,552</u></b>	<b><u>146,941,588</u></b>
<b>CURRENT LIABILITIES</b>			
Other Payables	10	2,643,855	350,000
<b>NON-CURRENT LIABILITIES</b>			
Deferred Revenue		<u>-</u>	<u>-</u>
<b>TOTAL CURRENT&amp;NON CURRENT LIABILITY</b>		<b>2,643,855</b>	<b>350,000</b>
<b>TOTAL ACCUMULATED FUND</b>		<b><u>80,609,697</u></b>	<b><u>146,591,588</u></b>
<b>TOTAL LIABILITIES AND ACCUMULATED FUND</b>		<b><u>83,253,552</u></b>	<b><u>146,941,588</u></b>

Approved by the Trustees on 7th September, 2021 and signed on their behalf by:



Mrs. Data Phido  
Executive Director

  
Mr. Femi Jarrett  
Executive Producer

  
Mrs. Chika Ihemnacho  
Accountant





AFRICAN RADIO DRAMA ASSOCIATION  
STATEMENT OF INCOME OR EXPENDITURE AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST DECEMBER, 2020

	Notes	2020	2019
		₦	₦
Revenue	11	131,410,876	218,248,765
Direct Cost of Project	12	(97,104,768)	(159,429,298)
		<u>34,306,108</u>	<u>58,819,467</u>
Other Income	13	4,389,098	13,156,947
Depreciation/Amortisation	14	(2,311,709)	(1,934,284)
		<u>36,383,497</u>	<u>70,042,130</u>
General and Administrative Expenses	15	(34,961,316)	(40,582,327)
Surplus		<u><u>1,422,181</u></u>	<u><u>29,459,803</u></u>

**AFRICAN RADIO DRAMA ASSOCIATION**  
**STATEMENT OF CHANGES IN ACCUMULATED FUND**  
**AS AT 31ST DECEMBER, 2020**

	Accumulated Fund	Transfer to Surplus	Total Fund
	₦	₦	₦
As at 1st January, 2020	49,387,421	97,204,167	146,591,588
Prior year Adjustment to opening balances	-	(67,404,072)	(67,404,072)
Opening Balance restated	49,387,421	29,800,095	79,187,516
Total Surplus for the year	-	1,422,181	1,422,181
As at 31st December, 2020	49,387,421	31,222,276	80,609,697

AFRICAN RADIO DRAMA ASSOCIATION  
STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 31ST DECEMBER, 2020

	2020	2019
	₦	₦
Cash flow from operating activities		
Surplus	<u>1,422,181</u>	<u>27,450,701</u>
Items not involving the movement of funds(Prior year Adjustment):	(67,404,072)	-
Profit on Disposal	(1,200,000)	-
Depreciation and Amortisation	<u>2,311,709</u>	<u>1,934,284</u>
Operating activities before working capital changes	(64,870,182)	29,384,985
Working Capital Changes:		
(Increase)/decrease in Receivables	75,434,358	(79,950,000)
Increase/(decrease) in Creditors and Accruals	<u>2,293,855</u>	-
Net Cash out flow from operating activities	<u>12,858,031</u>	<u>(50,565,015)</u>
Cashflow from Investing Activities		
Investment	(15,146,833)	9,661,600
Proceed on Disposal of Assets	11,000,000	-
Purchase of Assets	<u>(1,830,500)</u>	<u>(3,753,873)</u>
Net Cashflow from Investing activities	<u>(5,977,333)</u>	<u>5,907,727</u>
Net cash and cash equivalent for the year	6,880,698	(44,657,288)
Cash and Cash equivalent at the beginning	<u>36,420,621</u>	<u>81,077,909</u>
Cash and cash equivalent at the end	<u>43,301,319</u>	<u>36,420,621</u>

**AFRICAN RADIO DRAMA ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020**

**1. Corporate Information**

The Association is engaged in social and developmental issues that affect all of people directly or indirectly like maternal and adolescent reproductive health; family planning and child spacing; education of the girl child; climate change and agriculture; human rights and responsibilities; peace and reconciliation programs.

**2. Statement of Compliance**

The financial statements of African Radio Drama Association have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

**3. Basis of Preparation**

The first financial statements of African Radio Drama Association have been prepared in accordance with international Financial Reporting Standard (IFRS) as issued by the International Accounting Standards Board (IASB), and in the manner required by the companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2020 and the Financial Reporting Council of Nigeria Act, No 6 2011. The preparation of financial statements in conformity with IFRS's requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and the reported amount of revenue and expenses during the period. However, actual outcome could differ from those estimates.

**4. Summary of Significant Accounting Policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

**4.1 Property, Plant and Equipment**

**(a) Recognition and Measurement**

Items of property, plant and equipment (PPE) are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The initial cost of an item of PPE comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, and the initial estimate of any decommissioning obligation. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Costs also include cost of replacing part of the property, plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. Capital work-in-progress is stated at cost. Gains and losses arising from retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss on the date of retirement and disposal. When significant parts of property, plant and equipment are required to be replaced in intervals, the Association recognises such parts as separate component of assets with specific useful lives and provides depreciation over their useful life.

**(b) Subsequent Costs**

Subsequent costs of items of Property, Plant and Equipment are included in the asset's carrying amount or recognised as a separate component item, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised upon the recognition of the replaced cost.



**AFRICAN RADIO DRAMA ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS CONT'D**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020**

**(c) Depreciation**

Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives. The Association estimates the useful lives of each item of PPE in line with their beneficial periods. The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for review, and adjusted prospectively. Where a part of an item of PPE has difference useful live and is significant to that cost, the cost of that item is allocated on a component basis among the parts and each part is depreciated separately. Land and capital work-in-progress are not depreciated. The attributable cost of each item of capital work-in-progress is transferred to the relevant asset category immediately the asset is available for use and depreciates accordingly. Estimated useful lives of the assets are as follows:

<b>Assets</b>	<b>Years</b>
Studio equipment:	
Subsidiary equipment	25
Main equipment	30
Furniture, fixtures and fittings	10
Plant and machinery	10
Office equipment	5

**(d) De-recognition of Property, Plant and Equipment**

An item of Property, Plant and Equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of an item of Property, Plant and Equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised.

**(e) Impairment**

Assets are tested annually for impairment. Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained declines in revenues or earnings and material adverse changes in the economics environment.

Recoverable amount is determined for an individual asset, unless the assets do not generate cash inflows that are largely independent of those from other assets or groups of assets. A cash generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of cash inflows from other assets or group of assets.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the assets belong. Fair value less costs to is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowances are determined based on historical data of payments statistics for similar financial assets.

**AFRICAN RADIO DRAMA ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS CONT'D**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020**

**4.2 Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash at the bank and on hand, call deposits and other short term highly liquid investments with an original maturity of three months or less, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits as defined above, net of outstanding bank overdrafts.

**4.3 Financial Instruments**

Financial assets and financial liabilities are recognised on the Association's statement of financial position when the Association becomes a party to the contractual provisions of the instrument. The Association determines the classification of its financial assets and liabilities at initial recognition. All financial assets and liabilities are recognised initially at fair value plus directly attributable transaction costs, except for financial assets and liabilities classified as fair value through profit or loss.

**4.4 Financial Assets**

**(a) Nature and subsequent measurement**

The association's financial assets include cash and short-term deposits, trade and other receivables, and employee loans and receivable. After initial measurement, the subsequent measurement of financial assets depends on their classification as follow

**(b) Financial assets measured at amortized cost**

For financial assets carried at amortized cost, the association first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

**(c) Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in profit or loss. The Association's financial assets that qualify as loans and receivables include trade receivables amount due from related parties and employee loans and advances.

**(d) Financial Assets - De-recognition**

The association de-recognizes a financial asset only when the Association's contractual rights to the cash flows from the asset expires or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either;

- (i) The association has transferred substantially all the risks and rewards of the asset, or
- (ii) The association has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the association has transferred its rights to receive cash flows from a financial asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor is transferred control of the asset, the asset recognized to the extent of the Association's continuing involvement in the asset. In that case, the Association also recognizes and associated liability.



**AFRICAN RADIO DRAMA ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS CONT'D**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020**

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Association has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Association could be required to repay.

**(e) Financial Assets - Impairment**

The Association assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial re-organization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

**4.5 Financial Liabilities**

**(a) Initial recognition and measurement**

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, or loans and borrowings as appropriate. The Association determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, not of directly attributable transaction costs.

**(b) Nature and subsequent measurement**

**(i) Financial liabilities measured at amortised cost**

For financial liabilities carried at amortised cost, the Association first assesses whether objective evidence of impairment exists individually for financial liabilities that are individually significant or collectively for financial liabilities that are not individually significant. Financial liabilities shall be recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

**(ii) Financial Liabilities – De-recognition**

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss and other comprehensive income.

**(iii) Offsetting of financial instruments**

Financial assets and financial liabilities are offset with the net amount is reported in the statement of financial position only if there is a current enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

**AFRICAN RADIO DRAMA ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS CONT'D**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020**

**4.6 Employee Benefits**

**(i) Short - term employee benefits**

Short-term employees' benefits are recognized and measured based on the undiscounted amount of short-term employees' benefits expected to be paid in exchange for that service as an expense. A liability is recognized to the extent that these benefits have not been paid in cash. Generally, the group recognizes the cost of all employee benefits to which its employees have become entitled to arising from services rendered during the reporting period as:

- An expense, unless another section of IFRS requires the cost to be recognized otherwise
- Liability, after deducting amounts that have been paid either directly to the employees or as contribution to an employee fund. Any excess arising from the amount paid as the obligation from the employees' services is regarded as asset to the extent that the prepayment will be from future payment or cash refund.

**(ii) Termination Benefits**

Termination benefits are recognized as an expense when the Association is demonstrably committed without realistic possibility of withdrawal to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognized if the Association has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

**4.7 Foreign Currency Transactions**

**(a) Functional and Presentation Currency**

The financial statements are presented in Naira, which is the Association's functional and presentation currency. The Association determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements of each entity are measured using its functional currency.

**(b) Transactions and Balances**

Transactions in foreign currencies are initially recorded by the Association at the functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date with resulting exchange difference recognized in profit or Loss. Non-monetary items that are measured in items of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured a fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Exchange component if the gain or loss arising on fair valuation of non-monetary items, if any, is recognized in line with the gain or loss of the item that give rise to such exchange difference i.e. the translation differences on items whose fair value gain or loss is recognized in statement of income or Expenditure.

**AFRICAN RADIO DRAMA ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS CONT'D  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020**

**4.8 Revenue Recognition**

**(a) Grant**

Where the grant is for recurrent and capital, the amount for capital grant shall be transferred to deferred revenue. While the recurrent grant shall be recognized immediately in income or Expenditure account. However, the amount in deferred revenue shall be amortized base on the year of capital expenditure and the amount shall be transferred from deferred revenue to other income.

**(b) Partners/Donor Agencies**

**i. MERCY CORPS**

**(c) Interest Income**

For all financial assets measured at amortized cost and interest bearing financial assets classified as available for sale, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in profit or loss.



AFRICAN RADIO DRAMA ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER, 2020

5 PROPERTY, PLANT AND EQUIPMENT

	LAND	STUDIO EQUIPMENT	FURNITURE & FITTING	PLANT & MACHINERY	OFFICE EQUIPMENT	TOTAL
Year ended 31 December, 2019						
<b>COST AND VALUATION</b>	<b>₦</b>	<b>₦</b>	<b>₦</b>	<b>₦</b>	<b>₦</b>	<b>₦</b>
Balance as at 1/1/2020	9,800,000	5,154,876	8,363,358	8,594,683	4,010,489	35,923,406
Additions	-	-	45,000	226,500	1,559,000	1,830,500
Disposals	(9,800,000)	-	-	-	-	(9,800,000)
<b>Balance as at 31/12/2020</b>	<b>-</b>	<b>5,154,876</b>	<b>8,408,358</b>	<b>8,821,183</b>	<b>5,569,489</b>	<b>27,953,906</b>
<b>DEPRECIATION</b>						
Balance as at 1/1/2020	-	2,682,561	7,248,190	3,066,361	3,667,857	16,664,969
Depreciation charge for the year	-	271,044	188,825	916,094	933,687	2,309,650
Derecognition	-	-	-	-	-	-
<b>Balance as at 31/12/2020</b>	<b>-</b>	<b>2,953,605</b>	<b>7,437,015</b>	<b>3,982,455</b>	<b>4,601,544</b>	<b>18,974,619</b>
<b>CARRYING AMOUNT</b>						
As at 31/12/2020	-	2,201,271	971,343	4,838,728	967,945	8,979,287
As at 31/12/2019	9,800,000	2,472,315	1,115,168	5,528,322	342,632	19,258,437

6 INTANGIBLE ASSETS

	2020 ₦	2019 ₦
<b>COST</b>	<b>20,592</b>	<b>20,592</b>
Opening balance	16,472	14,413
Amortisation charge for the year	2059	2,059
Closing balance	18,531	16,472
<b>CARRYING AMOUNT</b>	<b>2,061</b>	<b>4,120</b>
<b>7 INVESTMENT</b>		
Investment (Short term)	26,405,233	11,258,400
	<b>26,405,233</b>	<b>11,258,400</b>

AFRICAN RADIO DRAMA ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS CONT'D  
FOR THE YEAR ENDED 31ST DECEMBER, 2020

	2020	2019
	₦	₦
<b>8 RECEIVABLES</b>		
ARDA DCI.	4,565,642	80,000,000
	<u>4,565,642</u>	<u>80,000,000</u>
<b>9 CASH AND CASH EQUIVALENTS</b>		
Unity Bank	-	50,000
UBA Plc	31,710,391	28,131,676
Zenith Bank Plc	11,585,488	8,238,015
Petty Cash	5,440	930
	<u>43,301,319</u>	<u>36,420,621</u>
<b>10 OTHER PAYABLES</b>		
Accrued Rent	400,000	
Sundry payable	1,893,855	
Accrued Audit fee	350,000	350,000
	<u>2,643,855</u>	<u>350,000</u>
These payables are expected to be settled within the next financial year.		
<b>11 REVENUE</b>		
i. Grants	131,410,876	218,248,765
	<u>131,410,876</u>	<u>218,248,765</u>

**AFRICAN RADIO DRAMA ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS CONT'D**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2020**

	2020	2019
	₦	₦
<b>12 DIRECT COST OF PROJECT</b>		
Exchange loss	-	21,724,317
Rebranding Expenses	164,900	1,516,600
Production Expenses	4,055,075	6,880,000
Workshop & Seminars	9,711,640	32,276,887
C.I.P.P Project Cost	83,173,153	99,040,596
	<u>97,104,768</u>	<u>161,438,400</u>
<b>13 OTHER INCOME</b>		
Interest earned	3,189,098	7,680,960
Profit on disposal of PPE	1,200,000	5,475,988
	<u>4,389,098</u>	<u>13,156,947</u>
<b>14 DEPRECIATION AND AMORTISATION</b>		
Depreciation Charges	2,309,650	1,932,225
Amortisation Charges	2,059	2,059
	<u>2,311,709</u>	<u>1,934,284</u>
<b>15 GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Advertisement	81,050	511,460
Communication	114,700	70,700
Transportation Expenses	1,553,427	1,585,409
Printing and Stationeries	1,096,702	330,018
Audit Fees	350,000	350,000
Postage and Internet	597,775	891,600
Repairs and Maintenance	605,200	1,455,704
Rent and Service Charge	2,400,161	2,408,315
Electricity	250,484	751,600
Corporate Social Responsibility	370,000	2,744,984
Office Cleaning and Sanitation	125,440	240,950
Entertainment	568,710	593,404
Insurance	2,067,973	1,600,674
Bank Charges	174,371	507,381
Staff Training and Development	1,904,556	3,208,900
Staff Cost	17,620,383	18,692,093
Donation	630,500	620,000
Legal & Professional fees	747,000	-
Newspaper and Periodicals	22,050	100,650
Subscriptions	351,838	1,138,940
Diesel and Lubricant	653,700	874,800
Employers' Pension Contribution	2,675,295	1,874,745
	<u>34,901,316</u>	<u>40,582,327</u>



AFRICAN RADIO DRAMA ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS CONT'D  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020

16                    **CONTINGENT LIABILITIES**

There were no contingent liabilities at the reporting date.

17                    **EVENT AFTER THE REPORTING DATE - IAS 10**

The Board of Trustees are of the opinion that there were no significant events after the reporting date which would have had any material effect on the state of affairs as at 31<sup>st</sup> December, 2020 and on the profit or loss for the year ended on that day which require disclosure in these financial statements.

18                    **RELATED PARTIES DISCLOSURES**

There were no transactions with key Management Personnel and Board of Trustees during the year.

**Other National Disclosures**

**AFRICAN RADIO DRAMA ASSOCIATION**  
**STATEMENT OF VALUE ADDED**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2020**

	2020	%	2019	%
	₦		₦	
Revenue	131,410,876		218,248,765	
Less: Bought In Materials and Services	(110,056,602)		(170,171,687)	
<b>Value Added</b>	<u><u>21,354,273</u></u>	100	<u><u>48,077,078</u></u>	<u><u>100</u></u>
<b>Applied As Follows</b>				
<b>Payment to Employees</b>				
Salaries, Wages and Other Benefits	17,620,383	82.51	18,692,093	39
<b>Retained for Replacement of Assets and Further Expansion</b>				
Depreciation and Amortisation	2,311,709	10.83	1,934,284	4
Surplus for the year	1,422,181	6.66	27,450,701	57
	<u><u>21,354,273</u></u>	100.0	<u><u>48,077,077</u></u>	<u><u>100</u></u>

AFRICAN RADIO DRAMA ASSOCIATION  
FIVE YEARS FINANCIAL SUMMARY  
FOR THE YEAR ENDED 31ST DECEMBER, 2020

	2020	2019	2018	2017	2016
	₦	₦	₦	₦	₦
<b>NON-CURRENT ASSETS</b>	<b>8,981,348</b>	<b>19,262,557</b>	<b>17,442,968</b>	<b>19,515,848</b>	<b>5,485,846</b>
Assets Held For Sale	10	10	10	10	10
Investment	26,405,233	11,258,400	20,920,000	-	-
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	43,301,319	36,420,621	18,188,055	41,668,442	35,784,135
Receivables	4,565,642	80,000,000	50,000	-	-
<b>TOTAL ASSETS</b>	<b>83,253,552</b>	<b>146,941,588</b>	<b>56,601,033</b>	<b>61,184,300</b>	<b>41,269,991</b>
<b>Current Liabilities</b>	<b>2,643,855</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>
<b>Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,905</b>	<b>2,248,469</b>
<b>Accumulated Fund</b>	<b>80,609,697</b>	<b>146,591,588</b>	<b>119,140,887</b>	<b>60,828,395</b>	<b>38,671,522</b>
<b>TOTAL LIABILITIES AND ACCUMULATED FUND</b>	<b>83,253,552</b>	<b>146,941,588</b>	<b>119,490,887</b>	<b>61,184,300</b>	<b>41,269,991</b>
<b>Turnover</b>	<b>131,410,876</b>	<b>218,248,765</b>	<b>124,711,554</b>	<b>178,747,173</b>	<b>127,138,209</b>
<b>Surplus for the year</b>	<b>1,422,181</b>	<b>29,459,803</b>	<b>22,136,873</b>	<b>38,671,522</b>	<b>52,728,783</b>