

2022

# FINANCIAL REPORT

Connected Development Initiative

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[www.connecteddevelopment.org](http://www.connecteddevelopment.org)

**Connected Development Initiative**  
Financial Statements  
for the year ended 31 December 2022  
Together with Trustees' and Independent Auditors' Reports

# **Connected Development Initiative**

*Financial Statements for the year ended 31 December 2022  
Together with the Trustees' and Independent Auditors' Reports*

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## ***Connected Development Initiative***

*Financial Statements for the year ended 31 December 2022  
Together with the Trustees' and Independent Auditors' Reports*

### **Corporate Information**

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

## **Trustees' Report**

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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 31 December 2022.

### **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.

	<b>2022</b>	<b>2021</b>
	<b>N'000</b>	<b>N'000</b>
Income	<u>930,891</u>	<u>331,711</u>
Surplus/(deficit)	<u>176,584</u>	<u>(160,102)</u>

### **4. Trustees**

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

<b>Trustees</b>	<b>Office</b>	<b>Designation</b>
Hamzat Bala Lawal	Trustee	Chief Executive Officer
Oludotun Babayemi	Trustee	Board Member
Anthony Agbor	Trustee	Board Member
Hosanna Athena Fox	Trustee	Board Member

### **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 31 December 2022.

## **Trustees' Report**

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### **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.

### **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**



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**Nnanna Oketa**  
**Organization Secretary**

25 April, 2023

## **Trustees' Responsibilities and Approval**

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The Trustees accept responsibility for the preparation of the annual financial statements set out on pages 8 to 24 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:**



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**Anthony Agbor**  
Trustee  
25 April 2023



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**Hamzat Lawal**  
Trustee  
25 April 2023

## **Independent Auditor's Report**

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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 8 to 21, which comprise the statement of financial position as at 31 December 2022, 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 31 December 2022, 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.



## 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.

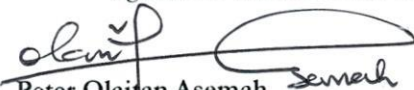
We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### 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 adequate 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.

  
Peter Olaitan Asemah  
For: Pedabo Audit Services  
FRC/2019/ICAN/00000019328  
Lagos, Nigeria



26 April 2023


## Connected Development Initiative


Financial Statements for the year ended 31 December 2022  
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### Statement of Financial Position as at 31 December 2022

		2022	2021
	Note(s)	N '000	N '000
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	81,692	83,810
<b>Current Assets</b>			
Trade and other receivables	4	-	3,082
Cash and cash equivalents	5	425,742	141,076
		<b>425,742</b>	<b>144,158</b>
<b>Total Assets</b>		<b>507,434</b>	<b>227,968</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Accumulated funds		177,428	843
<b>Current Liabilities</b>			
Deferred income	6	282,138	190,761
Other payables	7	47,868	36,364
		<b>330,006</b>	<b>227,125</b>
<b>Total Equity and Liabilities</b>		<b>507,434</b>	<b>227,968</b>

The financial statements and the notes on page 8 to 24, were approved by the Trustees on 25 April 2023 and were signed on its behalf by:

  
\_\_\_\_\_  
Anthony Agbor  
Trustee

  
\_\_\_\_\_  
Hamzat Lawal  
Trustee

## Connected Development Initiative

Financial Statements for the year ended 31 December 2022  
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### Statement of Comprehensive Income

		2022	2021
	Note(s)	N '000	N '000
Income	8	930,891	331,711
Project expenses	9	(551,119)	(279,765)
Other income	10	460	35
Other operating expenses	11	(203,648)	(212,083)
<b>Surplus/(deficit) for the year</b>		<b>176,584</b>	<b>(160,102)</b>

## **Connected Development Initiative**

*Financial Statements for the year ended 31 December 2022  
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### **Statement of Changes in Fund**

	Accumulated funds N '000	Total Fund N '000
<b>Balance at 1 January 2021</b>	<b>160,945</b>	<b>160,945</b>
Loss for the year	(160,102)	(160,102)
Other comprehensive income	-	-
<b>Total comprehensive Loss for the year</b>	<b>(160,102)</b>	<b>(160,102)</b>
<b>Balance at 1 January 2022</b>	<b>843</b>	<b>843</b>
Profit for the year	176,584	176,584
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>176,584</b>	<b>176,584</b>
<b>Balance at 31 December 2022</b>	<b>177,427</b>	<b>177,427</b>

## Connected Development Initiative

Financial Statements for the year ended 31 December 2022  
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### Statement of Cash Flows

		2022	2021
	Note(s)	N '000	N '000
<b>Cash flows from operating activities</b>			
Surplus/(deficit)		176,584	(160,102)
<b>Adjustments for:</b>			
Depreciation		27,232	24,301
<b>Changes in working capital:</b>			
Trade and other receivables		3,081	40,781
Deferred income		91,377	79,181
Movement on other liabilities		-	24,005
<b>Cash generated from operations</b>		<b>298,274</b>	<b>8,166</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	3	(25,114)	(45,990)
<b>Net cash used in investing activities</b>		<b>(25,114)</b>	<b>(45,990)</b>
<b>Total cash movement for the year</b>		<b>284,666</b>	<b>(37,824)</b>
Cash at the beginning of the year		141,076	178,900
<b>Total cash at end of the year</b>	5	<b>425,742</b>	<b>141,076</b>

## **Notes to the Financial Statements**

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### **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

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### 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:

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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**

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### **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.



## Notes to the Financial Statements

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### 1.8 Deferred income

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

## 2. New Standards and Interpretations

### 2.1 New and amended standards

Amendments to the following standard(s) became effective in the annual period starting from 1 January, 2022. The new reporting requirements as a result of the amendments and/or clarifications have been evaluated and their impact or otherwise are noted below:

#### **Onerous contracts: cost of fulfilling 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 do not have any material impact on the Company.

### 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 2022, and have not been applied in preparing these Financial statements. The Company intends to adopt the standards below when they become effective:

#### **Definition of Accounting Estimates - Amendments to IAS 8**

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that 'period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Company.

#### **(b) 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

	2022			2021		
	Cost N'000	Accumulated depreciation N'000	Carrying value N'000	Cost N'000	Accumulated depreciation N'000	Carrying value N'000
Plant and machinery	4,015	(2,076)	1,939	4,015	(1,674)	2,341
Furniture and fixtures	13,329	(7,588)	5,741	13,329	(6,255)	7,074
Motor vehicles	63,000	(24,604)	38,396	43,000	(10,625)	32,375
Office equipment	55,270	(26,101)	29,169	53,005	(16,549)	36,456
IT equipment	15,108	(8,661)	6,447	12,258	(6,694)	5,564
<b>Total</b>	<b>150,722</b>	<b>(69,030)</b>	<b>81,692</b>	<b>125,607</b>	<b>(41,797)</b>	<b>83,810</b>

#### Reconciliation of property, plant and equipment - 2022

	Opening balance N'000	Additions N'000	Depreciation N'000	Total N'000
Plant and machinery	2,341	-	(402)	1,939
Furniture and fixtures	7,074	-	(1,333)	5,741
Motor vehicles	32,375	20,000	(13,979)	38,396
Office equipment	36,456	2,264	(9,551)	29,169
IT equipment	5,564	2,850	(1,967)	6,447
	<b>83,810</b>	<b>25,114</b>	<b>(27,232)</b>	<b>81,692</b>

#### 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
	<b>62,121</b>	<b>45,990</b>	<b>(24,301)</b>	<b>83,810</b>

### 4. Other receivables

	2022 N'000	2021 N'000
Staff advance	-	150
Prepayment (Note 4a)	-	2,932
	<b>-</b>	<b>3,082</b>

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

**Notes to the Financial Statements**

	2022 N '000	2021 N '000
<b>5. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	425,742	141,076
<b>6. Deferred income</b>		
Non-current liabilities	-	-
Current liabilities	282,138	190,761
	<b>282,138</b>	<b>190,761</b>
Opening balance	190,761	111,580
Grants received for the year	1,008,325	414,154
Grants earned for the year	(916,948)	(334,973)
	<b>282,138</b>	<b>190,761</b>
The Ford Foundation	33,373	30,820
Malala Fund	15,099	18,999
CTAP	91,781	34,650
NED(Open Parly)	-	15,948
OXFAM	24,284	10,161
Luminate	57,805	30,302
Canadian High Commission	4,062	4,881
John D. and Catherine T MacArthur Foundation	55,734	45,000
	<b>282,138</b>	<b>190,761</b>
<b>7. Other liability</b>		
Accrued expenses	3,026	2,337
Statutory payable (Note 7a)	40,796	29,981
Trustee current account	4,046	4,046
	<b>47,868</b>	<b>36,364</b>

7a.) This relates to PAYE, NSITF, ITF and Pension payable.

## Connected Development Initiative

*Financial Statements for the year ended 31 December 2022  
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### Notes to the Financial Statements

	2022 N '000	2021 N '000
<b>8. Income</b>		
Grants and donations	930,891	331,711
Canadian High Commission	4,882	14,939
United Nations Women	-	14,305
John D. and Catherine T MacArthur Foundation	45,000	76,000
Oxfam Voice Income	52,880	38,455
Oxfam Media & Digital Income	3,099	-
Oxfam Income - UNGP	6,545	-
Oxfam income - PVP	15,842	-
Media Collaboration for Climate Jus	4,353	-
Tides/SAM-C Income	19,000	-
Civic tech Income	9,171	-
Agile Income	113,400	-
USAID	15,289	1,007
Auburn University	-	9,156
The Ford Foundation	41,944	38,774
Action Aid	-	18,480
Malala	52,329	25,146
National Endowment for Democracy	53,135	14,084
CTAP Income	411,925	-
Centre for International Private Enterprise	6,944	2,196
United Nations Spotlight	-	28,440
Christian Aid	-	7,080
Luminate	59,205	42,847
Heinrich-Boll-Stiftung (HBF)	-	187
Donations	15,948	615
	<b>930,891</b>	<b>331,711</b>
<b>9. Project expense</b>		
FTM Programs and Meetings	371,304	259,682
Consultancy fee	179,815	20,083
	<b>551,119</b>	<b>279,765</b>
Progam personnel cost	240,990	81,972
Travelling	49,649	32,871
Entertainment	11,550	9,598
Communications	8,979	30,582
Events	11,399	70,321
Hotel and Accomodation	27,965	20,603
Consultancy	179,815	20,083
Marketing and collateral	19,145	13,735
Support service expenses	1,627	-
	<b>551,119</b>	<b>279,765</b>

## Connected Development Initiative

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### Notes to the Financial Statements

	2022 N '000	2021 N '000
<b>10. Other operating income</b>		
Sundry deposit	460	-
Interest received	-	35
	<b>460</b>	<b>35</b>
<b>11. Other operating expenses</b>		
Advertising	2,762	-
Auditors remuneration	1,613	1,613
Bank charges	4,927	2,640
Consulting and professional fees	4,683	6,851
Office expenses	18,649	10,330
Depreciation	27,232	24,301
Employee costs (Note 12)	76,774	86,243
Entertainment	4,788	441
Volunteers fee	2,327	3,114
Exchange loss	8,192	15,687
IT expenses	7,927	6,284
Rentals	6,086	5,757
Motor vehicle expenses	885	-
Utility expenses	2,301	3,892
Security expenses	1,966	2,457
Staff loan written off	1,950	-
Office stationery expenses	1,339	-
Communication expenses	2,928	4,877
Promotions	7,034	9,405
Repairs and maintenance	316	3,337
Research and development costs	24	-
Staff welfare	2,140	12,717
Subscriptions	90	-
Delivery expenses	5,518	7,890
Transportation	7,930	2,747
Travelling and accomodation	3,267	1,500
	<b>203,648</b>	<b>212,083</b>
<b>12. Employee costs</b>		
Staff salary	45,665	51,440
Medical expenses	1,593	5,361
Other payroll levies	10,816	21,131
Fringe benefit	18,700	8,311
	<b>76,774</b>	<b>86,243</b>
<b>Average number of persons employed during the year</b>		
Administration	6	7

**Notes to the Financial Statements**

	2022 N '000	2021 N '000
<b>12. Employee costs (continued)</b>		
The table shows the number of employees whose earnings during the year fell within the ranges shown below:		
N150,001 - N235,000	-	5
N455,001 - N580,000	1	-
N580,001 and above	5	2
	<b>6</b>	<b>7</b>

**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 Organization 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 Organization.

**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, 2022 and surplus attributable to trustees on that date other than as disclosed in the financial statements

**15. Financial instruments and risk management****Categories of financial instruments****Capital risk management**

The Organization'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 Organization'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	(425,742)	(141,076)
Equity		172,697	843
Gearing ratio		(247)%	(16,735)%

**Financial risk management**

## Notes to the Financial Statements

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### 15. Financial instruments and risk management (continued)

#### Overview

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

The Organization's risk management policies are established to identify and analyse the risks faced by the Organization, 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 Organization's activities.

#### Liquidity risk

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

The Organization 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 Organization 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 Organization deals primarily with are US Dollars and Euros.

The Organization 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 Organization'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.

### 16. Contingencies

The solicitors have confirmed that the Organization did not have any pending legal cases as at 31 December 2022. The Trustees are not aware of any other pending or threatened claims and litigations, or any other contingent liability.

## Connected Development Initiative

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### Value Added Statement

	2022	2022	2021	2021
	N '000	%	N '000	%
<b>Value Added</b>				
<b>Value added by operating activities</b>				
Grants and donation	930,891		331,711	
Project expenses	(551,119)		(279,765)	
Other operating income	460		35	
Other operating expenses	(204,567)		(212,083)	
	<b>175,665</b>	<b>100</b>	<b>(160,102)</b>	<b>100</b>
<b>Value Distributed</b>				
<b>To Pay Employees</b>				
Salaries, wages, medical and other benefits	76,774		86,243	
	<b>76,774</b>	<b>27</b>	<b>86,243</b>	<b>20</b>
<b>To be retained in the business for expansion and future wealth creation:</b>				
<b>Value reinvested</b>				
Depreciation, amortisation and impairments	27,232		24,301	
	<b>27,232</b>	<b>10</b>	<b>24,301</b>	<b>(49)</b>
<b>Value retained</b>				
Surplus/(deficit)	176,584		(160,102)	
	<b>176,584</b>	<b>63</b>	<b>(160,102)</b>	<b>129</b>
<b>Total Value Distributed</b>	<b>280,590</b>	<b>100</b>	<b>(49,558)</b>	<b>100</b>

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



## Connected Development Initiative

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### Five Year Financial Summary

	2022 N '000	2021 N '000	2020 N '000	2019 N '000	2018 N '000
<b>Statement of Financial Position</b>					
<b>Assets</b>					
Non-current assets	81,692	83,810	62,121	24,222	19,922
Current assets	425,742	144,158	222,768	107,919	32,740
<b>Total assets</b>	<b>507,434</b>	<b>227,968</b>	<b>284,889</b>	<b>132,141</b>	<b>52,662</b>
<b>Liabilities</b>					
Current liabilities	330,006	227,125	127,939	158,399	-
<b>Equity</b>					
Accumulated funds	177,428	843	156,950	(26,258)	52,662
<b>Total equity and liabilities</b>	<b>507,434</b>	<b>227,968</b>	<b>284,889</b>	<b>132,141</b>	<b>52,662</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>					
Revenue	930,891	331,711	448,758	112,135	196,237
Project expense	(551,119)	(279,765)	(183,360)	(122,306)	(71,613)
Other operating income	460	35	-	-	12,632
Other operating expenses	(203,648)	(212,083)	(82,189)	(68,750)	(148,575)
<b>(Deficit)/ surplus</b>	<b>176,584</b>	<b>(160,102)</b>	<b>183,209</b>	<b>(78,921)</b>	<b>(11,319)</b>



# Connected Development Initiative

Bassan Plaza, 10th Street, 3rd Floor, F Wing, Central  
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