DAAR COMMUNICATIONS PLC
Company No. RC 117587

ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2023

DAAR COMMUNICATIONS PLC

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DAAR COMMUNICATIONS PLC

CORPORATE INFORMATION

Directors:	Chief Raymond Paul Dokpesi Jnr.	*Chairman*
	Snr High Chief. Tony A. Akiotu	*Group Managing*
	Mallam Gambo Lawan	*Non-Executive*
	Professor Ralph A. Akinfeleye	*Non-Executive*
	Mr. Nornah Awoh	*Independent Non-Executive*
	Mr. Emeka Mba	*Non-Executive*
	Mr. Obi Asika -	*Non-Executive*
	Hon. Onyibe Magnus Chukwuma	*Non-Executive*
	Mr. Femi Ademola	*Non-Executive*
	Dr. Ambrose Somide	*Executive*
	Dr. (Mrs.) Oluwatosin Dokpesi	*Executive*
	Engr. Tony C. Uyah	*Executive*
	Chief Stanley Sagboje	*Executive*
	Shedrack. A. Akolokwu, PhD	*Non-Executive*: (Resigned 22 August 2023)
	Princess (Mrs.) Ibitoru Ofili JP	*Non-Executive: (Resigned 22 August 2023*)
	High Chief Raymond Aleogho Dokpesi	*Non-Executive: (Died 29 May 2023*)

Company Secretary	Barr Anopuo Donatus O. (Resigned 18, September 2023) Barr Miji Jonah (Appointed Ag. 20 September, 2023)
Registration No:	RC. 117587
Registered Office:	Ladi Lawal Drive Kpaduma Hills, Off T. Y. Danjuma Street, Asokoro, FCT Abuja.
Independent Auditors:	Baker Tilly Nigeria (Chartered Accountants), No 7 Gwandu close, Off Jibia Street, Off Badagry Street, Area 2, Garki, Abuja; FCT Tel: 08023378194, 08030746349

Registrars:	First Registrars Ltd. No. 2 Abebe Village Road Iganmu, Lagos.
Bankers:	Fidelity Bank Plc First Bank Nigeria Plc First City Monument Bank Ltd Sterling Bank Plc Guaranty Trust Bank Plc. Union Bank of Nigeria Plc United Bank for Africa Plc Zenith Bank Plc

Free Floating report

DAAR COMMUNICATION PLC				
FREE FLOAT REPORT AS AT 31 DECEMBER 2023				
Name of Company:	**DAAR COMMUNICATION PLC**			
Board Listed:				
Year End:	**31 DECEMBER**			
Reporting Period:	**YEAR ENDED 31 DECEMBER 2023**			
Share Price as at end of Reporting Period:	**NGN**			
DESCRIPTION	**CURRENT YEAR 2023**		**PREVIOUS YEAR 2022**	
	Units	**Percentage (In relation to Issued Share**	**Units**	**Percentage (In relation to Issued Share Capital)**
Issued Share Capital	**8,000,001,000**	**100%**	**8,000,001,000**	**100%**
DETAILS OF SUBSTANTIAL SHAREHOLDINGS (5% AND ABOVE)				
DAAR Investment & Holdings Co. Ltd	**4,890,523,000**	**61.13%**	**4,890,523,000**	**61.13%**
Estate of High Chief R. A. Dokpesi	**320,000,000**	**4%**	**320,000,000**	**4%**
Total Substantial Shareholdings	**5,210,523,000**	**65.13%**	**5,210,523,000**	**65.13%**
DETAILS OF DIRECTORS SHAREHOLDINGS (DIRECT & INDIRECT), EXCLUDING DIRECTORS HOLDING SUBSTANTIAL INTERESTS				
Chief Raymond Paul Dokpesi Jnr.	**10,000**	**0.00%**	**10,000**	**0.00%**
Mr. Tony A. Akiotu	**100,000**	**0.00%**	**100,000**	**0.00%**
Chief Stanley Sagboje	**Nil**	**Nil**	**Nil**	**Nil**
Dr. Ambrose Somide	**4,000**	**0.00%**	**4,000**	**0.00%**
Dr. (Mrs.) Oluwatosin Dokpesi	**120,000**	**0.00%**	**120,000**	**0.00%**
Engr. Uyah Anthony Chukwuemeka	**100,000**	**0.00%**	**100,000**	**0.00%**
Malam Gambo Lawan	**15,000**	**0.00%**	**15,000**	**0.00%**
Mr. Obi Asika	**Nil**	**Nil**	**Nil**	**Nil**
Professor Ralph A. Akinfeleye	**Nil**	**Nil**	**Nil**	**Nil**
Mr. Nornah Awoh	**7,000**	**0.00%**	**7,000**	**0.00%**
Mr. Emeka Mba	**Nil**	**Nil**	**Nil**	**Nil**
Palesa Capital Market Association Ltd	**205,000**	**0.00%**	**205,000**	**0.00%**
Total Directors' Shareholdings Ltd	**561,000**	**0.00%**	**561,000**	**0.00%**
Free Float in Unit and Percentage	**2,788,917,000**	**34.86%**	**2,788,917,000**	**34.86%**
Free Float in Value				
DECLARATIONS:				
DAAR Communication PLC with a free float percentage of 34.86 % as at 31 December 2023, is in compliant with The Exchange's free float requirements for companies listed on the Main Board				

DAAR COMMUNICATIONS PLC

FINANCIAL HIGHLIGHT

	2023 ₦'000	2022 ₦'000	Absolute ₦'000	Change %
Revenue	4,510,339	4,787,259	(276,920)	(6)
Loss before taxation	(1,578,275)	(755,824)	(822,451)	(109)
Loss after taxation	(1,627,523)	(768,066)	(859,458)	(112))
Non-current assets	25,551,864	9,354,544	16,197,320	173
Current assets	5,354,156	3,095,668	2,258,488	73
Non-current liabilities	865,375	817,037	48,338	6
Current liabilities	12,222,056	9,419,869	2,802,189	30
Issued share capital	4,000,000	4,000,000	-	-
Share premium	13,411,541	13,411,541	-	-
Shareholders' fund	17,818,589	2,213,306	15,605,283	705
Total equity and liabilities	30,906,020	12,450,212	18,455,808	148
Loss per share (kobo)	(20)	(10)	(10)	(100)

DAAR COMMUNICATIONS PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors of DAAR Communications Plc are responsible for the preparation of the financial statements that present fairly the financial position of the Company as at 31 December 2023, and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS").

In preparing the financial statements, the Directors are responsible for:

- Properly selecting and applying accounting policies,
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable, and understandable information,
- providing additional disclosures when compliance with the specific requirements in IFRSs is insufficient, to enable users to understand the impact of particular transactions, and conditions on the Company's financial position and financial performance, and
- making an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for:

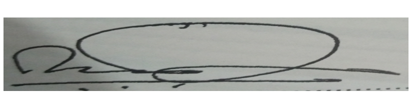
- Designing, implementing, and maintaining an effective and sound system of internal controls throughout the Company,
- Maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS,
- Maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS,
- Taking such steps as are reasonably available to them to safeguard the assets of the Company, and prevent and detect fraud and other irregularities.

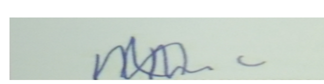
The Directors accept responsibility for the preparation of the annual financial statements which has been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with International Financial Reporting Standards and the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act 2011.

Nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.
The directors are of the opinion that the financial statements give a true and fair view of the financial position of the Company and of the loss for the year.

The financial statements of the Company for the year ended 31st December 2023 were approved by Management on ··· April, 2024.

Signed on behalf of the Directors of the Company:





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Tony A. Akiotu
GMD/CEO
FRC/2014/NIM/00000006895

……………………………………

Stanley Sagboje
Director, Finance & Accounts/CFO
FRC/2016/ICAN/00000015580

DAAR COMMUNICATIONS PLC
REPORT OF AUDIT COMMITTEE

Report of the Audit Committee to the members of DAAR Communications Plc for the year ended 31 December 2023

In compliance with the provisions of Section 404 (7) of the Companies and Allied Matters Act, 2020, the members of the Audit Committee of DAAR Communications Plc have considered the audited Financial Statements for the year ended 31 December 2023 together with the Management Report from the External Auditors and Management response thereon.

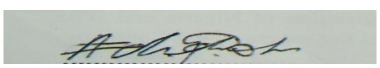
In our opinion, the scope and planning of the audit for the year ended on 31 December 2023 was adequate.

After due consideration, the Audit Committee accepted the Report of the External Auditors that the Financial Statements were prepared in accordance with the International Financial Reporting Standards and agreed ethical practices and give a true and fair view of the state of affairs of the Company.

The Committee reviewed Management's Response to the Auditor's findings in respect of Management matters and is satisfied with Management's response thereto.

The Committee also considered and recommends to the Board provision made in the Financial Statements with respect to the remuneration of the Auditors.

The Committee, therefore, recommends that the audited Financial Statements of the Company for the year ended 31 December, 2023, and the Auditors' report thereon be presented for adoption at the Annual General Meeting.



John Adidi, FCA
FRC/2013/ICAN/00000000742
Chairman, Audit Committee

29 April, 2024.

Members of the Audit Committee are:

Mr. John Adidi, FCA	Chairman - Shareholder's Representative
High Chief Vincent Barrah	Member- Shareholder's Representative
Mr.Ayanwamide Yinka	Member - Representative
Mr Nornah Awoh	Member – Board's Representative
Shedrack A. Akolokwu, PhD	(Resigned on 22 August 2023) Member Board's Representative

Prof. Ralgh Akinfeleye – (Appointed on 14 September,2023) -Member Board's Representative.

DAAR COMMUNICATIONS PLC

Certification Pursuant to Section 405 of CAMA 2020

We, the undersigned hereby certify the following with regards to our Audited Financial Statements for the period ended 31 December 2023 that:

We have reviewed the report:

(a) to the best of our knowledge, the report does not contain:

i. Any untrue statement of a material fact, or

ii. Omit to state a material fact, which would make the statements misleading in the light of circumstances under which such statements were made;

(b) to the best of our knowledge, the financial statement and other financial information included in this report fairly present in all material respects the financial condition and results of operation of the company as of, and for the periods presented in this report.

(c) We:

- are responsible for establishing and maintaining internal controls.
- have designed such internal controls to ensure that material information relating to the Company is made known to such officers by others within the entity, particularly during the period in which the periodic reports are being prepared;
- have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
- have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

(d) We have disclosed to the auditors of the Company:

i. All significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and

ii. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal controls;

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Tony A. Akiotu	**Stanley Sagboje**
GMD/CEO	**Director, Finance & Accounts/CF**
FRC/2014/NIM/00000006895	**FRC/2016/ICAN/00000015580**
29 April, 2024	**29 April, 2024**

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Website: www.bakertilly.ng

REPORT OF THE INDEPENDENT AUDITOR'S

TO THE MEMBERS OF DAAR COMMUNICATIONS PLC

Opinion

We have audited the accompanying financial statements of DAAR COMMUNICATIONS PLC ("the Company") which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the Company has kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by the Companies and Allied Matters Act (CAMA), 2020. The financial statements give a true and fair view of the financial position of DAAR COMMUNICATIONS PLC as at 31 December 2023 and of its financial performance and its Cash flows for the year then ended in accordance with the International Financial Reporting Standard (IFRS) as adopted by the Financial Reporting Council of Nigeria (FRC).

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 Company in accordance with the International Ethics Standards Board for Accountants (IESBA), the provisions of the Companies and Allied Matters Act (CAMA), 2020, and other independence requirements applicable to performing audits of financial statements of DAAR COMMUNICATIONS PLC. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and CAMA applicable to performing the audits of DAAR COMMUNICATIONS PLC. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 35 in the financial statements, which indicates that, although the company recorded a loss of ₦ 1.578 billion during the year ended December 31, 2023, which is more than double of the prior year's loss of ₦768.066 million and the accumulated losses from the ordinary course of business has risen to ₦16.7 billion (2022- ₦15.198 billion). However, a revaluation of all items of Property Plant and equipment resulted in a revaluation surplus of ₦17.2 billion. As of that date, the

company's current liabilities exceeded its current assets by ₦6.8 billion as against ₦6.32 billion in the preceding year. As stated in note 35, these events or conditions, along with other matters as outlined in note 35, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to this matter.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures, performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements

Key Audit Matters	How the matters were addressed in the Audit
Recoverability of Accounts Receivables We identified the recoverability of accounts receivables as a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the significant degree of judgments made by the management in assessing the impairment of accounts receivables and determining the allowance for doubtful debts. As at 31 December 2023, the carrying amounts of accounts receivables was ₦5 billion, net of allowance for lost and doubtful debts of about ₦1.9 billion as disclosed in note 18 to the financial statements, representing 16% of the total assets of the Company. As disclosed in note 6.1 to the financial statements, the amount of allowance for doubtful debts was measured as the difference between the carrying amounts of accounts receivables and the estimated future cash flows by considering the credit history including default or delay in payments, settlement records, subsequent settlements, and aging analysis of the accounts receivables.	Our procedures concerning the recoverability of accounts receivables included: • Obtaining an understanding of how the allowance for doubtful debts is estimated by the management and assessing the management's process in determining the estimated future cash flows of accounts receivables; • Discussing with the management and obtaining a list of accounts receivables with relevant small amount of settlement, during the year or subsequent to the end of the reporting period identified by the management and their assessment on the recoverability of accounts receivables; • Checking the aging analysis and subsequent settlement of the accounts receivables, on a sample basis; • Assessing the reasonableness of allowance for doubtful debts for accounts receivables with reference to the credit history including default or delay in payments, settlement records, subsequent settlements, and aging analysis of the accounts receivables on a sample basis; • Evaluating the historical accuracy of the management's assessment of impairment for accounts receivables on a sample basis by examining the actual write-offs, the reversal of previously recorded allowance, and new allowances recorded in the current year in respect of accounts receivables at the end of the previous financial year.
Repayment of liabilities Management's ability to meet its obligation to the company's Trade and other payables is a key audit matter. This amounted to N11 billion naira (2022 – 9.2 billion) as at 31 December 2023.	• Confirming the existence of the transactions and ascertaining the authenticity and accuracy of the balances outstanding with respect to the debts. • Reviewing the repayment pattern during the year and ascertaining the accuracy of recording of such postings to confirm the correctness of outstanding balances. • Circularized the creditors and received responses confirming the debts.

	• Tracing the history of outstanding debts to confirm the length of time debts have been outstanding. • Enquired about plans to defray a significant portion of the outstanding liabilities. We noted that Management is consistently and systematically repaying the subordinated loan.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, Corporate Governance Report, Statement of Directors' Responsibility, Audit Committee Report, Statement of Value Added and Five-Year Financial Summary, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. 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 on the other information obtained prior to the date of this auditor's report, 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 Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the provisions of the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council Act No.6, 2011, and for such internal control as the Directors 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 directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so:

- 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 Company'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 directors' 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial

- information of the entity or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Companies and Allied Matters Act (CAMA), 2020 we expressly state that:

i. 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
ii. proper accounting records have been kept by the Company, so far as appears from our examination of those accounting records;
iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the accounting records.

…………………………………
Oluwole O. Ogundeji
FRC/2013/ICAN/00000002825
for: **Baker Tilly Nigeria**
(Chartered Accountants)

Abuja, Nigeria
29 April, 2024

DAAR COMMUNICATIONS PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECMBER, 2023

	Note	2023 ₦'000	2022 ₦'000
Revenue	7	4,510,339	4,787,259
Cost of sales	8	(2,875,513)	(2,931,560)
Gross profit		1,634,826	1,855,699
Other income	9	445,308	1,168,373
Selling expenses	10	(118, 191)	(203,612)
Allowance for impairments	10b	(1,157,255)	(1,502,714)
Provisions	10c	(72,000)	(72,000)
Administrative expenses	11	(2,300,593)	(1,981,753)
Operating loss before finance cost		(1,567,905	(736,007)
Finance cost	12	(10,370)	(19,817)
Loss before tax	13	(1,578,275)	(755,824)
Taxation	14	(49,248)	(12,242)
Loss after tax		(1,627,523)	(768,066)
		=========	=======
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss:			
Gains (losses) on property revaluation		17,232,806	-
Other comprehensive income for the year net of taxes		17,232,806	-
Total comprehensive income for the year		15,605,283	(768,066)
		========	=======
Loss per share (kobo)		(20)	(10)
		===	===

The accounting policies and notes on pages 18 to 62 form part of these financial statements

DAAR COMMUNICATIONS PLC
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECMBER, 2023

Assets		**2023**	**2022**
Non-Current Assets	**Note**	**₦'000**	**₦'000**
Property, Plant and Equipment	15	24,061,928	7,350,313
Intangible Assets	16	22,802	24,566
Investment	17	497,893	97,000
Deferred Tax Assets	14	969,241	1,882,664
		25,551,864	9,354,544
Current Assets			
Trade Receivables	18	5,005,070	2,726,247
Other Receivables & Prepayments	19	219,424	205,621
Cash and Cash Equivalents	20	129,662	163,800
Total Current Assets		5,354,156	3,095,668
Total Assets		30,906,020	12,450,212
Equity and Liabilities			
Equity			
Share Capital	21	4,000,000	4,000,000
Share Premium	22	13,411,541	13,411,541
Revaluation Surplus		17,232,806	-
Retained Earnings	23	(16,825,758)	(15,198,235)
Total Equity		17,818,589	2,213,306
Non-Current Liabilities			
Accrued Gratuity	26b	865,375	817,037
Total Non-Current Liabilities		865,375	817,037
Current Liabilities			
Sub-ordinated Loan	24	362,029	275,875
Payables	25	2,884,999	954,026
Other Payables	26	8,254,398	7,503,755
Taxation	14	720,630	686,213
Total Current Liabilities		12,222,056	9,419,869
Total Liabilities		13,087,431	10,236,906
Total Equity and Liabilities		30,906,020	12,450,212

The financial statements were approved by the Board of Directors on 29 April, 2024 and signed on its behalf by:

Tony A. kiotu	**Chief Raymond Paul Dokpesi Jr**	**Stanley Sagboje**
GMD/CEO	**Chairman**	**ED, Finance & Accounts/CFO**
FRC/2014/NIM/0000006895	**FRC/2020/IOD/00000020977**	**RC/2016/ICAN/00000015580**

The accounting policies and notes on pages 18 to 60 form part of these financial statements

DAAR COMMUNICATIONS PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECMBER, 2023

	Share Capital ₦'000	Share Premium ₦'000	Revaluation Surplus ₦'000	Retained Earnings ₦'000	Total ₦'000
Balance as at January 1, 2023	4,000,000	13,411,541	-	(15,198,235)	2,213,306
Loss for the year	-	-	-	(1,627,523)	(1,627,523)
Other Comprehensive Income:					
Revaluation Reserve	-	-	17,232,806	-	17,232,806
Balance as at Dec 31, 2023	4,000,000	13,411,541	17,232,806	(16,825,758)	17,818,589
	========	========	========	========	========
Balance as at January 1, 2022	4,000,000	13,411,541	-	(14,504,240)	2,907,301
Prior year adjustment.					
Tax adjustment	-	-	-	74,070	74,070
2021 restated	4,000,000	13,411,541	-	(14,130,170)	2,981,371
Loss for the year	-	-	-	(768,065)	(768,065)
Balance as at 31 DEC 2022	4,000,000	13,411,541	-	(15,198,235)	2,213,306
	=======	========	======	========	=======

The accounting policies and notes on pages 18 to 62 form part of these financial statements

DAAR COMMUNICATIONS PLC

STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31 DECMBER, 2023

	Note	2023 ₦'000	2022 ₦'000
Cash Flows from Operating Activities			
Loss for the year before tax		(1,578,275)	(755,824)
Adjustments for:			
Depreciation	15	815,573	778,984
Amortization of Intangible Assets	16	1,764	2,227
Write down of deferred tax assets	14.3	913,423	913,423
Finance Cost	12	10,370	19,817
Gratuity	26b	48,338	56,115
		211,193	1,014,742
Changes in Assets & Liabilities			
Change in Trade Receivables	18	(2,278,823)	339,403
Change in Prepayments and Other Receivables	19	(13,803)	(516,182)
Change in Trade and Other Payables	25 & 26	2,681,616	(135,925)
Cash Generated from Operating Activities		600,183	702,038
Tax Paid	14.2	(14,831)	(73,269)
Net Cash inflow from Operating Activities		585,352	628,769
Cash flows from Investing Activities			
Acquisition of Intangible Assets	16	-	-
Acquisition of Property, Plant and Equipment	15	(294,380)	(230,885)
Investment in AITNEWS24	17	(400,893)	74,295
Net cash outflow from Investing Activities		(695,273)	(156,590)
Cash Flows from Financing Activities			
Addition to Subordinated loan	26	86,154	(373,610)
Interest Paid	12	(10,370)	(19,818)
Net Cash inflow /(outflow) from Financing Activities		75,784	(393,428)
Net (decrease)/ increase in Cash and Cash Equivalents		(34,137)	78,751
Cash and Cash Equivalents at January 1		163,800	85,049
Cash and Cash Equivalents at December 31	20	129,663	163,800

The accounting policies and notes on pages 18 to 62 form part of these financial statements

DAAR COMMUNICATIONS PLC

NOTES TO THE FINANCIAL STATEMENT

1. Corporate Information

DAAR Communications Plc. is the foremost independent broadcast organization in Nigeria. The Company was incorporated on August 31, 1988, as a limited liability company and converted into a public liability Company on April 23, 2007.

The Company pioneered private/independent broadcasting with the establishment of Raypower 100.5 FM radio station in September 1994 upon the deregulation of the broadcast sector in 1993 by the Federal Government of Nigeria. The organization also pioneered global satellite broadcasting in 1996 with the establishment of African Independent Television (AIT).

2.1. Basis of Presentation

These financial statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (“IFRS”), being standards and interpretations issued by the International Accounting Standards Board (“IASB”), in force on 31 December 2023.

2.2 Statement of Compliance

The Company's full financial statements for the year ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (together “IFRS”) that are effective at 31 December 2023 and requirements of the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council (FRC) Act of Nigeria 2011.

2.3 Composition of Financial Statements

In accordance with IFRS accounting presentation, the Financial Statements comprise: Statement of Profit or Loss and other comprehensive income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cashflows and Notes to the Financial Statements including accounting policies.

2.4 Functional and Presentation Currency

The Financial Statements are drawn up in naira, the functional currency of DAAR Communications Plc. All values are rounded to the nearest thousands unless otherwise stated.

2.5. Measurement Bases

The financial statements have been prepared under the historical cost convention unless mentioned otherwise in the accounting policies below (e.g. certain financial instruments that are measured at fair value). Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Company uses market observable data to the extent possible.

If the fair value of an asset or a liability is not directly observable, it is estimated by the Company (working closely with external qualified valuers) using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account

Fair values are categorized into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognized by the Company at the end of the reporting period during which the change occurred.

2.6. Financial Period

These Financial Statements cover the financial years ended 31 December 2023 and comparative, 31 December 2022.

3. Application of new and revised International Financial Reporting Standards (IFRSs) effective for an accounting period that begins on or after January 1, 2023.

3.1 Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12

The amendment adds an additional requirement for transactions that will not give rise to the recognition of a deferred tax asset or liability on initial recognition. Previously, deferred tax would not be recognized on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor loss. The additional requirement provides that the transaction, at the time of the transaction must not give rise to equal taxable and deductible temporary differences.

The effective date of the amendment is for years beginning on or after 1 January 2023. The impact of this amendment is currently being assessed.

3.2 Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after 1 January 2023. The impact of this amendment is currently being assessed.

3.3 Definition of accounting estimates: Amendments to IAS 8

The definition of accounting estimates was amended so that accounting estimates are now defined as "monetary amounts in financial statements that are subject to measurement uncertainty."

The effective date of the amendment is for years beginning on or after 1 January, 2023. The impact of this amendment is currently being assessed.

3.4 Classification of Liabilities as Current or Non-Current - Amendment to IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of the liability for at least twelve months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after 1 January 2023. The impact of this amendment is currently being assessed.

3.5 Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1

A subsidiary that uses the cumulative translation differences exemption, may elect in its financial statements, to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary.

The effective date of the company is for years beginning on or after 1 January, 2022. The impact of this amendment is currently being assessed.

4 New and Revised IFRS Standards in issue but not yet effective

At the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective.

5. Significant Accounting Policies

A **Going Concern**

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

B. Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

C. Property, Plant and Equipment

Property, plant and equipment are stated at cost/revaluation less accumulated depreciation and any recognized impairment losses. Costs include expenditures that are directly attributable to the acquisition of assets. Subsequent costs are included in an asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Where an asset retirement obligation exists, this will be included within the initial assessment of cost. Borrowing costs directly attributable to a qualifying asset, (that takes a substantial period to make ready for the intended use) are added to the cost of such assets until they are ready for their intended use.

All other repair and maintenance expenditures are charged to the Income Statement during the financial period in which they are incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accummulated impairment losses, they are also stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting year.

When an item of property, plant and equipment is revalued, the gross carrying amount is adjusted consistently with the revaluation of the carrying amount. The accumulated depreciation at that date is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The revaluation reserve related to a specific item of property, plant and equipment is transferred directly to retained income when the asset is derecognised.

The revaluation reserve related to a specific item of property, plant and equipment is transferred directly to retained income as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset, net of deferred tax.

D. Depreciation

Depreciation is calculated on the depreciable amount which is the cost of an asset, or revaluation of an asset or other amount substituted for cost, less its residual value on a straight-line basis.

Each part of an item of PP&E with a cost that is significant in relation to the whole is depreciated separately over its expected useful life.

Expected useful life is the period of use by the enterprise, not the asset's economic life, which could be appreciably longer. The depreciable amount takes account of the expected residual value of the assets. Both the useful life and the residual value are reviewed annually and the estimates revised as necessary.

The depreciation is recognized in the income statement on a straight-line basis over the estimated useful lives of an item of property, plant and equipment as follows:

Property Plant and Equipment	**Range of Years**
Building	**50 years**
Plant & Equipment	**10 years**
Motor Vehicles	**4 years**
Furniture and Fittings	**10 years**
Records and Discs	**10 years**

No depreciation is provided on freehold land, although, in common with all long-lived assets, it is subject to impairment testing, if deemed appropriate.

Construction costs and improvements in respect of offices are carried at cost as capital work- in-progress. On completion of construction or improvements, the related amounts are transferred to the appropriate category of property and equipment.

Payments in advance for items of property and equipment are included as Prepayments in "Other Assets" and upon delivery are reclassified as additions in the appropriate category of property and equipment.

E. Impairment of Property, Plant and Equipment

Where an item of Property, Plant and Equipment has become impaired, the carrying amount of the Property, Plant and Equipment is restated at the recoverable amount if it is lower than the carrying amount and the difference is recognized in the Statement of Comprehensive Income as an impairment loss. The revised carrying amount is amortized on a straight-line basis over the remaining life of the asset. Where there is no recoverable amount, the carrying amount is written off to the profit and loss account and recognized as an impairment loss.

Impairment is tested for when there is an indication of impairment such as:

a) A decline in the market value of an asset;
b) Changes in the technological, economic or legal environment resulting in an adverse effect on our activities;
c) Obsolescence or damage of assets;
d) Worsening performance of assets.

Where the asset does not generate cash flows that are independent of other assets, the recoverable amount of the cash-generating unit to which the asset belongs is determined,

and impairment losses for the cash-generating units are allocated first against the goodwill of the unit (if any) and then pro-rata amongst the other assets of the unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

F.. **Intangible Assets License Fees**

License fees are stated at historical cost less accumulated amortization. The amortization period is determined primarily by reference to the unexpired license period. Amortization is charged to the income statement on a straight-line basis over the estimated useful life of the license.

Acquired computer software licenses are capitalized based on the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives. Costs associated with maintaining software programs are recognized as an expense as incurred.

Computer Software

Computer Software with finite lives is amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates on a prospective basis. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible asset.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from the derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

For intangible assets with finite useful lives, amortization is calculated to write off the cost of the asset, less its estimated residual value, over its useful life as follows:

Licenses	License	period
Computer Software	20%,	straight line.

G. **Financial Instruments**

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable t

the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial Assets

All regular-way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of Financial Assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and

the Company may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).

i) Amortized Cost and Effective Interest Method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs, and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below).

For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired. Interest income is recognized in profit or loss and is included in the "finance income – interest income".

ii) Debt Instruments Classified as at FVTOCI

The corporate bonds held by the Company are classified as at FVTOCI. The corporate bonds are initially measured at fair value plus transaction costs.

Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses impairment gains or losses,

and interest income calculated using the effective interest method are recognized in profit or loss. The amounts that are recognized in profit or loss are the same as the amounts that would have been recognized in profit or loss if these corporate bonds had been measured at amortized cost. All other changes in the carrying amount of these corporate bonds are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these corporate bonds are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

iii) Equity Instruments Designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by- instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally to sell it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit- taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with IFRS 9 unless the dividends clearly represent a recovery of part of the cost of the investment. The Company has designated all investments in equity instruments that are not held for trading as at FVTOCI on the initial application of IFRS 9.

iv) Financial Assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:

Investments in equity instruments are classified as at FVTPL unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above).

Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so-called 'accounting mismatch') that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship).

Foreign Exchange Gains and Losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically.

- for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses' line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss in the 'other gains and losses. Other exchange differences are recognized in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses; and
- for equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the investment revaluation reserve.

Impairment of Financial Assets

The Company recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables, and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade receivables, contract assets, and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL

when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

i) **Significant Increase in Credit Risk**

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks, and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relates to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

a. The financial instrument has a low risk of default,
b. The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
c. Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has an external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since the initial recognition of a financial guarantee contract, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.

ii) Definition of Default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

when there is a breach of financial covenants by the debtor; or information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

iii)Credit-Impaired Financial Assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a. the significant financial difficulty of the issuer or the borrower;
b. a breach of contracts, such as a default or past due event (see (ii) above);
c. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
d. it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
e. the disappearance of an active market for that financial asset because of financial difficulties.

iv) Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

v)Measurement and Recognition of Expected Credit Losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default), and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward- looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses are consistent with the cash flows used in measuring the lease receivable in accordance with IAS 17 Leases.

For a financial guarantee contract, as the Company is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Company expects to receive from the holder, the debtor or any other party.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of Financial Assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognizes a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. Also, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation

reserve is not reclassified to profit or loss but is transferred to retained earnings.

Financial Liabilities and Equity Classification as Debt or Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue, or cancellation of the Company's equity instruments.

Compound Instruments

The component parts of convertible loan notes issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured.

In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to [share premium/other equity [describe]]. Where the conversion option remains unexercised at the maturity date of the convertible loan note, the balance recognized in equity will be transferred to [retained profits/other equity [describe]]. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity.

Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible

loan notes using the effective interest method.

Financial Liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Company, are measured in accordance with the specific accounting policies set out below.

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Company's financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of a liability is recognized in profit or loss.

Changes in fair value attributable to a financial liability's credit risk that is recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Company that is designated by the Company as at FVTPL are recognized in profit or loss.

Financial Liabilities Measured Subsequently at Amortized Cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs, and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of financial liability.

Financial Guarantee Contract Liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined under IFRS 9 (see financial assets above); and
- the amount recognized initially less, where appropriate, cumulative amortisation recognized in accordance with the revenue recognition policies set out above.

Foreign Exchange Gains and Losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in the ‘other gains and losses, for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a

hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognized in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of Financial Liabilities
The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees, paid net of any fees received and discounted using the original effective rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

h) Inventory
Inventories are stated at the lower of cost and net realizable value. The cost of finished goods and work-in-progress include raw materials, translations, printing, and production costs. Raw materials are valued at purchase cost on a first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion, and estimated costs necessary to make the sale. Slow-moving and obsolete inventories are written down to their net realizable value. Reversals of previous write-downs to net realizable value are recorded when there is a subsequent increase in the value of the inventory.

i) Borrowing Costs
Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction, or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period they are incurred.

j) Foreign Currency Transactions and Translation
Functional and presentation currency- Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in naira, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss and other comprehensive income.

Non-monetary assets and liabilities in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the transaction date.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates prevailing at the dates the fair value was determined.

k) Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it satisfies its performance obligations and transfers control over services to a customer.

Revenue is shown net of value-added tax, returns, rebates, and discounts after eliminating sales within the Company. The Company recognized revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the Company and when the significant risks and rewards of ownership of the goods and services have been transferred to the customer. The amount is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction, and the specifics of each arrangement.

The revenue is booked upon the airing of the advertisement or sponsorship programme and after it is confirmed by the advert traffic department. Month-end cut-off procedures are performed and pro-rata income is recorded. The cost incurred to earn revenue is measured reliably. The cost comprises salaries, depreciation, transportation, etc.

Product Sales

Sales relate mainly to decoders and are recognized upon delivery of products and customer acceptance, net of sales taxes, VAT, and discounts, and after eliminating sales within the Company. Sales of goods are recognized when the Company has delivered products to the retailer, the retailer has full discretion over the channel

and price to sell the products, and there is no unfulfilled obligation that could affect the retailer's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the retailer, and either the retailer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Sponsorship Revenues
Sponsorship revenue is recognized at the time sponsored programs are broadcast. Amount paid in respect of programs not yet broadcasted is treated as a deposit by customers and recognized according to the stage of completion at the reporting date. (That is when an obligation is carried out by the company).

However, when the outcome of the transaction cannot be estimated reliably, recoverable contract costs will determine the extent of revenue recognition.

Advertising Expenses
Advertising expenses are expensed in the financial period in which they are incurred.

l) Programme and Film Rights
Purchased programme and film rights are stated at acquisition costs less accumulated amortisation. Programme material rights, which consist of the rights to broadcast programmes, series, and films, are recorded at the date the rights come into license at the spot rates on the purchase date. The rights are amortized based on contracted screenings or expensed where management has confirmed that they intend that no further screenings will occur.

Programme material rights contracted by the reporting date in respect of programmes, series, and films not yet in license are disclosed as commitments.

Programme Production Costs
Programme Production Costs, which consist of all costs necessary to produce and complete a programme to be broadcast, are recorded at the lower of direct cost and net realisable value. Net realisable value is set at the average cost of programme material rights. Where a prepayment has been made on a right, the right will be recorded at the spot rate on prepayment date for the portion of the right prepaid and the spot rate on license date for the portion of the licence not prepaid. Programme production costs are amortized based on contracted screenings or expensed where management has confirmed that they intend that no further screenings will occur.

All programme production costs above the expected net realisable value of the production on completion, are expensed when contracted.

Sports Event Rights
Sports events rights are recorded at the date that the period to which the events relate commences, at the rate of exchange ruling at that date. These rights are expensed over the

period to which the events relate or where management has confirmed that it intends that the event will not be screened.

Payments made to negotiate and secure the broadcasting of sports events are expensed as incurred.

Rights to future sports events contracted by the reporting date, but which have not yet commenced, are disclosed as commitments, except where payments have already been made, which are shown as prepaid expenses.

m) Deferred Income (Contract Asset)

Deferred income represents the part of the amount invoiced to customers that have not yet met the criteria for revenue recognition and thus still has to be earned as revenues through the delivery of goods and services in the future. Deferred income is recognized at its nominal value.

n) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the Managing Director.

o) Employee Benefits

Defined Contribution Scheme

The Company operates a defined contribution-based retirement benefits scheme for its staff, in accordance with the Pension Reform Act of 2014; each employee contributes 8% while the employer contributes 10% of each of the employee's relevant emoluments. Obligations for contributions to the scheme are recognized as an expense in the income statement in the period in which they arise.

Defined Benefit Scheme

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on more than one factor such as age, years of service, and compensation. The liability recognized in the Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the date of the Statement of Financial Position less the fair value of plan assets.

p) Taxes

Tax expense comprises current and deferred tax. Tax expense is recognized in the Statement of Comprehensive Income unless it relates to items recognized outside the statement of income. Tax expense relating to items recognized outside of the Statement of Comprehensive Income is recognized in correlation to the underlying transaction in either other comprehensive income or equity.

Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The

tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Tax

Deferred tax is provided using the liability method for temporary differences between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes. Deferred tax assets and liabilities are measured using substantively enacted tax rates and laws at the reporting date that are expected to be in effect when the temporary differences arise on initial recognition of assets and liabilities other than in a business combination.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses to the extent that sufficient taxable profit will probably be available against which they can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

q) Provisions

Provisions are recognized if the Company has a present legal or constructive obligation as a result of the past event if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation as of the date of the Statement of Financial Position, taking into account the risks and uncertainties surrounding the obligation.

Provisions are discounted and measured at the present value of the expenditure expected to be required to settle the obligation, using a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as an interest expense.

r) Share Capital and Share Premium

Ordinary shares are recognized at par value and classified as share capital in equity. Any amounts received from the issue of shares in excess of the par value are classified as share premium in equity.

s) Earnings Per Share

Basic and diluted earnings per share are presented even if the amounts are negative (a loss per share). Diluted earnings per share also are presented even if it equals basic earnings per share and this may be accomplished by the presentation of basic and diluted earnings per share in one line item. The calculation of basic earnings per share is based on the profits attributable to ordinary shareholders using the weighted average number of shares outstanding during the year after deduction of the average number of treasury shares held over the period. The calculation of diluted earnings per share is consistent with the calculation of basic earnings per share while giving effect to all dilutive potential ordinary shares that were outstanding during the period, that is:

The net profit for the period attributable to ordinary shares is increased by the after-tax amount of dividends and interest recognized in the period in respect of the dilutive potential ordinary shares and adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares.

The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares increases the weighted average number of ordinary shares outstanding.

t) Investments in Subsidiaries, Joint Ventures and Associated Companies

Investments in subsidiaries, joint ventures and associated companies are carried at cost, less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiaries, joint ventures and associated companies, the difference between disposal proceeds and the carrying amounts of the investments are recognized in profit or loss.

u) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability. Contingent assets and contingent liabilities are not recognized. Contingencies are disclosed in note 31.

6. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, which are described in note 5, the directors are required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

6.1 Critical Judgments in applying the Company's Accounting Policies

The following are the critical judgments, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

Estimated useful lives of property, plant and equipment

Management estimates the useful lives of various categories of property, plant and equipment according to the industrial experiences over the usage of property, plant and equipment and also by reference to the relevant industrial norm. If the actual useful lives of property, plant and equipment are less than the original estimated useful lives due to changes in the commercial and technological environment, such difference will impact the depreciation charge for the remaining period. As at 31

December 2023, the carrying amount of property, plant and equipment of the Company amounted to ₦7.3 billion (2021: ₦7.8 billion).

Estimated Impairment of Accounts Receivables

The Management determined the carrying amount of accounts receivables by considering the credit history including default or delay in payments, settlement records, subsequent settlement, and aging analysis of the accounts receivables. The amount of the allowance for doubtful debts is measured as the difference between the asset's carrying amount and the estimated future cash flows based on the above consideration. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31st DECEMBER 2023, the carrying amounts of accounts receivables was ₦2.75 billion, net of allowance for lost and doubtful debts of about ₦1.75 billion.

6.2 Key Sources of Estimation Uncertainty Valuation of Financial Liabilities

Financial liabilities have been measured at amortized cost in line with the guidance provisions of IFRS 9. The effective interest rate used in determining the amortized cost of the individual liability amounts has been estimated using the contractual cash

flows on the loans. IFRS 9 requires the use of the expected cash flows but also allows for the use of contractual cash flows in instances where the expected cash flows cannot be reliably determined. However, the effective interest rate has been determined to be the rate that effectively discounts all the future contractual cash flows on the loans including processing, management fees, and other fees that are incidental to the different loan transactions.

		2023	2022
		₦'000	**₦'000**
7.	**Revenue**		
	Television	4,134,905	4,353,073
	Radio	375,434	434,186
		4,510,339	4,787,259
		=======	=======

The Company earns a major part of its revenue from providing media services.

7.1 Segment information

7.2 ***Products and services from which reportable segments derive their revenues***

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses whose operating results are regularly reviewed by the entity's chief operating decision-maker to make decisions about resources to be allocated and assess its performance for which discrete financial information is available.

DAAR's business structure is divided among the following segments:

i)Raypower FM
ii)AIT / Television
iii)DAAR News

Each of these businesses is managed separately by its designated Managing Director and the team, with a different set of accounts prepared for each of these. However, Property, Plant & Equipment (PP&E) for each of the segments are not separately identifiable.

The 'AIT / Television' is the predominant segment of DAAR, as the same contributes about 90% of the total revenue.

The 'Raypower FM' contributes about 10% of the revenue. No information is available on PP&E separately for segments.

The Company also has operations in the United Kingdom and Sierra Leone (closed down in 2013), while having bureau offices in the United States of America and Ghana. However, operations, except Sierra Leone, are managed under the AIT /Television segment. Based on previous years' information, the management believes UK operations to be very insignificant. US and Ghana operations serve as news collection agencies and hence, are not significant considering DAAR's size of operations.

7.3 **Segment Revenue and Result**

The following is an analysis of the Company's revenue and results by reportable segment for the year ended 31 December 2023:

	Segment Revenue ₦'000	Cost Sales ₦'000	Segment Profit ₦'000
Television	4,134,905	2,503,181	1,631,724
Radio	375,434	372,332	3,102
	4,510,339	2,875,513	1,634,826
Selling and administration cost			(3,648,039)
Other income			445,308
Operating loss before interest			(1,567,905)
Finance cost			(10,370)
Loss before tax			(1,578,275)
Provision for tax			-
Loss for the year			(1,578,275)

The following is an analysis of the Company's revenue and results by reportable segment for the year ended 31 December 2022:

	Segment Revenue ₦'000	Cost Sales ₦'000	Segment Profit ₦'000
Television	4,353,073	2,629,691	1,723,382
Radio	435,186	301,869	132,317
	4,787,259	2,931,560	1,855,699
Selling and administration cost			(3,760,079)
Other income			1,168,373
Operating loss before interest			(736,007)
Finance cost			(19,817)
Loss before tax			(755,824)
Provision for tax			(12,241)
Loss for the year			(768,065)

The segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year.

The accounting policies of the reportable segments are the same as the Company's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs, investment revenue, other gains and losses, finance costs, and income tax expense. The business segments are determined by management based on the Company's internal reporting structure.

7.4 Segment Assets and Liabilities

The Managing Director does not make use of information on segment assets and segment liabilities for resource allocation and assessment of segment performance.

7.5 ***Revenues from Major Products and Services***

The Company's revenues from its major services for the year ended 31 December, 2023 were as follows:

	Television ₦'000	Radio ₦'000	Total ₦'000
Sales – agency sales	1,226,839	199,784	1,426,623
Sales – personal paid advert	135,599	73,662	209,261
Sales – outside broadcast	1,583,102	93	1,583,195
Sales – in house program	26,026	27,921	53,947
Sales – program appearance	5,269	667	5,936
Sales – independent programme joint venture	56,821	49,203	106,024
Sales – independent programme sponsored	610,146	16,241	626,387
Sales – documentary	111,761	50	111,811
Sales – dedicated Media coverage	212,792	4,769	217,561
Sales – event news coverage	89,913	2,133	92,046
Sales – scroll message	10,439	-	10,439
Sales – pay per view subscription	-	35	35
Sales – event special program	66,860	1,253	68,113
Total	4,135,567	375,811	4,511,378
Less sales refund	(661)	(377)	(1,039)
Total	4,134,905	375,434	4,510,339

		2023 ₦'000	2022 ₦'000
7.6	***Geographical***	4,510,399	4,787,259
8.	**Direct cost**		
	Depreciation	690,653	654,894
	Salary and wages	669,211	706,001
	Diesel and oil	622,466	792,620
	Programme cost	123,357	122,235
	Satellite expenses	164,059	105,431
	Equipment repairs	156,573	110,454
	License fees	100,000	100,000
	NBC annual operating levy	67,655	70,335
	New services	61,201	36,963
	Internet access	41,186	36,600
	Website cost	33,290	1,647
	Plant repairs & hire	26,392	20,682
	Amortisation	1,764	2,226
	BON expenses	1,420	1,000
	Events and production	-	65,873
	DAAR awards	-	5,685
	Outside broadcast costs	116,826	98,914
		2,875,513	2,931,560

		2023	2022
9.	**Other income**	**₦'000**	**₦'000**
	Other incomes	401,264	384,789
	Profit on disposal of assets	11,252	10,230
	Provision for bad debt decrease	-	241,776
	Provision no longer required	-	531,578
	Discount received	32,796	-
		445,308	1,168,373
10.	**Selling/distribution expenses**		
	Sales commission	118,919	113,518
	Discount allowed	-	90,094
		118,191	203,612
10b.	***Impairment allowance***		
	Specific bad debt written off	24,084	439,987
	Allowance for impairment of receivables	219,748	149,304
	Allowance for impairment of deferred tax assets*	913,423	913,423
		1,157,255	1,502,714

*An allowance of 20% was made on the impairment of deferred tax assets in 2023 in line with the requirement of IAS 12 on Income Taxes.

		2023	2022
10c.	**Provision**		
	Provision for gratuity	72,000	72,000
11.	**Administrative expenses**		
	Other admin expenses (note 11.1)	1,409,153	1,329,877
	Salaries	619,500	642,466
	Exchange loss	264,341	835
	Bank charges	7,599	8,575
		2,300,593	1,981,753

		2023	2022
11.1	***Other admin expenses***	**₦'000**	**₦'000**
	Transport & travelling	192,902	190,413
	Fuel/motor running expenses	110,112	90,743
	Staff welfare	108,675	65,462
	Death benefit	88,863	-
	Vehicle repairs	78,949	108,201
	Board expenses	76,430	95,826
	Rent and service charge	70,094	23,201
	Consultancy	64,576	77,317
	Printing & stationaries	59,826	47,740
	Regulatory fee	58,570	22,192
	Office maintenance	50,450	40,039
	Legal fee	50,200	71,200
	Security expenses	38,720	34,824
	Building repairs	35,924	80,955
	Staff training & development	29,186	27,112
	NHIS	27,911	27,774
	Medical	20,331	64,200
	Office entertainment	20,148	38,681
	AGM expenses	16,151	14,742
	Audit fee	15,000	15,000
	Insurance	14,314	697
	Telephone	10,023	8,222
	Public relation expenses	8,883	14,008
	Industrial Training Fund	8,728	8,733
	NSITF	8,728	8,733
	Dues and subscription	7,016	15,285
	Postages	5,437	4,915
	Fines and penalty	1,700	567
	Furniture repairs	1,531	4,020
	Advert and publicity	1,978	3,175
	Discount allowed	1,058	-
	Newspapers and periodicals	1,004	1,261
	Plant and vehicle hire	816	550
	Depreciation	124,919	124,089
		1,409,153	1,329,877
		=======	=======
12.	**Finance cost**		
	Subordinated loan interest	10,370	19,817
		=====	=====

		2023	2022
13.	**Profit before taxation**	**₦'000**	**₦'000**
	The profit before taxation is stated after charging/ crediting		
	Depreciation	815,572	778,944
	Amortisation	1,764	2,234
	Provision for gratuity	72,000	72,000
	Audit fee	15,000	15,000
	Impairment allowance on receivable and bad debts	219,748	149,304
	Impairment allowance on deferred tax assets	913,423	913,423

Apart from the audit service, the external auditors of DAAR Communications Plc, Baker Tilly Nigeria do not offer any other professional service to the company.

14. Taxation

14.1	***Per profit or loss account***		
	Company income tax	45,460	101,464
	Education tax	3,788	25,369
	Current tax expense	49,248	126,833
	Deferred tax	-	(114,591)
	Net income tax expense as per profit or loss	49,248	12,242
14.2	**Per statement of financial position**		
	Balance brought forward	686,213	821,310
	Tax provision for the year	49,248	12,242
	Adjustment of income tax prior periods	-	(74,070)
	Tax payment during the year	(14,831)	(73,268)
		720,630	686,213

14.2.1 Restatement of income tax adjustment

Included as part of 2021 balance is a tax adjustment of ₦74,070,000 in respect of the difference between the company's tax provision and the actual tax assessed by the FIRS Promax assessment.

Adjustment of income tax – Management tax provision	-	147,340
Less: actual tax assessed	-	(73,270)
	-	74,070

14.3	**Deferred tax assets**		
	As at January 1	1,882,664	2,796,087
	Movement	-	-
	Reversal of temporary difference	(913,423)	(913,423)
	Balance as at 31 December	969,241	1882,664

A provision of 20% has been made on the deferred tax assets in line with the requirement of IAS 12 Income Taxes. We have not recognized deferred tax assets as it is.

		2023	2022
		₦'000	₦'000
14.4	***Effective tax***		
	Income tax relating to continuing operations:		
	Education tax payable	3,788	25,368
	Company income tax payable	45,460	101,465
	Deferred tax expenses recognized in the period	-	(114,591)
	Total income tax expenses relating to the current	49,248	12,242
		=====	=======
	Tax expense computation reconciliation		
	Loss for the year before tax	(1,578,275)	(755,834)
	Tax charge	(49,248)	(12,242)
	Loss after tax	(1,627,523)	(768,066)
		========	=======
	Expected income tax expense calculated at 30% (2020)	(473,482)	(226,747)
	Education tax expense at 2.5% (2020:2%) of	3,788	25,369
	Adjusted for:		
	Expenses not deductible for tax purposes (at 30%)	609,863	531,169
	Tax incentive recognized (at 30%)	(90,921)	(202,958)
	Deferred tax	-	(114,591)
	Additional tax paid due to under-provision/minimum tax	-	-
	Income tax expenses for the year	49,248	12,242
		======	======
	Effective tax rate	3%	1.6%
		===	====

15. Property, plant and equipment

	Land & Building ₦'000	Plant & Equipment ₦'000	Furniture & fittings ₦'000	Records Disc ₦'000	Motor & vehicle ₦'000	Capital work in Progress ₦'000	Total ₦'000
Cost							
As at 01/01/2023	4,382,508	25,011,189	581,330	378,313	647,269	2,124,905	33,125,513
Disposal	-	-	-	-	-	-	-
Current year addition	78,675	148,595	10,184	-	56,925	-	294,380
Revaluation	16,341,117	(22,136,784)	304,186	(378,313)	(547,694)	(2,124,905)	(8,542,393)
As at 31/12/203	20,802,300	3,023,000	895,700	-	156,500	-	24,877,500
Depreciation							
As at 01/01/2023	2,405,865	21,914,900	451,335	378,313	624,787	-	25,775,200
Disposal	-	-	-	-	-	-	-
Charge for current year	85,286	690,653	13,510	-	26,123	-	815,572
Revaluation	(2,405,865)	(21,914,900)	(451,335)	(378,313)	(624,787)	-	(25,775,200)
As at 31/12/2023	85,286	690,653	13,510	-	26,123	-	815,572
Carrying amount							
As at 31/12/2023	20,717,013	2,332,347	882,189	-	130,377	-	24,061,928
As at 31/12/2022	1,976,641	3,096,289	129,995	-	22,482	-	7,350,313
As at 01/01/2022	4,328,900	25,841,610	573,631	387,313	647,269	2,124,905	32,894,627
Disposal	-	-	-	-	-	-	-
Current year additions	53,608	169,578	7,699	-	-	-	230,885
As at 31/12/2022	4382,508	25,011,189	581,330	378,313	647,269	2,124,905	33,125,513
Depreciation							
As at 01/01/2022	2,319,634	21,260,005	430,944	378,313	607,320	-	24,996,216
Charge for current year	86,231	654,895	20,391	-	17,467	-	778,984
As at 31/12/2022	2,405,865	21,914,900	451,335	378,313	624,787	-	25,775,200
Carrying amount							
As at 31/12/2022	1,976,641	3,096,289	129,995	-	22,482	-	7,350,313

Property, Plant and Equipment is carried at revaluation less subsequent accumulated depreciation and subsequent impairment losses to reflect the fair value of the assets. The assets were revalued by Messrs Jide Taiwo and Company (Estate Surveyors and Valuers) on 20 December, 2023. The revaluation resulted to a surplus of ₦17.2billion as shown above.

15.1 ***Impairment Test***

Asset impairment refers to a sudden decline in the usability of non-current assets. The impairment could be triggered by such issues as asset damage, obsolescence, or legal restrictions on asset use.

The regulations for the conduct of impairment tests are summarized by the International Accounting Standards Board especially in International Accounting Standard (IAS) 36 Impairment of Assets. Impairment testing is carried out to bring the carrying value of an entity in line with its recoverable value; this is the higher of the fair value less cost to sell and the value in use.

Indicators of possible impairment include an increase in the cost of borrowing and the carrying amount of the net assets of an entity exceeding its market capitalization. Significant adverse changes in the business climate may also be an indicator of impairment.

Significant judgment is required by management in determining the impairment PPE, which constitutes a material portion of the Company's assets. The result showed that the PPEs were not impaired. However, the Company analysed and reviewed the non-current assets for the year 2023 for impairment and found no indicator for impairment of non-current assets. With this observation, the Company believes that the level of impairment charge as applied in 2023 is adequate as at December 31, 2023, and does not see any need for a further charge for the year 2023.

15.2 ***Land and Buildings***

Management has elected to adopt the cost/revaluation model as its accounting policy. Land and Buildings are carried at cost/revaluation less any accumulated depreciation and any accumulated impairment loss.

15.3 ***Plant and Equipment***

The cost/revaluation model was used in recognition of Plant and Machinery in line with the requirements of the International Financial Reporting Standards (IFRS).

15.4 ***Furniture and Fittings/Motor Vehicles***

The cost/revaluation model was used in recognition of Furniture and Fittings/Motor Vehicles in line with the requirements of the International Financial Reporting Standards (IFRS).

15.5 ***Lien on Property Plant and Equipment***

The Subordinated loan was secured against all existing assets of the company as at September 30, 2008, and future assets of the company.

		2023	2022
		₦'000	₦'000
16.	**Intangible assets**		
	TV & radio license and accounting software		
	At 1 January	2,131,250	3,131,250
	Accumulated amortisation	2,106,684	2,104,457
	Amortisation charge for the year	1,764	2,227
	Total accumulated amortisation	2,108,448	2,106,684
	Carrying amount 31 December,	22,802	24,566

Amortization of intangible assets with finite useful lives is calculated to write off the cost of the asset, less its estimated residual value, over its useful life as follows:

Licenses:	License period
Computer Software:	20% straight line

		2023	2022
17.	**Investment at FVTPL**		
	Investment in MTS	97,000	97,000
	AIT News 241	400,893	-
		497,893	97,000

National Broadcasting Commission recently flagged off the digitization regime which will usher in a Digital Terrestrial Television (DTT) in Nigeria consequent upon a global transition from the analogue transmission of television signals to a digital mode of transmission. This migration will change the structure of television broadcasting fundamentally with the separation of content carriers from signal distributors/carriers. This means that two categories of players will now be recognized in the television industry viz. content providers and signal distributors. The legal regime is that companies who were licensed to distribute contents will not be allowed to distribute signals.

Pursuant to a new policy, all television stations in Nigeria, whether private or state-owned shall lose rights to operate their masts, transmitters, and any other transmission equipment and services, except by a licence from the NBC. The NBC in actualizing this mandate called for bids from interested parties to operate the DTT.

The Nigerian Television Authority (NTA) was given an automatic licence while other operators were directed to go and apply, individually or in partnership for a Network, licence to operate DDT. Considering the enormity of issues at stake, the stakeholders under the auspices of the Independent Broadcasters Association of Nigeria (IBAN) and Broadcasting Organisation of Nigeria (BON), agreed to jointly apply for a licence under the name-MTS Communications Limited (Media Transmission Service).

Based on the decision, MTS Communications Limited was duly registered.

The NBC policy is to license any two signal distribution carriers and an unlimited number of content distributors. To this end, the NTA had an automatic award of a license while MTS Communications Limited went through a bid process that was eventually approved. All stakeholders as a matter of urgency must contribute their equity in terms of equipment and financial contribution as a working and operational capital for the newly created company. All owners of broadcasting infrastructures who do not join MTS or are unable to produce a signal distribution licence to operate the same shall be required to sell them outright to NBC or forfeit them, as it will amount to a crime to own any broadcasting equipment without a licence to operate same.

The balance represents the initial investment of DAAR Communications Plc in MTS Communications Limited.

		2023 ₦'000	2022 ₦'000
18.	**Trade receivable**		
	Account receivables	6,972,482	4,509,760
	Specific receivable written off	-	(35,850)
		6,972,482	4,473,910
	Less: allowance for doubtful debts (note 18.1)	(1,967,412)	(1,747,663)
		5,005,070	2,726,247
		========	========
18.1	***Movement in provision for doubtful receivables***		
	As at 1 January	1,747,663	1,840,134
	Movement during the year	-	(205,925)
	Expected credit losses written off bad debts	-	(35,850)
	Additional provision during the year	219,749	149,304
		1,967,412	1,747,663
		=======	=======

The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

19.	**Other receivables and prepayment**		
	Staff loans and advances	7,075	8,677
	Prepayments	55,188	31,814
	DAAR Global Music	91,003	83,085
	Others	66,156	82,045
		219,424	205,621
		======	======

20. **Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalent at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial positions as follows:

		2023	2022
		₦'000	₦'000
20.1	**Cash and bank balances**		
	Cash in hand	639	21,736
	Bank balances	129,023	142,064
		129,662	163,800
		======	======
21.	**Share capital**		
	Issued and fully paid		
	8,000,000,000 ordinary shares of N0.50each	4,000,000	4,000,000
		=======	=======
22.	**Share Premium**	**13,411,541**	**13,411,541**
		=======	=========

The share premium was derived following the series of movement in share capital from 2007 to 2008. Since then, there has not been any issue and allotment of new shares by the company. The movement in share capital and premium can be summarized as follows:

	At 1 January	7,727,784	1,472,000
	Additions based on mew share issues	8,232,651	6,255,784
		15,960,435	7,727,784
	Share issue expenses	(2,548,894)	-
	At 31 December	13,411,541	7,727,784
		========	=======
23.	**Retained earnings**		
	As at 1 January	(15,198,235)	(14,430,170)
	Loss for the year	(1,627,523)	(768,065)
		(16,825,758)	15,198,235
		=========	========

There was an excess of tax provision over actual tax assessed in 2022 that amounted to ₦74,070,000. This has been restated as shown above.

24.	**Subordinated loan**		
	Subordinated loan	3,664,010	3,664,010
	Balance as at 1 January	275,875	649,485
	Liquidation/repayment	(227,138)	(373,610)
	Additions during the year	313,292	-
		362,029	275,875
		=======	=======

DAAR Investment Limited, parent company of DAAR Communications Plc, provided ₦4,200,000,000 (Four billion, two hundred million naira) subordinated loan facility to DAAR Communications Plc during the year 2008 at an interest rate of 5% per annum. The tenor of the loan is 5 years. The interest was not required to be paid until the year 2011. The interest rate charged by the parent company is below the interest rate prevailing in the market for a company of similar size & risk characteristics and for a similar amount and tenor to that of DAAR Communications Plc.

The original maturity date of the loan was 31 December 2013 but on 30 September 2013, the maturity date of the loan with a principal balance of ₦3,220,715,000 (Three billion, two hundred and twenty million, seven hundred and fifteen thousand naira) was extended to December 31, 2015, based on the original terms and conditions. Repayment of ₦227.138M,000 (Two hundred and twenty- seventy million, one hundred and thirty-eight thousand Naira) was made in 2023. An addition loan of three hundred and thirteen million, two hundred and ninety-two naira was added in 2023.

The balance of ₦362.029M (Three hundred and sixty- two million, and twenty-nine thousand Naira) represents the unpaid portion of the loan as at December 31, 2023.

		2023	2022
		₦'000	**₦'000**
25.	**Payable**		
	Suppliers' account	2,884,999	1,422,426
		=======	=======

Trade payable comprises the amount outstanding in Suppliers' accounts for trade purchases. For supplies, no interest is charged on the trade payables. The directors consider that the carrying amount of trade payables approximates their fair value.

26.	**Other payables**		
	Accrued salary	1,335,469	1,232,396
	PAYE	612,656	650,757
	Pension Fund	1,809,342	1,733,764
	Exited staff terminal benefit	774,177	791,294
	NHF	71,183	62,557
	NHIS	391,413	359,561
	ITF accrued	105,221	96,493
	NSITF accrued	100,725	95,455
	Audit fee	15,000	15,000
	VAT payable	1,385,398	1,069,412
	Cooperative Society	14,636	14,636
	Withholding tax payable	115,910	98,637
	NBC charges*	480,961	483,640
	Director's fee	67,884	62,260
	DAAR Investment Holding Limited**	185,287	177,015
	Accrued staff rent	647	(1,265)
	Union dues	15,209	13,339
	Deferred receipts & other commitments***	442,118	232,027
		8,254,398	7,503,755
		=======	=======

***NBC Charges:** Section 14 paragraph 2(a) of the Nigerian Broadcasting Commission (NBC) Act empowers the Commission to impose a levy on the annual income of licensed broadcasting stations.

Consequently, NBC imposed a levy of 2.5% of the revenue of broadcasting stations as an operating levy. However, with effect from January 1, 2012, the levy was reduced from 2.5 percent to 1.5 percent. The balance on the account represents a provision for the levy.

****DAAR Investments Holding:** This represents accrued interest on a Subordinate Loan. The balance as of December 2023 represents accrued interest less payments made to DAAR Investments.

*****Deferred Receipts and Other Commitments** represent those services already provided by the company for which payment had been received from customers not yet identified as well as amounts received in advance from clients for services and obligations yet to be discharged by the company as of December 31, 2023.

		2023	2022
		₦'000	₦'000
26b.	***Staff gratuity***		
	Balance as at 1 January	817,037	760,922
	Payment to staff during the year	(23,662)	(15,885)
	Addition during the year	72,000	72,000
	Balance as at 31 December,	865,375	817,037

27. Earnings Per Share

The earnings and weighted average number of ordinary shares used in the calculation of Basic earnings per share are presented below.

	2023	2022
Net loss for the year attributable to equity shareholders	(1,627,523)	(768,066)
Number of ordinary shares outstanding during the period	8,000,000	8,000,000
Basic earnings per share (kobo)	(20)	(10)

28. Related Party Transaction

The Company carried out transactions with the parent company DAAR Investments Limited. DAAR Investments provided the Company with a loan at a rate that is below the market rate (See note 24). The balance on DAAR Investments' current account with DAAR Communications was shown in note 26.

		2023	2022
28.1	***Balance due to related party***		
	Subordinated loan		
	Subordinated loan	3,664,010	3,664,010
	Balance as at 1 January, 2022	275,875	649,485
	Addition during the year	313,292	-
	Liquidation/repayment	(227,138)	(373,610)
	Balance as at 31 December, 2023	362,029	275,875

28.2 ***Remuneration of Key Management Personnel***

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity (IAS 24.9). The remuneration of the Directors who are the key Management personnel of the Company is set below in the aggregate for each of the categories specified in IAS 24, Related Party Disclosures. Further information about the remuneration of individual directors is also provided.

	2023	2022
	₦'000	**₦'000**
28.3 ***Remuneration of key management personnel***		
Director emolument		
Chairman's fee	4,500	4,500
Non-executive directors fee	28,000	24,500
Executive directors' emoluments	125,570	125,070
	158,070	154,070
	======	======

28.4 The number of Directors excluding the Chairman whose emoluments were within the following ranges:

	2023	2022
	Number	**Number**
Less than 1,000,000	-	-
1,000,001 – 5,000,000	-	-
5,000,001 – 10,000,000	9	9
10,000,001 – 20,000,000	1	1
Above 20,00,001	-	-
	10	10
	==	===

29. Employees Costs

29.1 The related staff costs including Directors' emoluments are as follows:

Staff salaries and allowances	1,094,867	1,182,625
Directors' emoluments (note 28.3)	158,070	154,070
Other staff costs (Medical, welfare, training & development)	157,570	156,061
	1,410,507	1,492,756
	=======	=======

29.2. The Number of employees excluding Directors with gross emoluments within the bands stated below are:

₦	2023	2022
	Number	**Number**
200,000 – 400,000	-	-
400,001 – 600,000	1	38
600,001 – 800,000	22	33
800,001 – 1,000,000	32	44
1,000,001 – above	351	450
	434	586
	===	===

29.5 Number of persons employed at the end of the were:

Managerial	28	29
Senior	100	102
Junior	306	455
	434	586
	===	===

30. **Notes to the statement of cash flow**

The Cash Flow Statement has been drawn up using the indirect method. Working capital comprises inventories, receivables, and current liabilities. Cash flows from investing activities relate to the net amount of investments and disposals. The cash flows from financing activities relate to the net amount of payments made for financing business activities in the year and changes in short-term borrowings. The net cash position consists of cash in hand, cash at the bank, and overdraft.

31. **Contingent liability**

Some service providers and individuals lodged claims separately against DAAR Communications Plc for breach of contractual agreements in the ordinary course of business. The suites were in various stages of litigation.

The total amount of claims against the Company is estimated at ₦47.86 billion (December 31, 2023: ₦47.86 billion). These actions are being contested and the Directors are of the opinion that none of the aforementioned cases is likely to have a material adverse effect on the Company and are not aware of any other pending or threatened claims and litigations.

No provision has been made in these financial statements for these contingent liabilities in respect of litigations against the Company.

32. **Capital risk management**

The company manages its capital by ensuring an adequate mix of debt and equity resulting in the maximum return on capital and going concern of the business. This is reviewed periodically to accommodate changes in the economic forces, the operations of the company.

The capital structure of the company is made up of net debt (borrowings net of cash and bank balances) and equity (issued shares and retained earnings) as detailed below:

	2023	**2022**
	₦'000	**₦'000**
Net debt	232,367	112,074
Equity	17,867,837	2,225,547
	========	========

33.1. **Debt to Equity Ratio**

The company's debt to equity ratio is reported below;

Subordinated Loan (note 24)	362,029	275,875
Total Debt	362,029	275,875

	2023	**2022**

	₦000	₦000
Cash and Cash Equivalents (note 20)	129,662	163,800
Net Debt	232,367	112,075
Equity	17,867,837	2,213306
	========	=======
Net Debt to Equity	1%	5%
	===	===

33.2 **Financial Instruments**

As at 31 December 2023

Loans and Receivables Assets	Total Carrying amount	Financial
Cash and Cash Equivalents	129,662	129,662
Trade and Other Receivables **	5,334,494	5,334,494
Total Financial Assets	5,464,156	129,662
	=======	=======

Financial Liabilities	**Amortised cost**	**Total carrying amount**
	₦000	₦000
Borrowings (Subordinated Loan)	362,029	362,029
Trade and Other Payables **	5,212,079	5,212,079
Total Financial Liabilities	5,574,108	5,574,108
	=======	=======

**Other Receivables and Payables exclude non-contractual assets and liabilities

33.3 Fair Valuation of Financial Instruments

The carrying amounts of Cash and Cash Equivalents, Trade and other Receivables, Trade and other Payables approximate their fair values. Their carrying amounts are valued at amortized cost.

34. Financial Risk Management

The company has a risk management structure that identifies and manages the impact of its risk exposure. The financial risks faced by the company are credit risk, liquidity risk, and market risk (interest rate risk and foreign currency risk).

34.1 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. This arises primarily from the company's receivables from clients and other related parties. However, the company manages its credit risks by ensuring that a large percentage of its sales are on a cash basis, and when credit sales transactions are carried out, the company ensures that only customers with a good and clean credit record are transacted with. The company's carrying amount of financial assets represents the maximum credit exposure at the reporting date.

34.1.1	**Maximum Exposure to Credit Risk**	**2023**	**2022**
		₦'000	**₦'000**
	Cash and Cash Equivalents	129,662	163,800
	Trade and Other Receivables	5,224,494	3,400,268
		5,354,156	3,564,068
		=======	=======

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. However, the Company manages its liquidity risks by ensuring that liabilities are within the scope of the Company's projected cash outflows, by maintaining adequate banking and borrowing facilities.

34.1.2 Liquidity Maturity Table

The contractual maturities of financial liabilities, including estimated interest payments are as follows:

	< 1 year	**1 - 3years**	**3 - 5years**
	<1 year	**1 - 3years**	**3 - 5years**
As at 31 December 2023	**₦000**	**₦000**	**₦000**
Bank Loans	-	-	-
Borrowings (Subordinated Loan)	362,029	-	-
Trade and Other Payables	5,212,079	-	-
	5,574,108	-	-
	========	=====	====
As at 31 December 2022			
Borrowings (Subordinated Loan)	275,875	-	-
Trade and Other Payables	3,527,149	-	-
	3,803,023	-	-
	=======	======	======

34.3 Market Risk

Market risk is the risk that changes in market prices (foreign exchange rates, interest rates, and equity prices) will result in a fluctuation in the value of financial instruments in terms of fair value or future cash flows. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return. The company manages its market risks (foreign exchange rates and interest rates risks) by frequent monitoring of the market developments, thereby controlling costs exposed to the market risk.

34.4 Currency Risk

Since the Company operates internationally (United Kingdom), the business is exposed to foreign currency fluctuations risk. The company undertakes transactions that are denominated in foreign currencies particularly, the pound sterling. In respect of its monetary assets which are denominated in foreign currencies, the company mitigates the exposure risks by buying or selling foreign currencies at spot rates when necessary.

34.5 Interest Rate Risk

The company's exposure to interest rate risk covers its fixed-rate financial liabilities (Bank Loan and Subordinated Loan), as well as interest rate risk from Bank Overdrafts.

The carrying amount reflects the fair values of the instruments and the company's exposure to interest rate risk as at the reporting date.

	2023 ₦000	2022 ₦000
Financial Liabilities		
Borrowings (Subordinated Loan)	362,029	275,875
	======	======

35. **Going Concern**

The financial state of the Company as of December 31, 2023, raises the issue of the ability of the company to continue in business in the nearest future. Some of the going concern indicators are as follow:

- The company incurred a loss of ₦ 1.578 billion in 2023 (2022: ₦768.065 million).
- As at 31 December 2023, the company's current liabilities exceeded its current assets by ₦6.818 billion.
- Accrued staff salary and exited staff Terminal benefits as at 31 December 2023 was ₦2 billion.
- Accrued Statutory Charges; Pension, Payee, VAT, etc. as at 31 December 2023 was over ₦4.59 billion.

As a result, there is significant uncertainty whether the Company will continue as a going concern and, therefore, whether it will realize its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial statements.

36 **Other Comprehensive Income**

Items that will not be reclassified to profit (loss)

	Gross	Tax	Net
Revaluation of property, plant and equipment	17,232,806	-	17,232,806
	========	====	========

37. Capital Commitments

There are no material commitments for capital expenditure not provided for in these financial statements.

38. Events after Reporting Date

No events or transactions have occurred since the balance sheet date, which would have a material effect upon the financial statements at that date or which need to be mentioned in the financial statements in order not to make them misleading as to the financial position or result of operations at the balance sheet date.

39. Comparative figures

No comparative figures have been restated.

40. Approval of Financial Statements

The Financial Statements were approved by the Board of Directors on 29 April, 2024

OTHER NATIONAL DISCLOSAURES

DAAR COMMUNICATIONS PLC

STATEMENT OF VALUE ADDED

	2023 ₦000	%	2022 ₦000	%
Turnover	4,510,339		4,787,259	
Other Income	445,308		1,168,373	
	4,955,648		5,955,632	
Bought in materials and services:				
Local	(4,037,158)		(4,417,672)	
Foreign	(258,551)		-	
Value added	**659,939**	**100**	**1,537,960**	**100**
Distributed as follows:				
Employees				
Salaries, Pension and Welfare	1,410,507	214	1,492,756	97
Provider of Capital				
Finance Cost	10,370	2	19,817	1
To Government				
Taxation	49,248	7	12,242	1
Provided for Asset Replacement				
Depreciation of Property Plant and Equipment	815,573	124	778,984	51
Amortization, Impairments and Provisions	1,764	-	2,227	-
Loss for the year	(1,627,523)	(247)	(768,066)	(50)
Value added	**659,939**	**100**	**1,537,960**	**100**

DAAR COMMUNICATIONS PLC

FIVE YEAR FINANCIAL SUMMARY

	2023 ₦000	2022 ₦000	2021 ₦000	2020 ₦000	2019 ₦000
Assets Employed					
Property, plant & equipment	24,061,928	7,350,313	7,898,412	8,486,467	9,087,730
Intangible Assets	22,802	24,566	26,793	29,027	33,211
Investment	497,893	97,000	171,295	166,172	140,353
Deferred tax asset	969,241	1,882,664	2,796,087	3,653,692	4,333,017
Net Current Liabilities	(7,733,275)	(6,894,763)	(7,150,294)	(8,694,593)	(7,607,436)
Net Assets	17,818,589	2,225,547	2,981,371	3,640,765	5,986,876
Funds Employed					
Share Capital	4,000000	4,000,000	4,000,000	4,000,000	4,000,000
Share Premium	13,411,541	13,411,541	13,411,541	13,411,541	13,411,541
Revaluation surplus	17,232,806	-	-	-	-
General Reserve	(16,825,758)	(15,185,994)	(14,430,170)	(13,770,776)	(11,424,666)
Shareholders' Fund	17,818,789	2,225,547	2,981,371	3,640,765	5,986,876
Turnover	4,510,339	4,787,259	4,806,011	3,553,526	5,152,448
Loss before tax	(1,578,275)	(755,824)	(641,942)	(2,554,036)	(1,690,228)
Tax provision	(49,248)	(12,241)	(91,521)	207,925	310,509
Loss after tax	(1,627,523)	(768,065)	(733,463)	(2,346,111)	(1,379,719)
Loss Per Share (Kobo)	**(20)**	**(10)**	**(9)**	**(29)**	**(17)**