DAAR COMMUNICATIONS PLC

Company No: RC117587

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2015

SIAO · Accomplish More

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Corporate Information

Directors

Chief Raymond Paul Dokpesi Jnr.	Chairman
Mr. Tony A. Akiotu	Group Managing Director
Chief Stanley Sagboje	Executive Director
Dr. Kenny Ogungbe	Executive Director
Dr. (Mrs) Oluwatosin Dokpesi	Executive Director
Engr. Tony C. Uyah	Executive Director
Malam Gambo Lawan	Non-Executive Director
Prince (Barr.) Shedrack .A. Akolokwu, JP	Non-Executive Director
Barr. Charles C. Iyizoba	Non-Executive Director
Prof. Ralph Akinfeleye	Non-Executive Director
Mr. Cornelius Oboh	Non-Executive Director
Princess (Mrs.) Ibitoru Ofili JP	Non-Executive Director
High Chief Raymond Aleogho Dokpesi, PhD, Dsc, OFR-	Non-Executive Director

Company Secretary
Anopuo Donatus O. (Esq)
DAAR Communications Plc
Asokoro, Abuja.

Company Registration Number
Rc. 117587

Registered Office
Ladi Lawal Drive Kpaduma Hills,
Off T. Y. Danjuma Street,
Asokoro, FCT Abuja.

Auditors
SIAO (Chartered Accountants)
Wing B, 1st Floor, Bank of Industry Building
Herbert Macaulay Way, CBD, Abuja
Tel: 09-2912462-3

Registrars
First Registrars Ltd
No. 2 Abebe Village Road

Iganmu, Lagos.

Bankers

Fidelity Bank Plc
First Bank Nigeria Ltd
First City Monument Bank Plc
Sterling Bank Plc
Guaranty Trust Bank Plc.
Union Bank of Nigeria Plc
United Bank for Africa Plc
Zenith Bank Plc

Financial Highlights

	2015 ₦'000	2014 ₦'000	Changes %
Revenue	7,089,393	6,973,359	2
Profit/(Loss) before taxation	(1,047,936)	428,363	(345)
Loss after taxation	(1,515,112)	(107,014)	1,316
Non-Current Assets	14,225,898	16,898,032	(16)
Current Assets	2,818,463	3,487,458	(14)
Non-Current Liabilities	-	-	-
Current Liabilities	5,546,913	8,475,345	(32)
Issued Share Capital	4,000,000	4,000,000	-
Share Premium	13,411,541	13,411,541	-
Shareholders' Fund	11,497,448	11,910,145	(3)
Total Equity and Liabilities	17,044,361	20,385,490	(15)
Loss Per Share (kobo) Basic and Diluted	(19)	(1)	1,800

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 31st December 2015, 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 are insufficient, to enable users 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 preventing and detecting 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 judgements and estimates in conformity with International Financial Reporting Standards and in the manner required by CAMA, CAP C20 LFN 2004 as amended 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 profit for the year

The financial statements of the Company for the year ended 31st December 2015 were approved by management on 15th Dec. 2016

Signed on behalf of management of the Company:

………………………………………… ……………………………………………

Tony A. Akiotu
GMD/CEO
FRC/2014/NIM/00000006895
FRC/2016/ICAN/00000015580

Stanley Sagboje
ED, Finance & Accounts/CFO

Report of the Audit Committee

Report of the Audit Committee to the members of DAAR Communications Plc for the year ended 31st December 2015

In compliance with the Provisions of Section 359 (3) to (5) of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria 2004, the members of the Audit Committee of DAAR Communications Plc have considered the audited Financial Statements for the year ended 31st December, 2015 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 31st December, 2015 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 31st December, 2015 and the Auditors' report thereon be presented for adoption at the Annual General Meeting.

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

Dated 20th Dec. 2016

Members of the Audit Committee are:

Mr. John Adidi, FCA	Chairman	Shareholder's Representative
High Chief Vincent Barrah	Member	Shareholder's Representative
Mr. Kayode A. Obalalaro	Member	Shareholder's Representative
Mr. Cornelius Oboh	Member	Board's Representative
Mr. Charles Iyizoba	Member	Board's Representative
Prince (Bar.) Shedrack A. Akolokwu	Member	Board's Representative

Report of the Independent Auditors

Report on the Financial Statements

We have audited the accompanying financial statements of **DAAR COMMUNICATIONS PLC** for the year ended 31st December 2015, set out on pages 8 to 11 which have been prepared on the basis of the significant accounting policies and other explanatory notes on pages 12 to 51.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in conformity with International Financial Reporting Standards and in the manner required by CAMA, CAP C20 LFN 2004 as amended and the Financial Reporting Council of Nigeria Act 2011. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Nigerian Standard on Auditing issued by the Institute of Chartered Accountants of Nigeria and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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

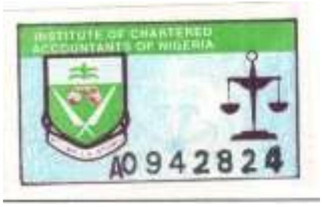
In our opinion, the Company has kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by the Companies and Allied Matters Act CAP C20 LFN 2004. The financial statements give a true and fair view of the financial position of **DAAR COMMUNICATIONS PLC** as at 31st December 2015 and of its financial performance and its Cash flows for the year then ended in accordance with the International Financial Reporting Standards the Companies and Allied Matters Act CAP C20 LFN 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Abiodun Ariyibi

Abiodun Ariyibi
FRC/2013/ICAN/00000001548

For: SIAO (Chartered Accountants)
Lagos, Nigeria

Date: 28th Dec.2016



Statement of Profit or Loss and Other Comprehensive Income

	Notes	2015 ₦'000	2014 ₦'000
Revenue	7	7,089,393	6,973,359
Cost of Sales	8	(4,739,794)	(5,267,790)
Gross Profit		2,349,599	1,705,569
Other Income	9	18,078	508,871
Selling Expenses	10	(132,978)	(72,615)
Administrative Expenses	11	(3,029,848)	(1,923,237)
Operating (Loss) /Profit before Finance		(795,149)	218,588
Finance Income	12a	290,278	751,449
Finance Cost	12b	(543,066)	(541,674)
Profit/(Loss) Before Tax	13	(1,047,936)	428,363
Taxation	14	(467,176)	(535,377)
Loss for the year		(1,515,112)	(107,014)
Other Comprehensive Income (Net of Taxes)		-	-
Total Comprehensive Income		(1,515,112)	(107,014)
Loss Per Share (EPS) Basic and Diluted		(19)	(1)

The accounting policies and the accompanying notes on pages 12 to 51 form an integral part of these Financial Statements.

Statement of Financial Position

	Notes	2015 ₦'000	2014 ₦'000
Assets			
Non-Current Assets			
Property, Plant and Equipment	15	13,564,96	16,069,43
Intangible Assets	16	7,744	-
Investment	17	142,000	142,000
Deferred Tax Assets	14	511,193	686,597
		14,225,89	16,898,03
Current Assets			
Inventories	18	-	23,465
Trade Receivables	19	2,567,168	3,160,028
Other Receivables & Prepayments	20	44,928	63,658
Cash and Cash Equivalents	21	206,368	240,307
Total Current Assets		2,818,463	3,487,458
Total Assets		17,044,36	20,385,49
Equity and Liabilities			
Capital and Reserves			
Share Capital	22	4,000,000	4,000,000
Share Premium	23	13,411,54	13,411,54
Retained Earnings	24	(5,914,09	(5,501,396
Total Equity		11,497,44	11,910,14
Non-Current Liabilities			
Subordinated loan	26	-	-
Total Non-Current liabilities		-	-
Current Liabilities			
Bank Loans	25	-	1,060,912
Sub-ordinated Loan	26	1,755,273	1,818,126
Payables	27	227,697	784,719
Other Payables	28	2,873,290	2,806,048
Short Term Borrowings/Bank Overdraft	29	5,641	8,148
Taxation	14	685,013	1,997,393
Total Current Liabilities		5,546,913	8,475,345
Total Liabilities		5,546,913	8,475,345

Total Equity and Liabilities	**17,044,36**	20,385,49

The financial Statements were approved and authorised for issue by the Board of Directors on 28th Dec. 2016 ……and were signed on its behalf by:

Tony A. Akiotu	**High Chief Raymond Dokpesi, OFR**	**Stanley Sagboje**
GMD/CEO	**Director**	**ED, Finance & Accounts/CFO**
FRC/2014/NIM/00000006895	FRC/2014/IOD/000000010159	FRC/2016/ICAN/00000015580

The accounting policies and the accompanying notes on pages 12 to 51 form an integral part of these Financial Statements.

Statement of Changes in Equity

	Share Capital ₦'000	**Share Premium ₦'000**	**Retained Earnings ₦'000**	**Total ₦'000**
Balance as at January 1, 2014	4,000,00	13,411,54	(5,394,382	12,017,15
Profit for the year	-	-	(107,014)	(107,014)
Other Comprehensive Income				
Total Comprehensive Income for	-	-	(107,014)	(107,014)
Balance as at 31 December 2014	4,000,00	13,411,54	(5,501,396	11,910,14
Prior Year Adjustment due to change in Tax Estimate (note 24)			**1,102,415**	
Adjusted Balance	**4,000,00**	**13,411,54**	**(4,398,981**	**13,012,56**
Profit for the year			**(1,515,112**	**(1,515,112**
Other Comprehensive Income			-	-
Total Comprehensive income for the Year	-	-	**(1,515,112)**	**(1,515,112)**
Balance as at December 31,	4,000,00	13,411,54	(5,914,093	11,497,44

Statement of Cashflows

	Notes	2015	2014
		₦'000	₦'000
Cash flows from Operating Activities			
Profit for the Period		(1,047,936	428,363
Adjustments for:			
Depreciation	15	2,681,747	2,689,889
Amortization of intangible assets	16	1,936	271,297
Write down of Inventory	18	-	12,635
Impairment Allowance on Receivables	11	1,390,684	236,964
Finance Cost	12	543,066	541,674
Finance Income	12	(290,278)	(751,449)
		3,279,218	3,429,373
Changes in Assets & Liabilities			
Change in Inventory	18	23,465	3,621
Change in Trade Receivables	19	592,861	(569,464)
Change in Prepayments and Other Receivables	20	18,730	(14,071)
Change in Trade and Other Payables	28	(416,963)	(625,129)
Cash generated from Operating Activities		3,497,311	2,224,330
Tax Paid		(501,737)	-

Net Cash from Operating Activities		**2,995,574**	2,224,329
Cash flows from Investing Activities			
Acquisition of Intangible Assets	16	(9,680)	(530)
Acquisition of Property, Plant and Equipment	15	(177,273)	(189,248)
Investment in MTS		-	(142,000)
Net cash from Investing Activities		(186,953)	(331,778)
Cash flows from Financing Activities			
Repayment of Bank Loan	25	(1,060,912	(636,820)
Repayment Subordinate Loan	26	(1,526,354	(1,000,00
Interest Paid	12	(252,789)	(192,815)
Net Cash from Financing Activities		(2,840,055	(1,829,63
Net Decrease in Cash and Cash Equivalents		(31,434)	62,916
Cash and Cash Equivalents at January 1		232,159	169,243
Cash and Cash Equivalents at December 31		200,725	232,159
Represented by			
Cash and Bank Balances		206,368	240,307
Bank Overdraft		(5,643)	(8,148)
		200,725	232,159

The accounting policies and the accompanying notes on pages 12 to 51 form an integral part of these Financial Statements.

Notes to the Financial Statements

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 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. Composition of Financial Statements

The Financial Statements are drawn up in naira, the functional currency of DAAR Communications Plc. 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 Cash flows
- Notes to the Financial Statements including accounting policies.

2.1 Statement of Compliance

The Company's full financial statements for the year ended 31st December 2015 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 31st December 2015 and requirements of the Companies and Allied Matters Act (CAMA) of Nigeria and the Financial Reporting Council (FRC) Act of Nigeria.

2.2. Basis of Presentation

The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value, as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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 leasing transactions that are within the scope of IAS 17, and 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.

2.3. Financial Period

These Financial Statements cover the financial years ended 31st December 2015, and comparative, 31st December, 2014.

Notes to the Financial Statements

3. Application of new and revised International Financial Reporting Standards (IFRSs) effective for an accounting period that begins on or after January 1, 2015.

New and revised IFRSs affecting amounts reported and or disclosures in these financial statements. In the current year, the Company has applied a number of amendments to IFRSs and a new interpretation issued by the international Accounting Standards Board PASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2015.

3.1 Amendments to IAS 19 Defined Benefit plans: Employee Contributions

The Company has applied the amendments to IAS 19 which clarify the accounting treatment for contributions made by employees or third parties to defined benefit plan. According to the amendments, discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan. When the formal terms of the plan specify contributions from employees or third parties, the accounting depends on whether the contributions are linked as follows:

If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they affect the measurement of the net defined benefit liability/asset).

If contributions are linked to services, they reduce service costs. If the amount of contribution is dependent on the number of years of service, the entity should reduce service cost by attributing it to the contributions to periods of service using the attribution method required by IAS 19 paragraph 70 (for the gross benefits). If the amount of contribution is independent of the number of years of service, the entity is permitted to either reduce service cost in the period in which the related service is rendered, or to reduce service cost by attributing the contributions to the employees' periods of service in accordance with IAS 19 paragraph 70. The amendments require retrospective application.

4. New and revised IFRSs in issue that are not yet mandatorily effective (but allow early application for the year ended 31 December 2015)

The standards and interpretation that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards when they become effective. The standards that may impact the Company's consolidated and separate financial statements only have been considered below. The extent of the impact has not been determined and the Company does not plan to adopt these standards early.

4.1. IFRS 9- Financial Instruments (Classification and measurement of financial assets)

Effective for annual periods beginning on or after 1 January 2018

IFRS 9 amendment clarifies the classification of financial assets and financial liabilities on the basis of contractual cash flows and the business model of the instrument. All financial assets are, on initial recognition measured at fair value, adjusted for transaction costs if the instrument is not accounted for at FVTPL. Subsequently, equity instruments are generally measured at FVTPL except where there is an irrevocable election on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in OCI. Debt instruments are, measured on the basis of their contractual cash flows and business model under which they are held. Where the instrument has contractual cash flows are solely payments of principal and interest on the principal outstanding and is held with the business model objective of collecting contractual cash flows, it is accounted for at amortized cost.

However, where the contractual cash flows are solely payments of principal and interest on the principal outstanding and the business model objective is that of collecting contractual cash flows and selling financial assets, it is accounted for at fair value through other comprehensive income (FVTOCI) with subsequent reclassification to profit or loss. All other debt instruments are subsequently accounted for at fair value through profit or loss (FVTPL).

IFRS 9 also proposes new impairment requirements based on an expected credit loss model (ECL) to replace the IAS 39 incurred loss model. The ECL model is applicable to debt instruments accounted for at amortised cost or at fair value through other comprehensive income.

Hedge effectiveness testing must be prospective and can be qualitative, depending on the complexity of the hedge. A risk component of a financial or non-financial instrument may be designated as the hedged item if the risk component is separately identifiable and reliably measured.

Key requirements of IFRS 9:

All recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that of contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets and that of 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, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss.

Notes to the Financial Statements

With regard to the measurement of financial liabilities designated as fair value through profit or loss, IFRS 9 requires that 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 presented 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.

Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of financial liability's designated as fair value through profit or loss is presented in profit or loss.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting; specifically broaden the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the company have not assessed the material impact the application of IFRS 9 in the future may have on amounts reported in respect of the Company's financial liabilities.

4.2. IFRS 11- Accounting for Acquisitions of Interests in Joint Operations-Amendments to IFRS 11 - Effective for annual periods beginning on or after 1 January 2016

The amendments requires an entity acquiring an interest in a joint operation to apply, to the extent of its shares, all of the principles on business combinations accounting in IFRS 3 business combinations, and other IFRSs, that do not conflict with the requirements of IFRS 11. Also, entities are required to disclose the information required in those IFRSs in relation to business combination. The amendments also apply to an entity on a formation of a joint operation if, an existing business is contributed by the entity of the joint operation on its formation.

The amendments also clarify that for the acquisition of an additional interest in a joint operation in which the activity of the joint operation constitutes a business; previously held interests in the joint operation must not be re-measured if the joint operator retains joint control

The directors of the company do not anticipate that the application of these amendments to IFRS 11 will have a material impact on the Company's Financial Statements.

4.3. IFRS 14 Regulatory Deferral Accounts

Effective for annual periods beginning on or after 1 January 2016

This standard is applicable to entities whose activities are subject to rate regulation. According to IFRS 14, such entities are to continue applying most of its existing accounting policies for deferred regulatory accounts on 1st time adoption.

An entity whose current standards does not allow recognition of rate- regulated assets and liabilities, or that has not previously applied this policy, would not be allowed to recognize them (rate regulated assets and liabilities) on first time application of IFRS. Entities that adopt this standard are to present on the face of the SOFP, the regulatory deferral accounts as separate line items. Also, movements in these account balances are to be presented as separate line items in the SPLOCI.

IFRS 14 requires disclosures on the nature, the risks associated, entity's rate regulation and the effects on its financial statements.

The directors of the Company do not anticipate that application of this standard will have material impact on future reporting period as the Company does not operate in a rate regulated environment.

4.4. IFRS 15 - Revenue from Contracts with Customers

Effective for annual periods beginning on or after 1 January, 2017

IFRS 15 replaces all existing revenue requirements (IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue- Barter Transactions Involving Advertising Services) in IFRS and applies to all revenue arising from contracts with customers. It provides a model for recognizing and measuring of sales of some non-financial assets including Property Plant and Equipment and Intangible assets.

IFRS 15 outlines the principles to apply to measure and recognize revenue. These principles are to be applied using a five step model. Each step of the model requires entities to exercise judgment and to consider all relevant facts and circumstances when applying the model to contracts with customers. The standard also specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The directors of the Company anticipate that application of this standard will have material impact on future reporting period. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Company provides a detailed review.

4.5. IAS 16 and IAS 38 Clarifications of Acceptable Methods of Depreciation and Amortization- Amendments to IAS 16 and IAS 38

Key requirements

The amendment clarify the principle in IAS 16 property, plant and equipment and IAS 38 intangible assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the assets is part) rather than the economic benefits that are consumed through use of the asset. As a result, the ratio of revenue generated total revenue expected to be generated cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets.

Notes to the Financial Statements

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Company uses the straight –line method of depreciation and amortization for its property, plant and equipment, and intangible assets respectively. The directors of the company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the company do not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Company's Financial Statements.

4.6. IAS 16 and IAS 41 Agriculture: Bearer Plants- Amendments to IAS 16 and IAS 41
Effective for annual periods beginning on or after 1 January 2016
Key requirements

The amendments to IAS 16 and IAS 41 includes bearer plants in the scope of IAS 16.Bearer plants will be subject to the recognition and measurement requirements in

IAS 16. Also, government grants relating to bearer plants will be accounted for in accordance with IAS 20, instead of IAS 41.

In the event of applying this amendment for the 1st time, any difference between the fair value used as deemed cost and the previous carrying amount is recognized in retained earnings. Also, in the application of this amendment, where the entity uses the revaluation model in the subsequent measurement of bearer plants, fair value changes should be recognized in the other comprehensive income and not profit or loss. Bearer plants should also be assessed for impairment at the end of each reporting period, in line with IAS 36.

Early application of this amendment is permitted and must be disclosed.

The directors of the company do not anticipate that the application of these amendments to IAS 16 and IAS 41 will have material impact on the Company's Financial Statements as the Company is not engaged in agricultural activities.

4.7. IAS 27 Equity Method in Separate Financial Statements–Amendments to IAS 27 Effective for annual periods beginning on or after 1 January 2016

This amendment was made to restore the option to use the equity method to account for investments in subsidiaries and associates in the entity's financial statements. Therefore, an entity can account for investment either:

- At cost
- In accordance with IFRS 9(or IAS 39)
- Using equity method

Early application of this amendment is permitted and must be disclosed.

The directors of the Company do not anticipate that application of this standard will have material impact on future reporting period as the Company does not operate in a rate regulated environment

4.8. IAS 19 Employee Benefits–Discount rate: Regulated Market Issue (Annual Improvements 2012-2014 Cycle)

Effective for periods beginning on or after 1st January, 2016

This amendment clarifies that high quality bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid.

The directors of the Company do not anticipate that application of this standard will have material impact on future reporting period as the Company does not operate in a rate regulated environment

4.9. IAS 28- Amendment on Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Effective for annual periods beginning on or after 1st January, 2016

The amendments address a conflict between the requirements of IAS 28 ''Investments in Associates and Joint Venture'' and IFRS 10 '' Financial Statements'' and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognized depends on whether the assets sold or contributed constitute a business.

The requirements on gain/losses resulting from transactions between an entity and its associate or joint venture have been amended to relate only to assets that do not constitute a business. Also, gains and losses from downstream transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognized in full in the investor's financial statements. A requirement has been added as to whether assets that are sold or contributed in separate transactions constitute a business and should be accounted for as a single transaction.

This amendment should be applied prospectively.

The directors of the Company do not anticipate that application of this standard will have material impact on future reporting period as the Company does not operate in a rate regulated environment.

4.10. IFRS 16 - Leases

Effective for annual periods beginning on or after 1 January, 209

The International Accounting Standards Board (ISAB) Issued IFRS 16 Leases in January 2016. IFRS 16 sets out the principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e the customer ('Lessee') and the supplier (Lessor).

IFRS is effective from 1 January 2019. A company can choose to apply IFRS 16 before that date but only if it also applies IFRS 15, Revenue from Contracts with Customers.

The Company expect to adopt the standard for the first time in 2019 financial statement. This is only if it becomes applicable to the Company's operations.

Notes to the Financial Statements

(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 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 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 on 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.

(d) Depreciation

Depreciation is calculated on the depreciable amount which is the cost of an asset, or other amount substituted for cost, less its residual value on 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	10-50 years
Plant & Equipment	4-10 years
Motor Vehicles	4-5 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 cost and improvements in respect of offices is 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 amortised 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:

- Decline in the market value of an asset;
- Changes in the technological, economic or legal environment resulting in an adverse effect on our activities;
- Obsolescence or damage of assets;
- Worsening performance of assets.

Where the asset does not generate cash flows that are independent from 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 capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives. Costs associated with maintaining software programmes are recognised as an expense as incurred.

Notes to the Financial Statements

Computer Software

Computer Software with finite lives are amortised 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 amortisation 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 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 so as to write off the cost of the asset, less its estimated residual value, over its useful economic life as follows:

Licenses	License period

Computer Software 20% straight line

(g) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised in the statements of financial position when the Company becomes a party to the contractual obligations of the instrument. Regular way purchases or sales of financial assets, i.e. purchases or sales under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned, are accounted for at the trade date.

Initially, financial instruments are recognized at their fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognized in determining the carrying amount except for financial instruments at fair value through profit or loss. For financial instruments classified as at **Fair Value Through Profit or Loss** (FVTPL) transaction costs incurred are recognized in profit and loss. Subsequently, financial assets and liabilities are measured according to the category to which they are assigned. The Company does not make use of the option to designate financial assets or financial liabilities at fair value through profit or loss at inception (Fair Value Option).

Financial Assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), (of which financial instruments are further classified as either held for trading("HFT") or designated at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables' (which include amounts due from related parties, loans and receivables). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Notes to the Financial Statements

Cash and Cash Equivalents

The Company considers all highly liquid unrestricted investments with less than three months maturity from the date of acquisition to be cash equivalents. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Available-for-Sale Financial Assets

Available-for-sale investments are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are initially recognised at fair value, which is the cash consideration including any transaction costs, and measured subsequently at fair value with gains and losses being recognised in the statement of comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognised in the statement of comprehensive income is recognised in the income statement. However, interest is calculated using the effective interest method, and foreign currency gains and losses on monetary assets classified as available for sale are recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement in "Other operating income" when the Company's right to receive payment is exercised.

Loans and Receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction cost. Financial assets classified as loans and receivables are subsequently measured at amortized cost using the effective interest method less any impairment losses.

Interest income is recognised by applying the effective interest rate, except for short-term receivables, where the effect of discounting is immaterial.

Derecognition of Financial Assets

The Company derecognises 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. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Debt and equity instruments issued by the Company 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.

Notes to the Financial Statements

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 recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity.

Financial liabilities

Financial liabilities are classified as either FVTPL or other financial liabilities (which include loans from banks and related parties and trade and other payables).

The Company subsequently measures financial liabilities, at amortised cost using the effective interest method.

De-recognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of an interest bearing financial instrument and of allocating interest income and expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (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 debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Impairment of Financial Assets

A financial asset, other than at FVTPL, 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 that occurred after the initial recognition of the financial assets have had a negative effect on the estimated future cash flows of that asset.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of an equity security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or

- it is becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period by 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between the carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss of an available for sale financial asset is calculated by reference to its current fair value. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(h) Inventories

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 ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Provisions are made for slow moving and obsolete inventory. 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 of time 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 from 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 as the fair value of the consideration received or receivable from the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and 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 airing of advertisement or sponsorship programme and after it is confirmed by 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.

Notes to the Financial Statements

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 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 amortised based on contracted screenings or expensed where management have confirmed that it is their intention 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 at the spot rate on licence date for the portion of the licence not prepaid. Programme production costs are amortised based on contracted screenings or expensed where management have confirmed that it is their intention that no further screenings will occur.

All programme production costs in excess of 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 is its intention 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 sport 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

Deferred income represents the part of the amount invoiced to customers that has not yet met the criteria for revenue recognition and thus still has to be earned as revenues by means of 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 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 benefit scheme for its staff, in accordance with the Pension Reform Act of 2014; each employee contributes 8% while the employer contributes 10% 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 factors such as age, years of service and compensation. The liability recognised 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 that 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 it is probable that sufficient taxable profit will 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.

Notes to the Financial Statements

(q) Provisions

Provisions are recognized if the Company has a present legal or constructive obligation as a result of past events, 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 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 recognised in profit or loss.

Notes to the Financial Statements

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 on-going basis. Revisions to accounting estimates are recognised 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 recognised in financial statements.

Useful Life of Property, Plant and Equipment

The Company reviewed the estimated useful lives of its property, plant and equipment on transition to IFRS on 1 January, 2011. The estimates were based on professional judgment expressed by the external valuers appointed to revalue certain assets. Some of the factors considered includes the current service potential of the assets, potential cost of repairs and maintenance and brand quality for over the years.

Allowance for Credit Losses

The Company periodically assesses its trade receivables for probability of credit losses. Management considers several factors including past credit record, current financial position and credibility of management, judgment is exercised in determining the allowances made for credit losses.

6.2. Key Sources of Estimation Uncertainty

Valuation of Financial Liabilities

Financial liabilities have been measured at amortised cost in line with the guidance provisions of IAS 39. The effective interest rate used in determining the amortised cost of the individual liability amounts has been estimated using the contractual cashflows on the loans. IAS 39 requires the use of the expected cashflows but also allows for the use of contractual cashflows in instances where the expected cashflows cannot be reliably determined. However, the effective interest rate has been determined to be the rate that effectively discounts all the future contractual cashflows on the loans including processing, management fees and other fees that are incidental to the different loan transactions.

Notes to the Financial Statements

		2015	2014
		₦'000	₦'000
7	**Revenue**		
	Television	6,204,938	6,240,571
	Radio	668,379	686,157
	DAAR News	169,048	-
	DAARSAT	-	4,356
	United Kingdom Operation	47,028	42,275
		7,089,393	6,973,359

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

7.2. Segment information

7.2.1. 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:

1. Raypower FM
2. AIT / Television
3. DAAR News
4. DAAR SAT
5. DAAR UK Operations

Each of these businesses is managed separately by its designated operating officer and the team, with 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 available on PP&E separately for segments.

'DAAR News' provides revenue stream to DAAR essentially from the same sources. The segment was established in 2015

DAAR SAT is considered to be one of the major business units. This segment suspended operation in 2009 but the operation was revived in 2013. However this segment was closed down in 2015. The former staff of DAAR SAT were redeployed to other segments.

DAAR UK Operations Markets DAAR channels in the United Kingdom.

The Company also has bureau office in the United States of America and Ghana which serve as news collection agencies and hence, are not significant considering DAAR's size of operations.

Notes to the Financial Statements

7.2.3. 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 2015:

	Segment Revenue ₦'000	Cost of Sales ₦'000	Segment Gross Profit ₦'000
Television	6,204,938	4,131,688	2,073,250
Radio	668,379	435,870	232,510
DAAR News	169,048	115,695	53,353
United Kingdom Operation	47,028	56,541	(9,513)
	7,089,393	4,739,794	2,349,599
Administration Cost			(3,162,825)

Other Income	18,078
Operating Profit before Interest	**(795,148)**
Finance Income	290,278
Finance Cost	(543,066)
Profit Before Tax	**(1,047,936)**
Provision for Tax	(467,176)
Profit for the year	**(1,515,113)**

The following is an analysis of the Company's revenue and results by reportable segment for the year ended 31 December 2014:

	Segment Revenue	Cost of Sales	Segment Gross
	₦'000	₦'000	₦'000
Television	6,240,57	4,283,52	1,957,046
Radio	686,157	726,845	(40,688)
DAARSAT	4,356	218,049	(213,693)
DVL	-	8,373	(8,373)
United Kingdom Operation	42,275	65,682	(23,407)
	6,973,35	5,302,47	1,670,885
Central Administration Cost			(1,961,16
Other Income			508,871
Operating Profit before Interest			218,588
Finance Income			751,449
Finance Cost			(541,674)
Profit Before Tax			428,363
Provision for Tax			(535,377)
Profit for the year			(107,014)

Notes to the Financial Statements

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.

7.2.4. Segment Assets and Liabilities

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

7.2.5. Revenues from Major Products and Services

The Company's revenues from its major services for the year ended 31 December 2015 were as follows:

	United Kingdo	Television	RayPowe	DAARNew	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Pay Per View	47,028	24,714	-	-	71,742
Personal Paid Advert	-	1,068,79	275,553	40,988	1,385,33
Programme Sponsorship	-	541,708	146,142	-	687,851
Decoder Sales	-	-	-	-	-
Agency Sales	-	2,887,66	238,047	-	3,125,70
Barter Sales	-	-	6,794	-	6,794
Dedicated Media Coverage	-	69,649	2,288	128,060	199,997
Outside Broadcast	-	452,475	1,620	-	454,095
In House Program	-	542,669	956	-	543,625
Events Promotion	-	-	-	-	-
News Mention	-	350,776	-	-	350,776
	47,028	6,204,93	671,400	169,048	7,092,41
Less Sales Refund	-	-	3,022	-	3,022
Total	47,028	6,204,93	668,379	169,048	7,089,39

The Company's revenues from its major services for the year ended 31 December 2014 were as follows:

	United Kingdo	Televisio n	Ray Power	DAARS AT	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Pay Per View Subscription	42,275	7,200	-	905	50,380
Personal Paid Advert	-	1,641,02	211,643	-	1,852,66
Programme Sponsorship	-	939,287	114,243	1,883	1,055,41
Decoder Sales	-	-	-	868	868
Agency Sales	-	2,023,98	286,156	700	2,310,84
Barter Sales	-	-	71,024	-	71,024
Dedicated Media Coverage	-	204,404	4,772	-	209,176
Outside Broadcast	-	1,251,47	4,800	-	1,256,27
In House Program	-	94,123	-	-	94,123
Events Promotion	-	8,305	606	-	8,911
News Mention	-	88,512	-	-	88,512
	42,275	6,258,32	693,244	4,356	6,998,20
Less Sales Refund	-	17,754	7,087	-	24,841
Total	42,275	6,240,57	686,157	4,356	6,973,35

Notes to the Financial Statements

7.2. Geographical Operating Segment Revenue

	2015	2014
	₦'000	₦'000
Nigeria	7,042,36	6,931,08
United Kingdom	47,028	42,275
	7,089,39	6,973,35

		2015	2014
		₦'000	₦'000
8	**Direct Cost**		
	Programme Cost	400,921	342,481
	Satellite Expenses	420,225	429,449
	Decoder- Cost of Sales	-	11,403
	Salary And Wages	1,017,12	1,045,41
	Transport & Travels	70,086	187,894
	Vehicles Repairs	34,036	45,862
	Printing & Stationery	16,614	22,097
	Lighting & Electricity	92,252	88,939
	Internet Access	5,914	5,144
	Website Cost	-	383
	Carriage Inwards	-	5
	Equipment Repairs	48,086	58,989
	Plant Repairs	35,488	24,186
	Diesel & Oil	304,288	297,422
	International Operations	-	119,067
	NBC Annual Operating Levy	100,000	104,600
	Depreciation	2,145,39	2,151,91
	Impairment Loss	-	-
	Fuel/Motor Running	40,362	53,563
	Plant Hire	7,061	-
	Copyright Fees	-	1,000
	Licence Fees	-	6,680
		4,739,79	5,267,79

9	**Other Income**		
	Other Miscellaneous Income	17,832	-
	NBC Licence Fee	-	508,871
	Interest Received	246	-
	Total Other Income	18,078	508,871

NBC licence fee represents overprovision of amount payable to Nigerian Broadcasting Commission (NBC) on licence fee in previous years. During the 2014 financial year, DAAR Communications Plc and NBC carried out reconciliations and the excess provision was written back to profit and loss account.

Notes to the Financial Statements

		2015 ₦'000	2014 ₦'000
10	**Selling/Distribution Expenses**		
	Selling Expenses	**132,978**	72,615
11	**Administrative Expenses**		
	Salaries	**207,376**	199,513
	Other Admin Expenses	**1,397,18**	1,375,78
	Bank Charges	**11,134**	16,976
	Adjustment of Inventories - Decoders	**23,465**	93,998
	Allowance for impairment of receivables	**1,390,68**	236,964
		3,029,84	1,923,23
12	**Finance Income and Cost**		
12	**Finance Income**		
	Interest on Staff Debtors	**9,435**	13,368
	Interest on Subordinated Loan	**280,844**	738,081
		290,278	751,449
12	**Finance Cost**		
	Term Loan Interest	**147,516**	81,779
	Subordinated Loan Interest	**105,273**	111,036
	Interest on Staff Debtors	**9,435**	13,368
	Additional Interest on Subordinated Loan	**280,843**	335,491
		543,066	541,674
13	**Profit Before Taxation**		
	The profit before taxation is stated after charging/Crediting:		
	Depreciation	**2,681,74**	2,758,21
	Amortisation	**1,936**	279,423
	Audit Fee	**20,000**	20,000
	Impairment Allowance on Receivables	**1,390,68**	236,964
	Profit on disposal of Property Plant and Equipment	**-**	5,443

		2015 ₦'000	2014 ₦'000
14	**Taxation**		
14.1	**Per Profit or Loss Account:**		
	Company Income Tax	**243,143**	305,952
	Education Tax	**48,629**	61,196
	Deferred Taxation	**175,405**	168,229
		467,176	535,377
14.2	**Per statement of financial position**		
	Balance Brought Forward	**1,997,393**	1,630,2
	Write back on Over provision in prior years	**(1,102,41**	
	Tax Provision for the Year	**291,772**	367,148
	Tax payment during the year.	**(501,737)**	-
		685,013	1,997,3
	The charges for taxation were computed in accordance with the provision of the income tax act CAP C21 LFN 2004 and Education		
14.3	**Deferred Tax**		
	As at January 1	**686,597**	854,826
	Movement	**(175,405)**	(168,22
	Balance as at December 31	**511,193**	686,597
14.4	**Effective Tax**		
	Income tax relating to continuing operations:		
	Education Tax Payable	**48,629**	61,196
	Company Income Tax Payable	**243,143**	305,952
	Deferred Tax expenses recognized in the	**175,405**	168,229
	Total Income Tax expenses relating to current	**467,176**	535,377
	Tax expense Computation Reconciliation		
	Profit for the year	**(1,047,93**	428,363
	Expected Income Tax expense calculated at 30% (2014: 30%)	(314,381)	128,509
	Education Tax expense at 2% (2014: 2%) of assessable profit	48,629	61,196
	Adjusted for the effects of:		
	Expenses not deductible for tax purposes	1,174,365	1,014,8
	Tax incentives recognised	(629,120)	(611,99
	Deferred Tax	175,405	168,229
	Income not liable to tax	(87,083)	(225,43
	Income Tax Expenses For The Year	367,814	535,377
	Effective Tax Rate %	(35)	(4)

In 2015, Federal Inland Revenue Service carried out a reconciliation of DAAR Communications' Tax Liabilities. The reconciled liabilities as at December 31, 2013, was ₦527,829,301.37 this was against the total tax provision of N1,630,244,685.46. This translate to overprovisions of ₦1,102,415,479.84 which has been written back to retained earnings.

Notes to the Financial Statements

15. Property, Plant and Equipment as at 31 December 2015

	Land & Building	Plant & Equipment	Furnitur e &	Records &	Motor Vehicle	Capital Work-	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost/Valuation:							
As at 1 January, 2015	4,016,76	23,733,15	392,517	378,31	560,55	2,118,782	31,200,08
Additions	73,151	78,849	9,328	-	10,572	5,373	177,273
As at 31 December,	4,089,91	23,812,00	401,845	378,31	571,12	2,124,155	31,377,35
							-
Depreciation:							
As at 1 January, 2015	916,096	11,379,48	204,324	375,92	552,43	-	13,428,26
Charge for the year	247,692	2,381,20	40,185	2,387	10,28	-	2,681,74
Impairment							-
As at 1 January, 2015		1,702,384					1,702,384
Charge for the year	-	-	-	-	-	-	-
As at 31 December,	1,163,78	15,463,06	244,509	378,31	562,71	-	17,812,39
Carrying Amount							
As at 31 December,	2,926,12	8,348,942	157,337	(0)	8,404	2,124,155	13,564,96
As at 31 December,	3,100,66	10,651,29	188,193	2,387	8,115	2,118,782	16,069,43

15b. Property, Plant and Equipment as at 31 December 2014

	Land & Building	Plant & Equipment	Furniture & Fittings	Records & Discs	Motor Vehicles	Capital Work-In-Progress
Cost/Valuation:	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
As at 1 January, 2014	4,007,761	23,576,560	383,036	378,313	546,384	2,118,782
Additions	9,000	156,599	9,481	-	14,168	-
As at 31 December, 2014	4,016,761	23,733,159	392,517	378,313	560,552	2,118,782
Depreciation:						
As at 1 January, 2014	703,208	9,006,166	165,072	338,095	525,835	-
Charge for the year	212,888	2,373,316	39,252	37,831	26,602	-
Impairment						
As at 1 January, 2014	-	1,702,384	-	-	-	-
Charge for the year	-	-	-	-	-	-
As at 31 December, 2014	916,096	13,081,866	204,324	375,926	552,437	-
Net Book Value:						
As at 31 December, 2014	3,100,665	10,651,293	188,193	2,387	8,115	2,118,782

15.1 Land and Buildings

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

15.2. Plant and Equipment

The cost model was used in recognition of Plant and Machinery under the Nigerian Statement of Accounting Standards (SAS) and is retained on transition to IFRS.

15.3. Furniture and Fittings/Motor Vehicles

The cost model was used in recognition of Furniture and Fittings/Motor Vehicles under the Nigerian Statement of Accounting Standards (SAS) and is retained on transition to IFRS.

15.4. 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.

15.4. Impairment Test.

The Company analysed and reviewed the non-current assets for the year 2015 for the purpose of impairment.

Notes to the Financial Statements

16 Intangible Assets	2015 ₦000	2014 ₦000
TV & Radio License and Accounting Software		
At 1 January,1	1,402,647	1,402,117
Addition	9,680	530
Total	1,412,327	1,402,647
Accumulated Amortisation	1,402,647	1,131,350
Amortisation Charge for the year	1,936	271,297
Total Accumulated Amortisation	1,404,583	1,402,647
Carrying Amount December 31	7,744	-

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

Licenses: License period:

Computer Software 20% straight line

	2015 ₦000	2014 ₦000
17 Available-for-sale investments		
Investment in MTS	142,000	142,000
	142,000	142,000

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 analogue transmission of television signals to 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 new policy, all television stations in Nigeria, whether private or state owned shall lose rights to operate their own masts, transmitters and any other transmission equipment and services, except by a license 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 license while other operators were directed to go and apply, individually or in partnership for a Network license to operate DDT. Considering the enormity of issues at stake, the stakeholders under the auspices of Independent Broadcasters Association of Nigeria (IBAN) and Broadcasting Organisation of Nigeria (BON), agreed to jointly apply for a license under the name – MTS Communications Limited (Media Transmission Service).

Notes to the Financial Statements

Based on the decision, the MTS Communications Limited was duly registered. The NBC policy is to license any two signal distribution carriers and unlimited number of content distributors. To this end the NTA had automatic award of a license while MTS Communications Limited went through 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 an operational capital for the newly created company. All owners of broadcasting and infrastructures who do not join MTS or are unable to produce a signal distribution license to operate same shall be required to sell them outright to the NBC or forfeit them, as it will amount to a crime to own any broadcasting equipment without a license to operate same.

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

		2015	2014
		₦000	₦000
18	**Inventory**		
	Decoders and Televisions at Cost	-	36,100

Allowance for impairment of inventory	-	(12,635)
Carrying Amount	-	23,465

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19 Trade Receivables

	2015 ₦000	2014 ₦000
Account Receivables	5,833,450	7,430,121
Less: Provisions for Doubtful Debts	(3,266,282	(4,270,09
	2,567,168	3,160,028

Movement in provision for Doubtful Receivables

As at January 1	4,270,093	4,033,129
Adjustment in Provision for Doubtful Debt	(1,546,711	-
Addition During the year	542,900	236,964
	3,266,282	4,270,093

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

20 Other Receivables and Prepayment

	2015 ₦000	2014 ₦000
Staff Loans and Advances	44,928	63,658
	44,928	63,658

Notes to the Financial Statements

21. 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:

2015	2014

Cash and Bank Balances	**₦000**	₦000
Cash in Hand	**24,044**	3,357
Bank Balances	**182,324**	236,950
	206,368	240,307
Bank Overdraft	**(5,643)**	(8,148)
	200,724	232,159

22 Share Capital

Authorised

8,000,000,000 Ordinary Shares of ₦ 0.50 each	**4,000,000**	4,000,000

Issued and Fully Paid

8,000,000,000 Ordinary Shares of ₦ 0.50 each	**4,000,000**	4,000,000

23 Share Premium	**13,411,541**	13,411,541

In 2014, the Board recommended that the Authorised Share Capital of the Company be increased from N4,000,000,000 (Four Billion Naira) to N8,000,000,000 (Eight Billion Naira) by the creation of additional 8 billion ordinary shares of 50 kobo each, such new shares in all respects ranking pari-passu with the existing Ordinary Shares in the capital of the Company.

The Directors also recommended, capitalization of the sum of ₦2,000,000,250 (Two Billion, Two Hundred and Fifty Naira) only out of the amount standing to the credit of the share premium account in the books of the Company for the year ended December 2012 and accordingly that such sum be set free for distribution amongst the members whose names appear in the Register of
Members as at the close of business on November 6, 2014 in proportion to the respective shareholdings in the Company at the time, on condition that the same not be paid in cash but be
applied on their behalf in paying in full at par 4,000,000,500 shares as part of the un-issued ordinary shares of 50 kobo each to be allotted, distributed and credited as fully paid to and amongst such members in the proportion of one (1) new share of 50 kobo for every two (2) ordinary shares of 50 kobo each held by them on that day and such shares shall rank pari-passu with existing issued ordinary shares of the company.

These recommendations were approved by the shareholders at the 5th Annual General Meeting of the Company held on November 28, 2014.

However, as at the time of signing this account, the company has not concluded the process of registering the increase in authorized share capital with Corporate Affairs Commission (CAC). Hence, the bonus share has not been recognized in the 2014 financial statements.

Notes to the Financial Statements

		2015	2014
		₦000	₦000
2	**Retained Earnings**		
	As at 1 January	(5,501,39	(5,394,38
	Prior Year adjustment due to change in Tax Estimate	1,102,415	-
	Profit/(Loss) for the year	(1,515,11	(107,014)
	As at 31 December	(5,914,09	(5,501,39

In 2015, Federal Inland Revenue Service carried out a reconciliation of DAAR Communications' Tax Liabilities. The reconciled liabilities as at December 31, 2013, was ₦527,829,301.37 this was against the total tax provision of N1,630,244,685.46. This translate to overprovisions of ₦1,102,415,479.84 which has been written back to retained earnings.

		2015	2014
		₦000	₦000
25	**Bank Loan**		
	Loan Amount	2,359,960	2,359,960
	Balance B/f	1,060,912	1,697,732
	Liquidation/repayment	(1,060,912)	(636,820)
	Balance Outstanding	-	1,060,912
	Total Outstanding Balance	-	1,060,912
	Current Portion of the Loan	-	1,060,912
	Long term Portion of the loan	-	-

In June 2015, Fidelity Bank PlC sold a property that belong to Baldok Shipping Line Limited (one of the subsidiaries of the parent company -DAAR Investments and Holding Company) situate at no. 34 Creek Road Apapa, Lagos. The property was used as security for the Fidelity Bank loan to DAAR Communications PLC. As at June, 2015, the total amount outstanding on the loan was ₦904,521,391.54 while the property was sold at net proceed of ₦950,000,000.00. The excess balance of ₦45,478, 608.46 together with additional ₦15,000,000 loan repayment was applied by the bank to offset interest calculated by the bank for non-payment of instalments on due dates as per the loan agreement. Both parties accepted the position as full and final settlement of the loan.

Thus, by her letters dated July 30, 2015 Fidelity Bank PLC issued letter of non-indebtedness to DAAR Communications PLC as well as deed of release/surrender of the charges over DAAR Communications assets and all charges created by the debenture.

The sales proceed of the property was credited to the account of the Parent Company, DAAR Investments and Holding Company Limited.

		2015	2014
		₦000	₦000
26	**Subordinated Loan**		
	Subordinated Loan	**3,664,010**	3,664,010
	Balance as at 31 December 2014	**1,818,126**	3,220,715
	Decrease in amount of Subordinated loans by the amount required to adjust to its fair value.		(402,589)
	Reinstatement of amortised portion on maturity of the Loan	**402,589**	-
	Transfer of Bank Loan to Subordinated Loan	**1,060,912**	-
	Liquidation/repayment	**(1,526,354)**	(1,000,000)
		1,755,273	1,818,126

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 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 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.

In 2015, the sum of ₦1,060,912,000 (One Billion, Sixty Million, Nine Hundred and Twelve Thousand Naira) being the outstanding bank loan from Fidelity Bank Plc, was transferred to the surbodinated loan account after the a property that belong to Baldok Shipping Line Limited (one of the subsidiaries of the parent company -DAAR Investments and Holding Company) situate at no. 34 Creek Road Apapa, Lagos was sold by the bank as final settlement of the loan. The property was used as security for the Fidelity Bank loan to DAAR Communications PLC.

The balance of ₦1,755,273,000 (One Billion, Eight Hundred and Ninety Eight Million, Four Hundred Fifty Seven Thousand Naira) represents the unpaid portion of the loan as at December 31, 2015.

	2015	2014
	₦000	₦000
27 Trade Payable		
Suppliers' Account	227,697	784,719
	227,697	784,719

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

Notes to the Financial Statements

	2015	2014
28 Other Payables	₦000	₦000
Accrued Salary	774,001	583,317
PAYE	190,833	158,964
Pension Fund	717,963	636,531
NHF	19,729	11,092

NHIS	**120,753**	65,527
Others Deposits and deferred receipts	**55,264**	25,020
ITF Accrued	**20,164**	10,463
NSITF Accrued	**19,988**	10,463
Audit Fee	**20,000**	20,000
VAT Payable	**133,621**	121,254
Cooperative Society	**14,636**	14,636
Withholding Tax Payable	**3,749**	806
NBC Charges *	**61,716**	105,989
Accrued Expenses	**75,584**	-
DAAR Investment Holdings Ltd**	**348,025**	862,035
Provision for Gratuity	**297,264**	179,950
	2,873,290	2,806,048

*NBC Charges: Section 14 paragraph 2(a) of the Nigerian Broadcasting Commission (NBC) Act empowers the Commission to impose levy on the annual income of licensed broadcasting stations. Consequently, NBC imposed a levy of 2.5% on revenue of broadcasting stations as operating levy. However, with effect from January 1, 2012, the levy was reduced from 2.5 per cent to 1.5 per cent. The balance on the account represents provision for the levy.

**Balance on DAAR Investments Holding represents accrued interest on Subordinate Loan and other payments due to DAAR Investments. The balance as at December 2015 represents accrued interest less payments made to DAAR Investments.

	2015	2014
29 Bank Overdraft	**₦000**	₦000
Guaranty Trust Bank Transit A/C	-	8,099
Barclays Bank	**49**	49
Zenith Bank Plc-Statutory	**5,592**	-
	5,641	8,148

30 Earnings Per Share

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

	2015	2014
	₦000	₦000
Net loss for the year attributable to equity	**(1,515,112**	(107,014)
Number of ordinary shares outstanding during the	**8,000,000**	8,000,00
Basic and Diluted Loss Per Share	**(19)**	(1)

Notes to the Financial Statements

31. Related Party Transaction

The Company carried out transactions with the parent company DAAR Investments and Holding Company Limited. DAAR Investments provided the Company with a loan at a rate which is below market rate (See note 25). The balance on DAAR Investments current account with DAAR Communications was shown in note 27

		2015	2014
		₦000	₦000
31.1	**Subordinated Loan**		
	Subordinated Loan	3,664,010	3,664,010
	Balance as at 31 December 2014	1,818,126	3,220,715
	Decrease in amount of Subordinated loans by the amount required to adjust to its fair value.		(402,589)
	Reinstatement of amortised portion on maturity of the Loan	402,589	-
	Transfer of Bank Loan to Subordinated Loan	1,060,912	-
	Liquidation/repayment	(1,526,354)	(1,000,000)
		1,755,273	1,818,126

31.2. During the year the company traded with related party DAAR Investments for the provision of airtime on terms similar to such transactions entered into with

	Company Purchase of Goods & Services	Company Sale of Goods & Services
	2005	2005
	₦000	₦000
DAAR Investments & Holding Company Ltd	-	1,205,232
	-	1,205,232

31.3. Remuneration of Key Management Personnel

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.

	2015	2014
	₦000	₦000
31.3.1 Remuneration of Key Management Personnel		

Director Emoluments

Chairman's Fee	7,064	7,064
Executive Director Emoluments	97,202	84,819
Total	104,26	91,882

Notes to the Financial Statements

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

	2015	2014
Less Than 1,000,000	-	-
1,000,001 - 5,000,000	-	-
5,000,001 - 10,000,000	12	10
10,000,001 - 20,000,000	-	-
Above 20,000,001	-	-

The highest paid Director received N8,428,424 in 2015 (N8,428,424 in 2014)

32 Employees Costs

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

	2015	2014
	₦000	₦000
Staff Salaries and Allowances	1,120,23	1,153,04
Directors' Emoluments	104,266	91,882
Other staff costs (Medical, welfare, training & dev)	102,271	165,696
	1,326,77	1,410,62

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

			2015	2014
₦		₦	Number	Number
200000	-	400,000	65	107
400,001	-	600,000	374	345

600,001	-	800,000	**369**	440
800,001	-	1,000,000	**119**	115
1,000,001	-	Above	**198**	204
			1,125	1,211

32.3 Number of persons employed at the end of the year were:

Managerial	**53**	110
Senior	**153**	173
Junior	**919**	928
	1,125	1,211

Notes to the Financial Statements

33. 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 flow from investing activities relate to the net amount of investments and disposals. The cash flow 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 bank and overdraft.

34. Contingent Liability

Dispute with Service Providers

Some service providers based in Netherlands Israel and the United States of America lodged claims separately against DAAR for breach of contractual agreements. The suits were in various stages of litigations and the claim for each service provider is stated in the table below:

Contingent Liabilities	**₦000**
Babatunde Raji Fashola Vs Daar Communications Plc	**1,000,000**
Comrade Adams Oshiomole Vs Daar Communications Plc	**1,000,000**
Alhaji Al-Mustapha Haruna Jokolo Vs Daar	**1,000,000**
Alhaji Muhammadu Bello Kirfi (Wazirin Bauchi) Vs Daar Communications Plc	**2,000,000**

RRSAT Global Network Vs Daar Communications Plc	**2,000,000**
Egypt Makee Vs Daar Communications Plc ($150,000)	**29,593**
KidsCo Limited ($150,000)	**29,593**
	7,059,400

No provision has been made in these financial statements for these contingent liabilities in respect of litigations against the Company. According to the solicitors acting on behalf of the Company, the liabilities arising, if any, are not likely to be significant.

35. 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;

	2015	2014
	₦'000	₦'000
Net Debt	**1,554,548**	3,057,615
Equity	**11,497,44**	11,910,14

Notes to the Financial Statements

35.1 Debt to Equity Ratio

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

	2015	2014
	₦000	₦000
Subordinated Loan (note 26)	**1,755,273**	1,818,126
Bank Loan (note 25)	-	1,060,912
Overdraft (note 21)	**5,643**	8,148
Total Debt	**1,760,916**	2,887,186
Cash and Bank Balances (note 21)	**(206,368)**	(232,160)

Net Debt	**1,554,548**	2,655,026
Equity	**11,497,44**	11,910,14
Net Debt to Equity	**14%**	22%

35.2 Financial Instruments

As at 31 December 2015

	Loans and Receivables	Total Carrying amount
Financial Assets		
	₦000	₦000
Cash and Bank Balances	206,368	206,368
Trade and Other Receivables	2,612,096	2,612,096
Total Financial Assets	2,818,463	2,818,463

Financial Liabilities	Amortised cost	Total Carrying
	₦000	₦000
Borrowings (Subordinated Loan)	1,755,273	1,755,273
Trade and Other Payables	1,445,308	1,445,308
Overdraft	5,643	5,643
Total Financial Liabilities	3,206,224	3,206,224

As at 31 December 2014

Financial Assets	Loans and Receivable	Total Carrying
	₦'000	₦'000
Cash and Bank Balances	232,160	232,160
Trade and Other Receivables **	3,223,686	3,223,68
Total Financial Assets	3,455,846	3,455,84

Financial Liabilities	Amortised Cost	Total Carrying
	₦000	₦000
Bank Loans	1,060,912	1,060,91
Borrowings (Subordinated Loan)	1,818,126	2,220,71
Trade and Other Payables **	2,356,060	2,356,06
Overdraft	8,148	8,148
Total Financial Liabilities	5,243,246	5,645,83

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

35.3 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 amortised cost.

36. 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 the credit risk, liquidity risk and market risk (interest rate risk and foreign currency risk)

36.1 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 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.

Notes to the Financial Statements

36.1.1 Maximum Exposure to Credit Risk

	2015	2014
	₦'000	₦'000
Cash and Bank Balances	206,368	232,160
Trade and Other Receivables	2,612,096	3,223,686
	2,818,463	3,455,846

36.2 Liquidity Risk

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

36.2.1 Liquidity Maturity Table

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

As at 31st December 2015	< 1 year ₦000	1 - 3years ₦000	3 - 5years ₦000
Bank Loans	-	-	-
Borrowings (Subordinated Loan)	1,755,27	-	-
Trade and Other Payables	1,445,30	-	-
Overdraft	5,643	-	-
	3,206,22	-	-

As at 31st December 2014	< 1 year ₦000	1 - ₦000	3 - ₦000
Bank Loans	1,060,91	-	-
Borrowings (Subordinated Loan)	1,818,12	-	-
Trade and Other Payables	2,356,06	-	-
Overdraft	8,148	-	-
	5,243,24	-	-

Notes to the Financial Statements

36.3 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

36.4 Currency Risk

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

The carrying amount of the company's foreign monetary assets at the end of the reporting period is stated as follows.

Financial Assets	**2015**	2014
	₦000	₦000
Cash and Bank Balances HCBC Bank (Pound sterling)	**1,613**	1,613
	1,613	1,613

The following significant exchange rates were applied during the year

	Average rate		Reporting/Spot rate	
	2015	2014	**2015**	2014
	₦000	₦000	**₦000**	₦000
	295.25	275.33	**291.93**	281.10

36.5 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.

Financial Liabilities	**2015**	2014
	₦000	₦000
Bank Loans	-	1,060,91
Borrowings (Subordinated Loan)	**1,755,27**	1,818,12
Overdraft	**5,643**	8,148
	1,760,91	2,887,18

Notes to the Financial Statements

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. Approval of Financial Statements

The Financial Statements were approved by the Board of Directors on 28th Dec. 2016

Value Added Statement

Non-IFRS Requirement

	2015		2014	
	₦000	%	₦000	%
Turnover	7,089,393		6,973,359	
Other Income	18,078		-	
Finance Income	290,278		508,871	
	7,397,749		7,482,230	
Bought in materials and services:				
Local	(3,939,113		(1,760,093)	
Foreign	(420,225)		(548,517)	
Value Added	3,038,412	100	5,173,620	10
Distributed as follows:				
Employees				
Salaries, Pension and Welfare	1,326,774	44	1,410,626	27
Provider of Capital				
Finance Cost	543,067	18	541,674	10
To Government				
Taxation		-	367,148	7
Provided for Asset Replacement				
Depreciation of Property Plant and Equipment	2,681,747	88	2,689,889	52
Amortization/Provisions	1,936	0	271,297	5
Retained Profit for the year	(1,515,112	(50)	(107,014)	(2)
	3,038,412	100	5,173,620	10

Value added represents the additional wealth the Company has been able to create by its own and its employees' efforts. This statement shows the allocation of the wealth among employees, provider of capital, government and that retained for the future creation of more wealth.

Five-Year Financial Summary

Non-IFRS Requirement

	2015	2014	2013	2012	2011
	₦000	₦000	₦000	₦000	₦000
Assets Employed					
Property, Plant & Equipment	13,564,961	16,069,435	18,570,076	20,687,504	20,701,694
Intangible Assets	7,744	-	270,767	545,190	514,616
Investment	142,000	142,000	-	-	-
Deferred tax assets	511,193	686,597	854,826	1,451,795	1,057,726
Net Current Assets	(2,728,449)	(4,987,88	(7,111,90	(1,325,40	(3,045,36
Loan	-	-	(566,609)	(3,397,28	(1,540,75
Net Assets	11,497,448	11,910,14	12,017,15	17,961,79	17,687,91
Funds Employed					
Share Capital	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Share Premium	13,411,54	13,411,54	13,411,54	13,411,54	13,411,54
General Reserve	(5,914,09	(5,501,39	(5,394,38	550,253	276,376
Shareholders' Fund	11,497,44	11,910,14	12,017,15	17,961,79	17,687,91
Turnover	7,089,393	6,973,359	5,607,544	4,233,306	5,144,628
Loss/Profit Before Tax	(1,047,93	428,363	(2,702,92	354,325	2,519,115
Tax provision	(467,176)	(535,377)	(715,033)	(80,448)	(668,279)
Loss/Profit After Tax	(1,515,11	(107,014)	(3,417,95	273,877	1,850,836
Loss/Profit Per Share (Kobo)	(19)	(1)	(43)	3	23

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Management Information

Detailed Profit and Loss Account for the Year Ended 31 December, 2015

	2015	2014
Turnover	₦000	₦000
Television	6,204,93	6,240,57
Radio	668,379	686,157
Daar News	169,048	-
Daarsat	-	4,356
United Kingdom Operation	47,028	42,275
	7,089,39	6,973,35
Direct Cost		
Programme Cost	400,921	342,481
Satellite Expenses	420,225	429,449
Decoder- Cost of Sales	-	11,403
Salary And Wages	1,017,12	1,045,41
Transport & Travels	70,086	187,894
Vehicles Repairs	34,036	45,862
Printing & Stationery	16,614	22,097
	92,252	88,939
Internet Access	5,914	5,144
Website Cost	-	383
Dues & Subscription	-	-
Carriage Inwards	-	5
Equipment Repairs	48,086	58,989
Plant Repairs	35,488	24,186
Diesel & Oil	304,288	297,422
International Operations	-	119,067
NBC Annual Operating Levy	100,000	104,600
Depreciation	2,145,39	2,151,91
Amortisation	1,936	271,297
Fuel/Motor Running	40,362	53,563
Plant Hire	7,061	-
Copyright Fees	-	1,000
Licence Fees	-	6,680
	4,739,79	5,267,79
Gross Profit	2,349,59	1,705,56
Other Income		
Overprovision on NBC Fee	-	508,871
Other Miscellaneous Income	18,078	-
	18,078	508,871
Finance Income		
Interest on Staff Debtors Waived	9,435	13,368
Interest on Subordinate Loan Waived	280,844	738,081
Total Other Income	290,278	751,449
Gross Income	2,657,95	2,965,88

Management Information

Detailed Profit and Loss Account for the Year Ended 31 December, 2015 (Cont'd)

	2015	2014
	₦000	₦000
Gross Income	2,657,956	2,965,889
Selling Expenses	132,978	72,615
Administrative Expenses		
Salaries And Wages	207,376	199,513
Telephone/Recharge Card	16,705	11,889
Printing & Stationery	12,177	18,479
Entertainment	24,170	50,161
Donation	323	5,316
Advert & Publicity	16,131	17,256
Transport & Travels	79,041	60,047
Rent	41,011	7,964
Fuel/Motor Running	21,654	21,268
Dues and subscription	16,592	34,682
Vehicles Repairs	13,801	14,735
Legal Fee	32,912	40,431
Board Expenses	100,620	60,571
Annual General Meeting	-	3,463
Security	42,616	40,911
Newspapers	2,801	2,768
Staff Trainings And Development	26,887	44,972
Office Maintenance	53,894	49,750
Furniture Repairs	8,162	2,031
Staff Welfare	68,298	107,799
Postage	803	3,400
Regulatory Fees	17,454	9,930
Medical	7,085	12,924
Building Repairs	17,511	32,493
Consultancy	93,032	52,652
Audit Expenses	11,177	3,909
Audit Fees	20,000	20,000
Depreciation Of Assets	536,349	537,978
Specific Bad debt Written off	847,783	-
Allowance for impairment of receivables	542,900	236,964
Bon Expenses	1,650	466
Cash Shortage	1	11
Bank Charges	11,134	16,976
Equipment Repairs	33,567	16,080
Internet Access	7,347	5,791
Insurance	230	4,000
Water Supply	-	344
Industrial Training Fund	9,958	8,451
Provision For Staff Gratuity	60,229	60,229
Adjustment of Inventory - Decoders to Inventory Count	23,465	93,998
Allowance for Inventory impairment	-	12,635
Research Expenses	3,000	-
	3,029,847	1,923,237
Finance Charges		
Term Loan Interest	147,516	81,779
Subordinate Loan Interest	105,273	111,036

Interest On Staff Debtors	9,435	13,368
Amortised Interest on Subordinated Loan	280,843	335,491
	543,067	541,674
	3,705,892	2,537,526
(Loss)/Profit for the year	**(1,047,936)**	**428,363**

Management Information

Schedule 1

Bank Balances

	2015	2014
	₦000	₦000
Cash & Bank Balances		
United Bank of Africa	12,688	12,693
Guaranty Trust Bank Pool A/C	58	542
Guaranty Trust Bank-Domiciliary A/C	683	683
Guaranty Trust Bank-AIT Imprest a/c Lagos	2,017	1,318
Guaranty Trust Bank-Operation	-	1,811
Sterling Bank (ETB) Ikeja	16,347	19,433
Union Bank Nigeria Plc Agege	15	15
Cheque in Transit	-	1,939
FCMB Account 2	-	166
FCMB (Fin Bank)	-	34
Fidelity Bank Domiciliary A/C	8,536	8,536
Fidelity Bank Plc-Operations TV	6,654	127,950
Fidelity Bank Pool A/C	20,265	159
Fidelity Bank Plc-A/C 2	-	-
Fidelity Capital A/C	7,525	7,525
HSBC Bank, U.K.	476	476
AIT News A/C (Zenith Bank) 1	-	37,058
First Bank	8	11
Zenith Bank Plc 2	10,921	-
Zenith Bank Statutory	-	14,367
Zenith Bank-Subscription	-	34
Zenith Bank-Dealers	-	559
Zenith Bank-Operations	2,363	28
Fidelity Imprest A/C	108	-
Fidelity FIRS	74	-
Fidelity Master	2,147	-
Fidelity Corporate Governance	106	-
Fidelity Capital Dev	7	-
Fidelity Satellite Exp	20,000	-
Fidelity Vendor	3,320	-
Fidelity Operations	1,202	-
HSBC Bank UK Operation Account	-	1,613
Fidelity Content Acquisition	8	-
Fidelity Outside Broadcast Opr	17	-
Fidelity Special Projects	216	-
Fidelity Personal Paid Advert	2,937	-
Fidelity Direct Sales	3,101	-
Fidelity Agency Sales	8,375	-

Fidelity Independent Sales	**17,378**	-
Fidelity Outside Broadcast Income	**800**	-
Fidelity Staff Cost	**20,468**	-
Fidelity Marketing & Sales	**19**	-
Fidelity Engineering	**4**	-
Fidelity Diesel & Electricity	**7,988**	-
Fidelity Vat	**5,468**	-
DAAR Subordinated Loan	**25**	-
	182,324	236,950

		2015	2014
		₦000	₦000
2	**Bank Overdrafts**		
	Guaranty Trust Bank Transit A/C	-	8,099
	Barclays Bank	49	49
	Fidelity News Gathering	2	-
	Zenith Bank-Statutory	5,643	-
		5,643	8,148

	2015	2014
Cash Balances		
Main Cash	23,795	2,994
Petty Cash	249	363
	24,044	3,357

Schedule 2

		2015 ₦000	2014 ₦000
4	**Other Administrative Expenses**		
	Telephone	16,705	11,889
	Printing & Stationery	12,177	18,479
	Office Entertainment	24,170	50,161
	Donations	323	5,316
	Advert & Publicity	16,131	17,256
	Transport & Travelling	79,041	60,047
	Dues and subscription	16,592	34,682
	Rent and Service Charges	41,011	7,964
	Fuel / Motor Running Expenses	21,654	21,268
	Vehicle Repairs	13,801	14,735
	Legal Fees	32,912	40,431
	Board Expenses	100,620	60,571
	AGM Expenses	-	3,463
	Security Expenses	42,616	40,911
	Newspapers & Periodicals	2,801	2,768
	Staff Trainings & Development	26,887	44,972
	Office Maintenance	53,894	49,750
	Furniture Repairs	8,162	2,031
	Staff Welfare	68,298	107,799
	Postages	803	3,400
	Regulatory Fees	17,454	9,930
	Equipment Repairs	33,567	16,080
	Medical	7,085	12,924
	Building Repairs	17,511	32,493
	Consultancy	93,032	52,652
	Audit Expenses	11,177	3,909
	Audit Fees	20,000	20,000
	Depreciation	536,349	537,978
	Provision for Gratuity	60,229	60,229
	Research Expenses	3,000	-
	Cash shortage	1	11
	BON Expense	1,650	466
	Insurance	230	4,000
	Internet Access	7,347	5,791
	Water Supply	-	344
	Industrial Training Fund	9,958	8,451
	Allowance for Inventory Impairment	-	12,635
		1,397,18	1,375,78

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