



2022

Audited Financial Statements

Aid for Rural Education Access Initiative

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AID FOR RURAL EDUCATION ACCESS INITIATIVE

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022.

AUDITORS

Akin Odususi & Co

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**AID FOR RURAL EDUCATION ACCESS INITIATIVE
CORPORATE INFORMATION**

BOARD OF TRUSTEES

Olanrewaju Gideon
Olusanya Damilola Adewole
Awakessien Mekitmfon Herbert

REGISTERED OFFICE:

NO 58 Zone B, Kubwa, Off
NYSC Road, Abuja-FCT.

BANKERS

Zenith Bank Plc
FCMB

AUDITORS

Akin Odususi & Co
(Chartered Accountants)
Suite 8 Standard Plaza,
2 Kusti Close, Off Aminu Kano Crescent,
Wuse II, Abuja.
Tel: 08135987052, 08035866366

LAGOS OFFICE

46 Reinsurance Building
11th Floor, Marina, Lagos.

Website: www.akinodususiandco.com
Email: Sam@akinodususiandco.com

STATE OF AFFAIRS

In the opinion of the Trustees, the state of affairs of AREAi is satisfactory and no events have occurred since the reporting date which would affect the financial statements as presented.

RESULTS FOR THE YEARS

	2022	2021
	N	N
Income	216,643,200	99,862,723
Surplus/(deficit)	<u>11,332,698</u>	<u>(16,953,437)</u>

**AID FOR RURAL EDUCATION ACCESS INITIATIVE
STATEMENT OF TRUSTEES RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Companies and Allied Matters Act Cap C20 Laws of the Federation of Nigeria 2004. requires the Trustees/Directors to prepare financial statements for each financial year that gives true and fair view of the state of financial affairs of the organization at the end of the year and of its statement of activities. The responsibilities include ensuring that the organization:

- a) Keeps proper accounting record that disclose with reasonable accuracy the financial position of the organization and complies with the requirements of the Companies & Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004;
- b) Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities and;
- c) Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates and are consistently applied.

The Trustees of AREAi accept the responsibility for the financial statements, which has been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates in conformity with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Boards (IASB) and in the manner required by the Companies and Allied Matters Act (CAMA) CAP C20 Laws of the Federation of Nigeria 2004 and the Financial Reporting Council Act, No. 6,2011.

The Trustees are of the opinion that the financial statements give a true and fair view of the financial affairs of the organization and of its surplus for the year ended 31st December 2022. The Trustees further accept the responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate system of internal financial control.

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

Chief Executive Officer

Board Treasurer

Board Chairman

14th March, 2023

**AID FOR RURAL EDUCATION ACCESS INITIATIVE
REPORT OF THE AUDITORS**

We have audited the accompany financial statements of AID FOR RURAL EDUCATION ACCESS INITIATIVE for the period ended 31st December, 2022 which have been prepared on the basis of significant accounting policies.

DIRECTOR'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Directors are responsible for the preparation and fair presentation of the company's financial statements in a manner required by the Companies and Allied Matters Act, Cap C20, LFN 2004 and in compliance with the requirements of the International Financial Reporting Standards and the Financial Reporting Council of Nigeria Act, N0 6, 2011, and for such internal controls as the Directors determine are necessary to enable the preparation of financial statement that are free from material misstatement whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is so express an independent opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatements of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Director, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the company's books of accounts have been properly kept, the financial statements give a true and fair view of its state of affairs as at 31st December, 2022. Balance Sheet, Income and Expenditures Accounts and Cash Flow for the year ended, have been properly prepared in accordance with the provisions of Company and Allied Matters Act 1990 and relevant Accounting Standards issued by the Nigerian Accounting Standards Board.

Akin Odususi & Co.

CHARTERED ACCOUNTANTS

Abuja, Nigeria.



**AID FOR RURAL EDUCATION ACCESS INITIATIVE
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31st DECEMBER, 2022**

The trustees of AID FOR RURAL EDUCATION ACCESS INITIATIVE (AREAi) present their trustees' report and audited financial statements in respect of AREAi'S activities for the year ended 31st December 2022

Activities

AID FOR RURAL EDUCATION ACCESS INITIATIVE is a non-governmental organization. Founded in 2014, to work with under-resourced schools and marginalized communities, providing technical and infrastructural support to scale learning outcomes and drive tangible families. We work collaboratively with local stakeholders and governmental organizations to secure equal educational access and high-quality education for disadvantaged children in organizations hard-to-reach and rural communities. Most prominently we provide supplemental learning opportunities tailored to girls' needs and innovative educational programming for out-of-school children excluded from education due to conflict and crisis

Programs

Mission Zero Plastic Initiative - www.missionzeroplastic.ng

The Mission Zero Plastic Initiative, an initiative of Aid for Rural Education Access Initiative, which was proudly sponsored by the Coca-Cola Foundation, towards plastic waste management centred on partnership – bringing people together to help turn waste into worth. With a core message that seeks to promote the 5 Rs: Refuse, Reduce, Reuse, Recycle, Rot (Compost), the initiative leverages citizens' engagement and public mobilization to build a movement against plastic pollution across 6 Nigerian states including Oyo, Kaduna, Kwara, Kano, Bauchi and the FCT. Using several plastic recovering strategies such as Women in Action, Zero Plastic Caravan, Plastic for Good, and Zero Plastic Cities among others, the initiative was commissioned to recover and repurpose 600 tons or over 18,000,000 PET Bottles in 12 months through coordinated community recycling mechanisms that enable the educational, economic and environmental transformation of people and the planet. At the end of the project timeline, AREAi recovered 10,000,000 PET Bottles and reached over 1,000,000 people through public awareness actions, online advocacy efforts, youth engagement activities, behavioural change campaigns and environmental outreaches across 24 communities in 6 states, leveraging a network of 600 recycling champions. Unarguably, the impact of the initiative is a significant representation of the effort of the Coca-Cola Foundation to reduce plastic waste and protect the environment.

Education Digital Equity Initiative - <https://equity.areai4africa.org>

The Education Digital Equity Initiative (Phase II) is premised upon the notion of promoting digital awareness that seeks to support marginalized students in accessing simplistic information and communication technologies for learning. Building on the success of the pilot phase, the final phase seeks to promote the widespread distribution and student engagement with the highly valued Digital Learning Manual, which was repeatedly emphasized during the pilot to play a significant role in equipping students with the fundamental knowledge of identifying, accessing, obtaining, and maximizing the use of remote learning tools and other digital technologies. Funded by the United Kingdom's

AID FOR RURAL EDUCATION ACCESS INITIATIVE REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER, 2022

Foreign, Commonwealth and Development Office under the Prosperity Fund's Digital Access Programme, the project adopted an integrated approach not only to ensure the provision of the Digital Learning Manual but also to facilitate meaningful educational attainment and academic achievement that can be maximized from effectively leveraging all the various tools contained in the manual. The Education Digital Equity Initiative project extension reached a total of 30,000 students and 72 teachers from 24 rural schools across six Nigerian states including Kaduna, Kano, Jigawa, Edo, Ogun and Ekiti state

Fast Track - <https://areai4africa.org/fasttrack/>

FastTrack is a technology-enabled and self-assisted accelerated foundational skills development program designed to enable out-of-school refugee children to acquire functional literacy and numeracy skills which are vital, indispensable skills needed for virtually any further education and to lead an empowered, self-determined life. This solution, currently reaching over 4000 children, is backed by rigorous evidence that points to teaching students at their ability rather than at grade level curriculum as one of the most cost-effective interventions for improving basic literacy and numeracy. Since 2020, AREAi has implemented the Fast-Track Programme across 6 Internally Displaced camps in the FCT with the goal of improving the foundational literacy and numeracy skills of 1,000,000 out-of-school children across Nigeria over the next 10 years. The program was previously funded by Global Changemakers Switzerland and is currently funded by Theirworld and implemented in partnership with Lifebuilders Initiative and other organisations working in and around IDP camps.

PREVIOUS YEARS PROGRAMS

YouthSkilledUp: entrepreneurship development program for 100 at-risk youth in Osun and Oyo States
YouthSkilledUp is a program designed to boost livelihood and employability outcomes, for 1000 uneducated rural youth every year, through informal training and development of various digital, vocational and technical skills that enhances human capital and lead to long-term gains in employment.

UpSkillHer: Economic Empowerment program for 307 vulnerable women and widows across Katampe, Orozo and Sai Kada Sabo of Federal Capital Territory.

UpSkillHer is a skills acquisition and entrepreneurial skills training program that seeks to promote productive employment, financial independence

**AID FOR RURAL EDUCATION ACCESS INITIATIVE
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER, 2022**

We remain ready to work with under-resourced schools and marginalized communities, providing technical and infrastructural support to scale learning outcomes and drive tangible academic achievement for poor and vulnerable children and youth from low-income families. adapt our programme work accordingly in order to secure the well-being and safety of children and families.

Our investment in local chapters is informed by a number of factors, including the number of communities that will benefit, the drivers of poverty and inequality in a state, and country and our ability to contribute to how citizens can hold their government accountable.

Structure

AREAi is a non-profit, self-governed organization. AREAi has its office based in Abuja, Nigeria. The Board of Trustees is the highest authority of AREAi. It is composed of Gideon Seun Olanrewaju, Olusanya Damilola Adewole and Awakessien Mekitmfon Herbert. The Board of Trustees of AREAi is responsible for safeguarding AREAi's vision, and providing strategic orientation to all AREAi initiatives.

Trustees

The Board of Directors of AREAi directs the activities of AREAi and is responsible for ensuring that the management of AREAi is consistent with the Constitution and with the strategic goals of AREAi as determined by the local chapters and members.

As at 31 December 2022, there were 5 directors on the board. All directors have fiduciary duties to act in the interests of AREAi. Members of the board are nominated on the basis that they provide a range of skills and experiences of most importance to AREAi. Board directors hold a term of two years, upon completion of which they are eligible for re-election for another term. In December 2022, all directors were returned for another term of two communities.

The responsibilities and powers of the board are prescribed by the Constitution and AREAi Board Book and include the following: the management of AREAi'S affairs in a manner consistent with the Constitution; the preparation of recommendations to AREAi managem- ent; implement vision, mission and overall strategic goals and policies of AREAi; overseeing the development and implementation of budgets and long-term financial plans approved by the directors; selection and evaluation of the performance; and assuring the financial inte- grity of AREAi including reporting the results of assurance activities to AREAi members and partners.

During the year, the board started an initiative to strengthen overseeing of the financial management and project performance of AREAi. The board started monitoring the process and control improvements undertaken by the senior management. The board has also started responding to major programmatic and financial concerns that poses challenge to AREAi'S, mission and vision.

**AID FOR RURAL EDUCATION ACCESS INITIATIVE
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER, 2022**

The Board of Trustees as at 31 December 2022 comprised of:

Olanrewaju Gideon Seun
Olusanya Damilola Adewole
Awakessien Mekitmfon Herbert

Financial Statement

The trustees of AREAi are responsible for the preparation of this annual report and have taken responsibility for the preparation of the combined financial statements in respect of Connected Development.

The trustees of AREAi confirm that, in the case of each director in office at the date the trustees report is approved, so far as the director is aware there is no relevant audit information of which AREAi'S auditors are unaware; and he/she has taken all steps that he/she ought to have taken as a trustees in order to make himself/herself aware of any relevant audit information and to establish that the auditors of AREAi are aware of the information.

Aid for Rural Education Access Initiative [AREAi]

58 Zone B, Kubwa, Off NYSC Road,
Abuja-FCT.

Olanrewaju Gideon Seun
(Board of Trustees)

AID FOR RURAL EDUCATION ACCESS INITIATIVE
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2022

	Notes	2022 N	2021 N
Assets			
Non-current			
Property, plant and equipment	3	2,793,500	4,406,500
Right-of-use assets	4	-	-
Other long-term financial assets		-	-
Non-current assets		<u>2,793,500</u>	<u>4,406,500</u>
Current			
Inventories		-	-
Prepayments and other short-term assets		-	-
Other receivables	5	-	8,113,130
Other short-term financial assets		-	-
Cash and cash equivalents	6	22,402,500	1,343,672
Current assets		<u>22,402,500</u>	<u>9,456,802</u>
Total assets		<u>25,196,000</u>	<u>13,863,302</u>
Liabilities and net assets			
Unrestricted net assets		24,796,000	13,863,302
Total net assets and liabilities		<u>24,796,000</u>	<u>13,863,302</u>
Liabilities			
Non-current			
Pension and other employee obligations		-	-
Deferred income		-	-
Other liabilities		-	-
Capital grant		-	-
Non-current liabilities		<u>-</u>	<u>-</u>
Current			
Pension and other employee obligations		-	-
Other payables	7	400,000	-
Current liabilities		<u>400,000</u>	<u>-</u>
Total liabilities		<u>400,000</u>	<u>-</u>
Total net assets and liabilities		<u>25,196,000</u>	<u>13,863,302</u>

The annual report and the notes on pages 13 - 25 were approved by the directors on
.....2023 and were signed on its behalf by:

Chief Executive Officer

Board Treasurer

AID FOR RURAL EDUCATION ACCESS INITIATIVE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER, 2022

	Notes	2022 N	2021 N
Revenue			
Grants from private institutions	8	216,643,200	99,862,724
Expenditure			
Programme/Community Outreach	9	(155,894,657)	(98,590,160)
Depreciation, amortisation, impairment of non current assets	10	(1,613,000)	(3,226,000)
Administrative and management expenses	11	<u>(51,688,829)</u>	<u>(15,000,001)</u>
Surplus/(deficit) for the year		<u>7,446,714</u>	<u>(16,953,437)</u>
Other operating income	12	3,885,984	-
Surplus/(deficit) for the year		<u>11,332,698</u>	<u>(16,953,437)</u>
Total comprehensive income for the year		<u>11,332,698</u>	<u>(16,953,437)</u>

AID FOR RURAL EDUCATION ACCESS INITIATIVE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

	NOTES	2022 N	2021 N
Cash flows from operating activities			
Surplus/(deficit) for the year		11,332,698	(16,953,437)
Non-cash adjustments:-			
Depreciation		1,613,000	3,226,000
Other non cash adjustment		(400,000)	-
Net changes in working capital		8,513,130	-
Net cash from continuing operations		<u>21,058,828</u>	<u>(13,727,437)</u>
Net cash from operating activities		<u>21,058,828</u>	<u>(13,727,437)</u>
 Cash flows from investing activities			
Purchase of property, plant and equipment		-	(11,957,130)
Additions to right of use		-	-
Sundry taxes		-	-
Net cash used in investing activities		-	(11,957,130)
 Cash flows from financing activities			
Proceeds from grants		-	-
Net cash from (used in) financing activities		-	-
 Net change in cash and cash equivalents		<u>21,058,828</u>	<u>(25,684,567)</u>
Cash and cash equivalents, beginning of year		<u>1,343,672</u>	<u>27,028,239</u>
Effect of exchange rate movement on cash balances		-	-
Total cash and cash equivalents, end of year		<u>22,402,500</u>	<u>1,343,672</u>
Total Cash and cash equivalents for continuing operations		<u>22,402,500</u>	<u>1,343,672</u>

AID FOR RURAL EDUCATION ACCESS INITIATIVE

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 DECEMBER, 2022

	Restricted Net Assets	Unrestricted Net Assets	Total Net Assets
	N	N	N
Balance at 1 January 2022	13,863,302	-	13,863,302
Prior year adjustment	(400,000)	-	(400,000)
Surplus/(deficit) for the year	11,332,698	-	11,332,698
Other comprehensive income	-	-	-
Total comprehensive income for the year	11,332,698	-	11,332,698
Balance at 31 December 2022	24,796,000	-	24,796,000

	N	N	N
Balance at 1 January 2021	30,816,739.00	-	30,816,739
Surplus/(deficit) for the year	(16,953,437)	-	(16,953,437)
Other comprehensive income	-	-	-
Total comprehensive income for the year	(16,953,437)	-	(16,953,437)
Balance at 31 December 2021	13,863,302	-	13,863,302

Prior year adjustment

Prior year adjustment represents an understatement of audit fee arising from the non provision for audit fee in 2021 accounting period.

AID FOR RURAL EDUCATION ACCESS INITIATIVE NOTES TO THE FINANCIAL STATEMENTS

1.0 Corporate Information

AID FOR RURAL EDUCATION ACCESS INITIATIVE is a non-governmental organization Founded in 2014, to work with under-resourced schools and marginalized communities, providing technical and infrastructural support to scale learning outcomes and drive tangible academic achievement for poor and vulnerable children and youth from low- income families.

Our Vision

To improve the access and quality of education available to poor and vulnerable children in rural communities across Africa

Our Mission

To organize, mobilize and channel human, material, physical and financial resources towards creating multiple, alternative and informal learning opportunities for marginalized populations to attain self-reliance, leveraging innovation, collaboration and technology.

2. Basis of Preparation

2.1 General information and statement of compliance

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

The financial statement also complies with the requirements of the Company and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria. The financial statements are presented in Nigeria Naira and all values are rounded to the nearest thousand (N000). The Naira is also the functional currency of the Organisation.

2.2 Summary of Accounting Policies

The following are the significant accounting policies applied by AREAi in the presentation of its financial statements: The policies have been consistently applied for all period presented.

a) Revenue/Income

Revenue comprises of grants received from various donors to fund AREAi activities. Revenue is recognized when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Organisation's different activities have been met. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. Details of the activity-specific recognition criteria are described below.

AID FOR RURAL EDUCATION ACCESS INITIATIVE
NOTES TO THE FINANCIAL STATEMENTS

(i) Donations/Grants from Donors/Grantors

AREAi'S programs are supported by donations/grants received from various Donors/grantors in Nigeria and other countries (U.S., U.K., etc.). Donations/grants are received when requests are made upon submission of the required documents/successful competition. Revenue is therefore recognized as at the time of receipt.

(ii) Interest income

Interest income is recognized using the effective interest method. When a loan or receivable (staff loan) is impaired, AREAi reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables are recognized using the original effective interest rate. Interest income is included in other income in the statement of activities.

(iii) Donations and Government grants

Donations or grants are sometimes received on the premise of full compliance with the donors' guidelines or on the condition that specified services are delivered, or conditions are fulfilled. Revenue is recognized as guidelines are met or services are performed or conditions are fulfilled and at year-end a liability is recognized for those amounts where guidelines are not met or conditions are not satisfied. Revenue from non-reciprocal donations or grants that are not subject to conditions are recognized when the Organisation obtains control of the funds, economic benefits are probable and the amount of the donations or grants can be measured reliably. Donations or grants can be received in monetary or non-monetary terms. Non-monetary grants or donations are recognized at fair value at the date of donation or grants. AREAi currently has not received donations or grants from the Government of Nigeria except where collaborations on an internationally funded program is required.

(b) Foreign currency transactions

Transactions in foreign currencies are converted into Naira at rates applicable at the transaction dates. At each reporting date, monetary assets and liabilities are translated at the closing rate and the resulting exchange differences are recognized as 'other income' (exchange gain) or other expenses' (exchange loss). Transactions denominated in foreign currencies are recorded in Naira at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are reported at the rates of exchange prevailing at that date or where appropriate at the contracted rate of exchange if the balance is to be settled at a contracted rate. Any gain or loss arising from a change in exchange rates, subsequent to

AID FOR RURAL EDUCATION ACCESS INITIATIVE
NOTES TO THE FINANCIAL STATEMENTS

the rates of transactions, is included as an exchange gain or loss in the statement of activities.

(c) Operating expenses

Operating expenses are recognized in statement of activities upon utilization of the service or at the date of their origin.

(d) Income tax

AREAi is exempted from Federal income taxes under section 19 of the Companies Income Tax Act and does not conduct unrelated business activities. Therefore, AREAi does not make provision for corporate income taxes; except employee tax and withholding tax on rent, hired infrastructures and consultants. This exemption status is renewable annually in Federal Inland Revenue Service (FIRS) where the activities of AREAi as assessed by FIRS do not deviate from its core objects. Also, AREAi has completed its equivalency determination, as such is an equivalent of a United States public charity.

(e) Property, Plant and Equipment

Recognition and measurement

Property plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. The cost of donated items of property, plant and equipment is the fair value at the date of acquisition. Cost includes, direct costs, appropriation of materials and other overhead associated with the production of the assets, professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the AREAi'S accounting policy. Such properties are classified to the appropriate property, plant and equipment, and depreciation commences when the assets are ready for their intended use. They are amortised/depreciated on a straight-line basis over their estimated useful lives.

The relevant rates of depreciation are as follows:

Assets	Estimated Useful Life	Depreciation Rate
Furniture & fittings	10 years	10%
Office Equipment	5 years	20%
Plant and machinery	10 years	10%
Computer & Accessories	4 years	25%

Maintenance, repairs and renewals are generally charged to expense during the financial period in which they are incurred. AREAi recognizes its items of property, plant and equipment using historical cost value.

AID FOR RURAL EDUCATION ACCESS INITIATIVE
NOTES TO THE FINANCIAL STATEMENTS

Losses or gains on disposals of assets are recognized in the statement of activities under gains and losses on disposal. AREAi currently has Office Equipment and Furniture & Fittings as its item of Property plant and equipment.

(ii) Subsequent cost

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to AREAi and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognized in the statement of activities as incurred.

(iii) Derecognition

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of activities in the year the asset is derecognized.

(f) Impairment of non-financial assets

AREAi assess whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Organisation estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash generating unit's (CGU) fair value less cost of disposal and its value in use. There coverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flow is discounted to their present value using a pre-tax discount rate that reflect current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transaction can be identified, an appropriate valuation model is used. Those calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies and other available fair value indicators.

For all non-financial assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exist, AREAi estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumption used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in the prior years. Such reversal is recognized in statement of financial activities unless asset is carried at a revalued amount, in case the reversal is treated as a revaluation increase.

AID FOR RURAL EDUCATION ACCESS INITIATIVE
NOTES TO THE FINANCIAL STATEMENTS

(g) Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks, cash at hand and highly liquid financial assets with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value. AREAi considers deposits in banks, cash at the office and cash for project missions as cash and cash equivalents.

(h) Employee retirement benefits

Defined contribution plan

(i) AREAi operates a defined contributory pension scheme as stipulated in the Pension Reforms Act 2014 as amended. Under the scheme, the Organisation and employees pay the stipulated respective contributions into a separate entity (Pension Fund Administrator) chosen by the employee. Once paid, AREAi does not retain any legal or constructive obligation to pay further contributions if the Pension Fund Administrator does not hold sufficient assets to finance benefits accruing under the scheme.

AREAi's contributions to the scheme are charged to the statement of activities and in the period to which they relate.

(ii) AREAi operates a funded defined contributory benefit scheme for its staff, and the scheme relates to employees' length of service and remuneration. The scheme is managed by Stanbic IBTC Pension Managers Limited on behalf of AREAi for the benefit of its employees.

(iii) AREAi's liability towards the scheme is limited to its annual premium contribution. Once paid, the Organisation does not retain any legal or constructive obligation to pay further contributions if the Pension Fund Administrator does not hold sufficient assets

to finance benefits accruing under the scheme. The Organisation's contributions to the scheme are charged to the statement of activities and in the period to which they relate.

Short term employee benefits

Short term employee benefit obligations such as wages, salaries, paid annual leave, sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the entity has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**AID FOR RURAL EDUCATION ACCESS INITIATIVE
NOTES TO THE FINANCIAL STATEMENTS**

(i) Provisions, Contingent assets and Contingent liabilities

Provisions are liabilities of uncertain timing or amount and are recognized when the entity has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses/deficits. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

(j) Deferred income

The liability for deferred income is the unutilized amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted and presented as non-current liability.

(k) Non derivative financial instruments

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party. Non-derivative financial instruments comprise accounts receivables, held to maturity and cash and short-term deposits.

(l) Financial assets

Non-derivative financial instruments (financial assets) are recognized initially at fair value plus any directly attributable transaction costs, except in the case of financial assets measured at fair value through profit or loss where transaction costs are recognized as an expense when incurred. Subsequent to initial recognition non- derivative financial instruments are measured as described hereafter.

**AID FOR RURAL EDUCATION ACCESS INITIATIVE
NOTES TO THE FINANCIAL STATEMENTS**

Subsequent measurement of financial Assets

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as a deficit in the statement of activities. This category generally applies to Accounts and other receivables.

(m) Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, or at amortized cost. The entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in case of payables, net of directly attributable transaction cost. AREAi'S financial liabilities include accounts payables.

Subsequent measurement of financial liabilities

(i) Accounts payables

Accounts payables are obligations to pay for services that have been acquired in the ordinary course of business from vendors. Accounts payables are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities. Accounts payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

De-recognition of financial liabilities

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

AID FOR RURAL EDUCATION ACCESS INITIATIVE
NOTES TO THE FINANCIAL STATEMENTS

Off-setting of financial instruments

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

(n) Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar risk characteristics. All impairment losses should be recognized in statement of activities. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in other comprehensive income and presented in the fair value reserve in equity is transferred to statement of activities/deficit or surplus. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in statement of activities/deficit or surplus. For available-for-sale financial assets that are equity securities, the reversal is recognized in other comprehensive income.

(o) Unrestricted Assets

Unrestricted funds are assets that are neither restricted funds nor endowment funds. They form part of net assets of AREAi that is neither permanently restricted nor temporarily restricted by the donor-imposed specifications.

Use of estimates, judgements and assumptions

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure.

AID FOR RURAL EDUCATION ACCESS INITIATIVE NOTES TO THE FINANCIAL STATEMENTS

The estimates and associated assumptions are based on historical experience and other various, factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. 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 and in any future periods affected. Information about assumption and estimate uncertainties that have significant risk of resulting in material adjustment in the year ending are as follows:

Going concern

AREAi's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in operation for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Organisation's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

CONTRIBUTIONS RECEIVABLE

AREAi does not have outstanding commitment from any private organisation.

PROGRAMME MEETINGS

For her projects, AREAi organises stakeholders' meetings in every community it works in.

These meetings involve key stakeholders — beneficiaries, their focus groups, the media, other local NGOs, concerned government institutions and other policy makers.

PROGRAMME LOCAL SUPPORT

For projects carried out by AREAi, it relies on adhoc local support for its community engagements.

Local support includes a project assistant, community liaison, and other volunteers within and outside the target communities.

COMMUNITY OUTREACH

AREAi develops community outreach programmes in form of focus group discussions. Most times it has become a key part of our "ground-truthing" activities.

This includes on-site check of infrastructures, focus group discussions with community groups that exist within the community.

AID FOR RURAL EDUCATION ACCESS INITIATIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

FUNDRAISING

Fundraising expenses represent the costs incurred for raising funds from all possible sources of income, be they private or public institutions. As a note, AREAi will not continue to fundraise from public institutions anymore.

MANAGEMENT AND GENERAL ADMINISTRATION

Management and general administration expenses consist primarily of expenses associated with office management, office financial and human resources management, internal communication and the associative life of the organisation.

AID FOR RURAL EDUCATION ACCESS INITIATIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

3 Property, plant and equipment

Gross carrying amount

	Office Equipment	Computers and Accessories	Total
	N	N	N
Balance 1 January 2022	5,902,500	1,730,000	7,632,500
Additions	-	-	-
Disposals	-	-	-
Balance at 31 December 2022	5,902,500	1,730,000	7,632,500

Depreciation and impairment

	Office Equipment	Computers and Accessories	Total
	N	N	N
Balance at 1 January 2022	2,361,000	865,000	3,226,000
Disposals	-	-	-
Depreciation	1,180,500	432,500	1,613,000
Balance 31 December 2022	3,541,500	1,297,500	4,839,000
Carrying amount 31 December 2022	2,361,000	432,500	2,793,500

Gross carrying amount

	Office Equipment	Computers and Accessories	Total
	N	N	N
Balance 1 January 2021	4,270,000	1,730,000	6,000,000
Additions	1,632,500	-	1,632,500
Disposals	-	-	-
Balance at 31 December 2021	5,902,500	1,730,000	7,632,500

Depreciation and impairment

	Office Equipment	Computers and Accessories	Total
	N	N	N
Balance at 1 January 2021	1,708,000	432,500	2,140,500
Disposals	-	-	-
Depreciation	653,000	432,500	1,085,500
Balance 31 December 2021	2,361,000	865,000	3,226,000
Carrying amount 31 December 2021	3,541,500	865,000	4,406,500

4 Right of Use

Gross carrying amount

	N	N	Total
	N	N	N
Balance 1 January 2022	-	-	-
Additions	-	-	-
Disposals	-	-	-
Balance at 31 December 2022	-	-	-

Depreciation and impairment

	N	N	Total
	N	N	N
Balance at 1 January 2022	-	-	-
Disposals	-	-	-
Depreciation	-	-	-
Balance 31 December 2022	-	-	-
Carrying amount 31 December 2022	-	-	-

Right of Use

	N	N	Total
	N	N	N
Gross carrying amount			
Balance 1 January 2021			
Additions			
Disposals			
Balance at 31 December 2021			

Depreciation and impairment

	N	N	Total
	N	N	N
Balance at 1 January 2021			
Disposals			
Depreciation			
Balance 31 December 2021			
Carrying amount 31 December 2021			

AID FOR RURAL EDUCATION ACCESS INITIATIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

5 Other receivables

	2022	2021
	N	N
Other receivables, gross	-	8,113,130

All amounts are short-term. The net carrying value of other receivables is considered a reasonable approximation of fair value.

6 Cash and cash equivalent

	2022	2021
	N	N
Cash at bank and on hand:-		
N	-	1,343,672
Zenith Bank Plc	22,402,500	-
GBP	-	-
	22,402,500	1,343,672
Short term deposits:-		
N	-	-
USD	-	-
GBP	-	-
	22,402,500	1,343,672

The USD and GBP bank accounts have been translated into the Naira functional currency

7 Other payables

Other payables consist of the following:

	2022	2021
	N	N
Current:		
Salary payable	-	-
Audit fee	400,000	-
Withholding tax payable	-	-
PAYE payable	-	-
	400,000	-

8 Revenue

	N	N
GRANTS RECEIVED:		
The Coca Cola Foundation	-	86,356,456
Foreign, Commonwealth and Development Office	100,723,200	-
Queens Commonwealth Trust	-	431,466
Global Changemakers	-	13,074,803
Theirworld	34,160,000	-
Malala Fund	73,000,000	-
Peartree Development Fund	8,760,000	-
Segal Family Foundation	-	-
	216,643,200	99,862,725

AID FOR RURAL EDUCATION ACCESS INITIATIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

	2022	2021
	N	N
9 Programme expenses and project mission		
Programmes Personnel Costs	96,559,657	75,589,510
Travelling and Transportation - domestic	11,175,000	4,400,650
Volunteers Stipends and Allowances	7,600,000	1,440,000
Events	17,900,000	2,700,000
Hotel and Accommodation	6,460,000	6,460,000
Marketing Activities and Materials	2,700,000	1,500,000
Media Relations and Public Communications	6,000,000	3,500,000
Logistics for Materials and Collaterals	7,500,000	3,000,000
	155,894,657	98,590,160
10 Depreciation, amortisation, impairment of non current assets	1,613,000	3,226,000
	1,613,000	3,226,000
11 Administrative and management expenses	2022	2021
	N	N
Professional/Audit fees	400,000	195,000
Staff Medicals	5,350,000	350,000
CAC Annual Returns	150,000	150,000
Water and Electricity	1,715,000	715,000
Technology Cost (IT and Websites)	8,200,000	1,200,000
General Office Expenses	7,300,000	2,300,000
Personnel Costs	-	4,440,000
FIRS/LIRS Levies	-	970,147
Awqs	300,000	-
Rent and Signage	11,000,000	3,000,000
Office Stationery	4,780,600	350,692
Personnel Costs	11,860,000	300,000
Bank Charges	225,729	923,419
Recruitment Expenses	407,500	105,743
	51,688,829	15,000,001
12 Other Income		
Foreign Exchange Gain	3,885,984	-
	3,885,984	-