



FINANCIAL REPORTING COUNCIL OF NIGERIA

**FINANCIAL STATEMENTS
31 DECEMBER 2023**

FINANCIAL REPORTING COUNCIL OF NIGERIA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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FINANCIAL REPORTING COUNCIL OF NIGERIA

CORPORATE INFORMATION

- Vision**
- To be the conscience of regulatory assurance in financial reporting and corporate governance in Nigeria.
- Mission**
- To bring utmost confidence to investors, reputation to oversight and ensure quality in accounting, auditing, valuation, actuarial and corporate governance standards and non-financial reporting issues.

Board Members

The Council has no Board members as at the time of finalising these audited financial statements.

- Address**
- Alexander House (4th & 5th Floor) Plot 8
Jobi Fele Way, Alausa, Ikeja,
Lagos.
- Website**
- <http://www.frcnigeria.gov.ng>
- Auditors**
- PKF Professional Services
205A Obanikoro
Lagos.
- Bankers**
- The Central Bank of Nigeria

FINANCIAL REPORTING COUNCIL OF NIGERIA

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors submit their report together with the audited financial statements for the year ended 31 December 2023.

1. Legal form

The Financial Reporting Council of Nigeria (FRC) was established in June 2011 by the Financial Reporting Council of Nigeria (Amendment) Act, 2023. The Council is a regulatory agency of the Federal Government of Nigeria, supervised by the Federal Ministry of Industry, Trade and Investment.

2. Principal activity

The principal activity of the Council is the establishment of, and enforcement of compliance with, standards in financial reporting and corporate governance to enhance the investment climate and promote economic growth.

	2023 N	2022 N
3. Operating result		
The financial performance for the year is as follows:		
Internally generated revenue (IGR)	1,884,676,352	1,160,904,153
Other income	104,037,935	254,499,161
Gross income	1,988,714,287	1,415,403,314
Administrative expenses	(1,419,089,381)	(1,367,097,295)
Surplus for the year	569,624,906	48,306,019
Appropriated as follows:		
Transfer to general reserve	55,342,230	22,423,019
Transfer to Consolidated Revenue Fund (CRF)	221,368,918	89,692,078
Total comprehensive surplus for the year	276,711,148	112,115,097

4. Board

The Board shall consist of -

a) A chairman who shall be a professional accountant with cognate experience of at least ten years;

b) One representative from each of the -

- Association of National Accountants of Nigeria,
- Institute of Chartered Accountants of Nigeria,
- Office of the Auditor-General for the Federation,
- Chartered Institute of Stockbrokers,
- Chartered Institute of Taxation of Nigeria,
- Ministry charged with the responsibility of supervising the activities of the Council,
- Ministry charged with the responsibility for finance,
- Nigerian Accounting Association,
- Nigerian Institute of Estate Surveyors and Valuers,
- Institute of Directors of Nigeria, and
- Office of the Accountant-General of the Federation; and

c) The Executive Secretary of the Council -

The Council currently has no governing Board members as at the time of finalising these audited financial statements.

FINANCIAL REPORTING COUNCIL OF NIGERIA

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

5. Staff Development, Health and Safety

The Council is committed to keeping staff abreast of developments in the industry, financial reporting and corporate governance as well as in the professions. During the year, the Council utilised the services of several providers for in-house and external training courses for all categories of staff. Council places a premium on the well-being and safety of staff in the workplace and accordingly, provides insurance plans for access to medical facilities by employees and their families.

6. Governance

Corporate Governance Committee: which supports the Board in ensuring good corporate governance practices in Nigeria. The Committee is also tasked with ensuring that individual Board Members have the skill and competencies to perform their roles and thereby ensure exemplary corporate governance by the Council.

The Council currently has no governing Board members as at the time of finalising these audited financial statements.

7. Responsibility in Relation to the Financial Statements

The Financial Reporting Council of Nigeria Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of the financial affairs of the Council at the end of the year and of its surplus or deficit. The responsibilities include ensuring that the Council:

- i. Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Council;
- ii. Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- iii. Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

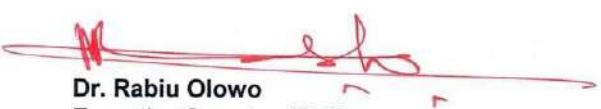
The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with International Financial Reporting Standards and the requirements of the Financial Reporting Council of Nigeria Act.

The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as an adequate systems of internal control.

Nothing has come to the attention of the directors to indicate that the Council will not remain a going concern for at least twelve months from the date of issuance of these financial statements.

8. Independent auditor

PKF Professional Services have indicated their willingness to continue in office.



Dr. Rabiul Olowo

Executive Secretary/CEO

FRC/2020/PRO/ICAN/008/00000021804

Dated: 18 June 2024

Independent Auditor's Report

To the members of Financial Reporting Council of Nigeria

Opinion

We have audited the financial statements of Financial Reporting Council of Nigeria (the Council), which comprise the statement of financial position as at 31 December 2023, the statement of surplus or deficit, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at 31 December 2023, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs), and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Council in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our performing the audit of the financial statements of Financial Reporting Council of Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's statement, Directors' Report and Directors' Responsibilities but does not include the financial statements and our auditor's report thereon.

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

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

Based on the work we have performed, we conclude that there is no material misstatement of this other information we are required to report on. We have nothing to report in this regard.

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

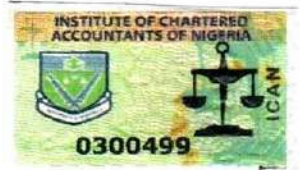
Report on other Legal and Regulatory Requirements

In accordance with the requirement of the fifth schedule of the Companies and Allied Matters Act, 2020, we confirm that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) The Company has kept proper books of account, so far as it appears from our examination of those book;
- iii) The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.



Olatunji Ogundeyin, FCA
FRC/2013/ICAN/00000002224
For: PKF Professional Services
FRC/2023/COY/141906
Chartered Accountants
Lagos, Nigeria
Dated: 18 June 2024



FINANCIAL REPORTING COUNCIL OF NIGERIA

INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 N	2022 N
Continued operations			
Income			
Internally generated revenues	5	1,884,676,352	1,160,904,153
Other incomes	6	<u>104,037,935</u>	<u>254,499,161</u>
Gross income		1,988,714,287	1,415,403,314
Administrative expenses			
Staff costs	7	(586,877,717)	(678,442,312)
Administrative expenses	8	<u>(832,211,664)</u>	<u>(688,654,983)</u>
Net income for the year		<u>569,624,906</u>	<u>48,306,019</u>
Other comprehensive income			
Items that will not be reclassified subsequently to income statement:			
Actuarial (loss)/gain for the year		<u>(292,913,758)</u>	<u>63,809,078</u>
Other comprehensive (loss)/income for the year		<u>(292,913,758)</u>	<u>63,809,078</u>
Total comprehensive income for the year		<u><u>276,711,148</u></u>	<u><u>112,115,097</u></u>
Appropriated as follows:			
Transfer to general reserve		55,342,230	22,423,019
Transfer to Statutory Reserve		<u>221,368,918</u>	<u>89,692,078</u>
		<u><u>276,711,148</u></u>	<u><u>112,115,097</u></u>


The accompanying notes form an integral part of these financial statements.

FINANCIAL REPORTING COUNCIL OF NIGERIA

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023

	Note	2023 N	2022 N
Assets			
Non-current assets			
Property, plant and equipment	11	420,876,695	149,553,437
Right-of-use assets	12	-	54,809,410
Intangible asset	13	8,600,000	-
Account receivables	10.1	1,500,000	2,350,000
Total non-current assets		430,976,695	206,712,847
Current assets			
Account receivables	10	7,304,569	8,848,726
Other assets	14.1	136,302,866	226,670,774
Cash and cash equivalent	15	782,846,483	787,876,760
Total current assets		926,453,918	1,023,396,260
Total assets		1,357,430,613	1,230,109,107
Equity and liabilities			
Equity			
General reserve fund	16	(1,156,482,528)	(963,975,618)
Statutory reserve (CRF)	17	61,790,013	20,244,214
Total equity		(1,094,692,515)	(943,731,404)
Non-current liabilities			
IFRS Academy grant	20.1	757,860,442	766,252,132
Retirement benefit obligations	19.2	1,375,135,903	1,389,755,346
Total non-current liabilities		2,132,996,345	2,156,007,478
Current liabilities			
Retirement benefit obligations	19.2	279,676,502	2,143,300
Other liabilities	18	39,450,281	15,689,733
Total current liabilities		319,126,783	17,833,033
Total liabilities		2,452,123,128	2,173,840,511
Total equity and liabilities		1,357,430,613	1,230,109,107

The financial statements were authorized for issue on **18 June 2024** and signed on behalf of the council by:


Dr. Rabiu Olowo
Executive Secretary/CEO
 FRC/2020/PRO/ICAN/008/00000021804


Musa Kabiru Jemaku
Chief Financial Officer
 FRC/2024/PRO/ICAN/001/971519

The accompanying notes form an integral part of these financial statements.

FINANCIAL REPORTING COUNCIL OF NIGERIA

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	General reserve fund N	Statutory Reserve (CRF) N
At 1 January 2022	(1,164,355,305)	20,244,214
Changes in equity for 2022:		
Transferred from income statement and other comprehensive income	22,423,019	89,692,078
Transfer to statutory reserve (CRF)	15,285,946	(15,285,946)
Transfer from IFRS Academy Fund	162,670,722	-
Direct deduction from statutory reserve (CRF)	-	(74,406,132)
At 31 December 2022	<u>(963,975,618)</u>	<u>20,244,214</u>
At 1 January 2023	<u>(963,975,618)</u>	<u>20,244,214</u>
Changes in equity for 2023:		
Transferred from income statement and other comprehensive income	55,342,230	221,368,918
Transfer to statutory reserve (CRF)	(247,849,140)	247,849,140
Direct deduction from statutory reserve (CRF)	-	(427,672,259)
At 31 December 2023	<u>(1,156,482,528)</u>	<u>61,790,013</u>

The accompanying notes form an integral part of these financial statements.

FINANCIAL REPORTING COUNCIL OF NIGERIA

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 N	2022 N
Cash flows from operating activities			
Net income for the year		569,624,906	48,306,019
Adjustment to reconcile deficit to net cash flow from operations:			
Current service cost on retirement benefit obligations	19.1	-	97,635,520
Interest cost on retirement benefit obligations	19.1	-	163,742,280
Depreciation of property, plant and equipment	11	67,662,421	70,581,930
Depreciation of right-of-use assets	12	600,103	600,103
Impairment allowance on right-of use asset		54,209,307	-
Gain on disposal of property, plant and equipment	6	(4,788,365)	(2,228,653)
Reclassification of work-in-progress	11	(207,000,000)	-
Impairment written off/(written back)		-	142,855
Donations - (motor vehicles)		-	(32,801,500)
Cash generated from operations		480,308,372	345,978,554
Changes in assets and liabilities:			
Account receivables	10.1	2,394,157	(7,877,204)
Other assets	14	90,367,909	(207,007,444)
FIRS special grant		(8,391,690)	(25,000,000)
Accruals and other liabilities	18	23,760,548	(164,641,511)
		108,130,924	(404,526,159)
Retirement benefit obligations paid	19.1	(29,999,999)	(20,000,000)
Net cash from/(used in) operating activities		558,439,297	(78,547,605)
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment	6	5,644,126	2,228,653
Purchase of property, plant and equipment	11	(132,841,441)	(35,178,410)
Acquisition of intangible assets	13	(8,600,000)	-
Net cash used in investing activities		(135,797,315)	(32,949,757)
Cash flows from financing activities			
Direct deduction into CRF	17	(427,672,259)	(74,406,132)
Net cash used in financing activities		(427,672,259)	(74,406,132)
Net decrease in cash and cash equivalents		(5,030,277)	(185,903,494)
Cash and cash equivalents at 1 January		787,876,760	973,780,254
Cash and cash equivalents at 31 December	15	782,846,483	787,876,760

The accompanying notes form an integral part of these financial statements.

FINANCIAL REPORTING COUNCIL OF NIGERIA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

1. General Information

1.1 Reporting entity

The Financial Reporting Council of Nigeria is a regulatory agency of the Federal Government of Nigeria, supervised by the Federal Ministry of Industry, Trade and Investment. The Financial Reporting Council of Nigeria ("FRC" / "the Council") was established by the Financial Reporting Council of Nigeria Act of 2011 as amended.

1.2 Corporate office

The Council's registered office is at 4th & 5th floor, Plot 8 Block K, Otunba Jobi Fele Way, Alausa, Ikeja, Lagos.

1.3 Principal Activities

The principal activities of the Council includes among other things, developing and publishing accounting and financial reporting standards to be observed in the preparation of financial statements of public interest entities in Nigeria; and for related matters.

The statutory objectives of the Council are to:

- a) Protect the interest of investors and other stakeholders;
- b) Give guidance on issues relating to financial reporting and corporate governance;
- c) Ensure good corporate governance practices in the public and private sectors of the Nigerian economy;
- d) Ensure accuracy and reliability of financial reports and disclosures, pursuant to various laws and regulations, and
- e) Harmonize activities of professional and regulatory bodies relating to corporate governance and financial reporting.

2. Basis of preparation

2.1 Statement of compliance with IFRSs

The Council's financial statements for the year ended **31 December 2023** have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and in compliance with the Financial Reporting Council of Nigeria Act, No. 6, 2011. Additional information required by local regulators is included where appropriate.

2.2 Composition of Financial statements

The financial statements comprise of the statement of surplus or deficit and other comprehensive income, the statement of financial position, the statement of changes in net assets, the statement of cashflows and notes to the financial statements.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis as stated in the accounting policies, except for financial assets or liabilities, which were measured at fair value.

2.4 Going concern status

The financial statements have been prepared on a going concern basis, which assumes that the entity will be able to meet its financial obligations as and when due. There are no significant financial obligations that will impact on the entity's resources which will affect the going concern of the entity. Management is satisfied that the entity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

2.5 Functional and presentation currency

This financial statements is presented in Nigerian Naira which is the Council's functional currency. Except otherwise indicated, financial information presented in Nigeria Naira.

FINANCIAL REPORTING COUNCIL OF NIGERIA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

2.6 Critical accounting estimates and judgement

The Council makes estimate and assumption regarding the future that affects the reported amounts of assets and liabilities. Estimates and judgment are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumption.

The effect of a change in an accounting estimate is recognized prospectively by including it in the comprehensive income in the period of the change if the change affects that period only or in the period of change and future period, if the change affects both.

The estimates and assumptions that have significant risks of causing material adjustment to the carrying amount of asset and liabilities within the next financial are discussed below:

a) Determination of impairment of property and equipment, and intangible assets

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exist.

b) Asset useful lives and residual value:

Property, plant and equipment are depreciated over their useful lives, taking into account residual values where appropriate. The actual useful lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset useful lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the assets and projected disposal values.

c) Provisions/Contingencies

Provisions are liabilities of uncertain timing and are recognised when the entity has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount that has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

d) Amounts payable to government's consolidated revenue fund

As a government agency, the Fiscal Responsibility Act requires the Council to transfer one fifth of its annual operating surplus to its general reserve fund, and to transfer the balance of the annual operating surplus to the Federal Government's Consolidated Revenue Fund (CRF). There are however, related guidelines and templates by the Fiscal Responsibility Commission as well as the Federal Ministry of Finance as to the determination of operating surplus, which may differ from the surplus or loss shown in the statement of surplus or loss, and on which largely, the Council determines the amount payable from its annual operating surplus, to the CRF.

e) Re-measurement of staff loan

Staff loan has been re-measured at amortised cost using and effective interest rate as required by IFRS. The determination of effective interest rate is based on prime lending rates as at 31 December 2022.

FINANCIAL REPORTING COUNCIL OF NIGERIA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

f) Allowances on staff costs

In assessing collective impairment, the Council uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in income statement and reflected in an allowance account against receivables. Interest on the impaired asset where applicable continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through statement of surplus or deficit and other comprehensive income.

3) New Standards, amendments, interpretations adopted by the Council.

3.1 IFRS 17 Insurance Contracts

IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows
- an explicit risk adjustment, and
- a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for eligible groups of insurance contracts, which are often written by non-life insurers. There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items.

When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features. Targeted amendments made in July 2020 aimed to ease the implementation of the standard by reducing implementation costs and making it easier for entities to explain the results from applying IFRS 17 to investors and others. The amendments also deferred the application date of IFRS 17 to 1 January 2023.

The effective date of the standard is for years beginning on or after 1 January 2023. The amendment did not have any impact on the amount recognised in the prior periods or current period.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

3.2 Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The IASB amended IAS 1 Presentation of Financial Statements to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The effective date of the standard is for years beginning on or after 1 January 2023. The amendment did not have any impact on the amount recognised in the prior periods or current period.

Definition of Accounting Estimates – Amendments to IAS 8

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The effective date of the standard is for years beginning on or after 1 January 2023.

The amendment did not have any impact on the amount recognised in the prior periods or current period.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences, and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in the opening balance of retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects on balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The effective date of the standard is for years beginning on or after 1 January 2023. The amendment did not have any impact on the amount recognised in prior periods or current period.

FINANCIAL REPORTING COUNCIL OF NIGERIA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

OECD Pillar Two Rules

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released the Pillar Two model rules (the Global Anti Base Erosion Proposal, or 'GloBE') to reform international corporate taxation. Large multinational enterprises within the scope of the rules are required to calculate their GloBE effective tax rate for each jurisdiction where they operate. They will be liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate. In May 2023, the IASB made narrow-scope amendments to IAS 12 which provide a temporary relief from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments also require affected companies to disclose:

- the fact that they have applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes
- their current tax expense (if any) related to the Pillar Two income taxes, and
- during the period between the legislation being enacted or substantially enacted and the legislation becoming effective, known or reasonably estimable information that would help users of financial statements to understand an entity's exposure to Pillar Two income taxes arising from that legislation. If this information is not known or reasonably estimable, entities are instead required to disclose a statement to that effect and information about their progress in assessing the exposure.

The effective date of the standard is for years beginning on or after 1 January 2023.

The amendment did not have any impact on the amount recognised in the prior periods or current period

ii) **New Standards, amendments, interpretations issued but not yet effective.**

Classification of Liabilities as Current or Non-current – Amendments to IAS 1 Non-current Liabilities with Covenants – Amendments to IAS 1

Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date. The amendments require disclosures if an entity classifies a liability as non current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note. The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

The effective date of the standard is for years beginning on or after 1 January 2024.

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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

Supplier finance arrangements – Amendments to IAS 7 and IFRS 7

Formation needs. The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk. The new disclosures include information about the following: The terms and conditions of SFAs.

1. The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented.
2. The carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers.
3. The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
4. Non-cash changes in the carrying amounts of financial liabilities in (b).
5. Access to SFA facilities and concentration of liquidity risk with finance providers.

Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December 2024 year-ends, unless an entity has a financial year of less than 12 months.

The effective date of the standard is for years beginning on or after 1 January 2024.

The amendment is not expected to have any impact on the amounts recognised in the entity's financial statements

Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28

The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively.

In December 2015, the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.

The effective date of the standard is for years beginning on or after 1 January 2024.

The amendment is not expected to have any impact on the amounts recognised in the financial

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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

Lease Liability in a Sale and Leaseback - Amendments to IFRS 16

In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The effective date of the amendments is for years beginning on or after 1 January 2024.

The amendments are not expected to have any impact on the amounts recognised in the financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current: In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments became effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

Definition of Accounting Estimates - Amendments to IAS 8: In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

Definition of Accounting Policies- Amendments to IAS 1 and IFRS Practice Statement 2: In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

**NOTES TO THE FINANCIAL STATEMENTS
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Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12: On 7 May 2021, the IASB issued Deferred Tax related to Assets and Liabilities arising from a Single Transaction, an amendment to IAS 12 that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The main change in this amendment is an exemption from the initial recognition exemption provided in paragraph 15(b) and 24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. This is also explained in the newly inserted paragraph IAS 12.22A.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Early adoption is permitted.

The Council is yet to assess the impact of these amendments on its financial statements.

4. Summary of material accounting policies

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

4.1 Revenue recognition

Revenue from services rendered is recognised in the statement of surplus or deficit and other comprehensive income in proportion to the stage of completion of the transaction at the reporting date. The principal revenue sources of the Council are as follows:

a) Annual levies

Annual levies are payable by registered professionals, quoted companies, public interest and other entities as required by Section 33 of the Financial Reporting Council Act. Subscriptions are payable annually by member organisations of the Council as defined in Section 2 of the Act. Levies and subscriptions are recognised upon collection.

b) Budgetary Allocations and Subventions

Budgetary allocations and subventions from government are accounted for on receipt.

c) Fines and Penalties

Fines and penalties are sanctions imposed by the Council and are recognised upon collection.

d) Fees from services rendered

The Council's services include consultancy services, training through workshops, seminars and conferences and are recognised upon rendering of service.

e) Grants

Grants include gifts and donations which are voluntary transfer of economic resources by persons and/or entities, public or private, to the Council without any compensation.

Grant revenue may be restricted or unrestricted. Restricted grant revenue arises from a transfer of resources to the Council in return for past or future compliance relating to its operating activities. Unrestricted grant revenue arises from the unconditional transfer of cash or other assets to the Council.

Cash grants are recorded at the face value of the cash received. Grant revenue, including non-monetary grants at fair value, is not recognised until there is reasonable assurance that the Council will comply with the conditions attaching to them and the grants will be received. Grants are recognised as revenue over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

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Grants relating to assets, including non-monetary grants at fair value are presented in the Statement of Financial Position by setting up the grant as deferred revenue (and recognising the revenue on a systematic and rational basis over the life of the asset). Grants-in-kind are recorded at the fair value of the assets (or services) received or promised, or the fair value of the liabilities satisfied.

4.2 Other income

Other income comprises registration services, sale of scraps, interest on staff loans and sale of publications.

4.3 Foreign currency translation

Transactions in foreign currencies are translated at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rates at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currencies are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the date when the fair value is determined. The gain or loss on translation of non-monetary items measured at fair value is treated similar to changes in the fair value of the items.

4.4 Financial instruments

Financial instruments carried at statement of financial position date include receivables, cash and cash equivalents, and payables. Financial instruments are recognised initially at fair value, plus, any directly attributable transaction costs except for financial instruments classified as at fair value through profit or loss, which are initially measured at fair value excluding transaction cost.

4.4.1 Offsetting

An entity shall not offset assets and liabilities or income and expenses unless required or permitted by an IFRS. Both assets and liabilities, income and expenses are reported separately as required by the IAS 1.

4.4.2 Classification of Financial Instruments

IFRS 9 distinguishes three different financial instruments, namely debt instruments, derivatives and equity instruments. Debt instruments are contractual obligations of the issuer to repay the lender in accordance with a specified maturity and under the contractual terms. Derivatives are financial contracts that derive their value from one or more underlying assets. The last category is equity instruments, these are contracts that act as legally recognised evidence of ownership rights in an enterprise.

4.4.3 Measurement of Financial Instruments

The Council recognises three different accounting policies for financial instruments. These principles determine the value of the financial instruments on the balance sheet.

- * Amortised cost price
- * Fair value through comprehensive income
- * Fair value through profit or loss.

4.4.4 Debt instruments

Amortised Cost – Debt instrument is measured at amortised cost where the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is calculated using the effective interest method and is recognized in profit and loss. Changes in fair value are recognized in profit and loss when the asset is derecognized or reclassified.

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Fair value through other comprehensive income (FVOCI) - Debt instrument are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

The asset is measured at fair value. Loans and receivables, Interest revenue, impairment gains and losses, and a portion of foreign exchange gains and losses, are recognized in profit and loss on the same basis as for Amortized Cost assets. Changes in fair value are recognized initially in Other Comprehensive Income (OCI). When the asset is derecognized or reclassified, changes in fair value previously recognized in OCI and accumulated in equity are reclassified to profit and loss on a basis that always results in an asset measured at FVOCI having the same effect on profit and loss as if it were measured at Amortized Cost.

4.4.5 Fair value through profit or loss (FVTPL) – Instruments that are not held in one of the two business models mentioned are measured at fair value through profit or loss. Changes in fair value are recognized in profit and loss as they arise.

4.4.6 Equity instruments and derivatives

Equity instruments and derivatives are measured at FVTPL. However, on initial recognition, the Council may make an irrevocable election (on an instrument-by-instrument basis) to present in OCI the subsequent changes in the fair value of an investment in an equity instrument within the scope of IFRS 9. This option only applies to instruments that are neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies. Dividends are recognized when the entity's right to receive payment is established, it is probable the economic benefits will flow to the entity and the amount can be measured reliably. Dividends are recognized in profit and loss unless they clearly represent recovery of a part of the cost of the investment, in which case they are included in OCI. Changes in fair value are recognized in OCI and are never recycled to profit and loss, even if the asset is sold or impaired.

4.4.7 Write-off

When the Council has no reasonable expectations of recovery, a write-off event occurs. A write-off constitutes a derecognition event (either in full or in part). Therefore the gross carrying amount of a financial asset is reduced by the amount of the write-off that has been recognised in profit or loss.

4.4.8 Financial Liabilities

Initial Recognition

Financial liability are recognized when and only when the entity becomes a party to the contractual provision of the instrument. Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge. All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable transaction costs.

The Council's financial liabilities include trade and other payables, loans and borrowings including bank overdraft.

4.4.9 Subsequent Measurement

A financial liability subsequently measured based on their classification. A financial liability is classified at fair value through profit or loss if it meets one of the following conditions:

- It is held for trading, or
- It is designated by the entity as at fair value through profit or loss (note that such a designation is only permitted if specified conditions are met).

A financial liability is held for trading if it meets one of the following conditions:

- It is incurred principally for the purpose of repurchasing it in the near term;
- On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

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Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

4.4.10 Derecognition of Financial Instrument

The Council derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of the ownership of the asset to another entity. If the Council neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Council recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

Cash and cash equivalents include balances held in the Treasury Single Account (TSA) with the Central Bank of Nigeria (CBN) and cash on hand. Funds held with CBN includes funds of the council and the IFRS Academic funds monies. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

4.5 Property, plant and equipment

4.5.1 Initial costs

Property and equipment comprise land and other properties owned by the Council.

Items of Property and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

4.5.2 Subsequent costs

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

4.5.3 Depreciation of property, plant and equipment

Depreciation is provided on all property, plant and equipment on straight line basis at rates calculated to write-off the cost less estimated residual value over their expected useful lives as follows:

Class of assets	Useful lives
Land	99 years
Office improvement	4 years
Furniture and Fittings	5 - 10 years
Motor Vehicles/motorcycles	5 years
Computer Equipment	3 years
Office equipment	5 - 10 years
Library books	3 - 5 years

Depreciation of property, plant and equipment commence when they are available for use. Depreciation ceases at the earlier of the date an asset is classified as held for sale and the date it is derecognised. Depreciation methods, useful lives and residual values are reviewed at each year-end and adjusted as appropriate. Where there are changes, they are accounted for as changes in estimates.

If events or changes in circumstances indicate that carrying values may not be recoverable then carrying values are reviewed for impairment. The gain or loss arising on the disposal or retirement of an asset is recognised in the Statement of surplus or deficit.

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4.5.4 De-recognition

Upon disposal of any item of property, plant and equipment or no future economic benefit is expected to flow from its use, such items are derecognized from the books. Gains or losses on disposal of assets are determined by comparing proceeds with carrying amounts and are recognized in the statement of surplus or deficit in the year of de-recognition.

4.5.5 Capital work-in-progress

Capital work-in-progress consists of on-going works that are not depreciable and will be transferred to the relevant property, plant and equipment categories upon completion.

4.6 Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are shown at historical cost less accumulated amortization and impairment losses.

Amortization is charged to profit or loss on a straight-line basis over the estimated useful lives of the intangible asset unless such lives are indefinite. These charges are included in other expenses in profit or loss. Intangible assets with an indefinite useful life are tested for impairment annually. Amortization periods and methods are reviewed annually and adjusted if appropriate.

4.7 Leases

Contracts are assessed at inception to ascertain whether it is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A single recognition and measurement approach is adopted for all leases, except for short-term leases and leases of low-value assets. The Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

Right-of-use assets is recognized at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

If ownership of the leased asset transfers to the Council at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities

At the commencement date of the lease, the Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Council and payments of penalties for terminating the lease, if the lease term reflects the Council exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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In calculating the present value of lease payments, the Council uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Council applies the short-term lease recognition exemption to its short-term leases of buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Council does not have any leased assets categorised as low-value assets. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

4.8 Inventories

Inventories are measured at the lower of cost and net realisable value. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses. The cost of inventories is recognised based on the first-in-first-out method, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

4.9 Taxation

In line with the provisions of the Financial Reporting Council of Nigeria Act No.6 of 2011, the Council shall be exempt from the payment of income tax on any income accruing from investments made by the Council. The provisions of any enactment relating to the taxation of companies or trust funds shall not apply to the Council.

4.10 Value added tax

Non-recoverable VAT paid in respect of an item of non capital nature is written off to statement of surplus or deficit. Non-recoverable VAT paid in respect of fixed assets is capitalised as part of the cost of fixed assets. The net amount owing to or due from the tax authority is included in receivables or payables.

4.11 Provisions and contingencies

Provisions

The Council recognises provisions when the following three conditions are met:

- The Council has a present legal or constructive obligation as a result of past events;
- It is probable that an outflow of economic resources will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

The amount of the provision represents the best estimate of the expenditure required to settle the obligation at the end of the reporting period.

a) Contingent liabilities

Contingent liabilities, including liabilities that are not probable or which cannot be measured reliably are not recognised, but are disclosed unless the possibility of settlement is considered remote.

b) Contingent assets

Contingent assets are not recognised, but are disclosed where an inflow of economic benefits is probable.

c) Litigation costs

Litigation costs are included in the accounts on an accrual basis. Provision is made for the future costs of any litigation only where the costs are unavoidable and represent a present obligation at the reporting date.

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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

4.12 General reserve fund

General reserve fund is the residual interest in the Council's assets after all liabilities are deducted.

The overall change in net assets represents the total surplus or deficit generated by the Council during the period as determined by the particular measurement principles adopted and disclosed in the financial statements.

4.13 Employee benefits

i) Retirement benefits

The Council operates a defined contribution retirement benefit scheme for staff, in accordance with the Pension Reform Act 2014, with employees contributing 8% of their relevant emoluments and the Council as employer, making a matching 10% contribution. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the periods during which services are rendered by employees.

In addition, Council operates a defined benefit plan under which qualified employees are entitled to a lump-sum gratuity payment as provided in the Staff Conditions of Service. The liability under this scheme is determined using the projected unit credit method. Actuarial gains and losses for this benefit are recognised in full in the period they arise, in other comprehensive income. Such actuarial gains and losses are also immediately recognised in accumulated surplus and are not reclassified into the income statement in subsequent periods. The Council engaged Giants Consultants Limited - FRC/2023/COY/335546 (Odulana Femi Odotola FRCN/2013/NAS/00000001320) as an Independent Actuary for year 2022.

ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus plan if the Council has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

	2023 N	2022 N
5. Internally generated revenue		
Penalties	918,992,445	425,778,453
Annual dues	768,032,899	488,510,312
Registration fee	104,483,106	143,417,017
Seminar	50,534,798	63,055,684
Consultancy	42,633,104	40,142,687
	<u>1,884,676,352</u>	<u>1,160,904,153</u>
6. Other income		
Grants and subvention	56,814,754	251,794,755
Donations received (Note 6.1)	37,001,600	-
Gain on disposal of property, plant and equipment	4,788,365	2,228,653
Tenders fees	5,089,761	-
Sale of sundry scrap	343,455	-
Others	-	475,753
	<u>104,037,935</u>	<u>254,499,161</u>

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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

	2023 N	2022 N
6.1 Donations received		
The following are the donors and the amount received:		
Polaris Bank		25,000,000
ACCA Nigeria		3,000,000
Nigerian Institute of Estate Surveyor		5,000,000
Institute of Chartered Accountant of Nigeria		<u>4,001,600</u>
		<u>37,001,600</u>
7. Staff costs		
Salary and allowances	532,932,266	416,958,759
Pension and severance allowance	53,915,451	261,377,800
Medical expenses	<u>30,000</u>	<u>105,753</u>
	<u>586,877,717</u>	<u>678,442,312</u>
8. Administrative expenses		
Conferences and seminars	16,187,322	140,098,420
Adverts and public relations	26,294,129	78,723,725
Standard regulations settings	61,839,359	-
Consultancy services	30,667,000	5,108,081
Donations (Note 8.1)	6,050,000	-
Electricity, water and sanitation	11,100,740	-
Education research and development	120,832,732	-
Entertainment, newspaper and welfare	84,907,987	-
General office	4,270,530	-
Training and staff development	19,350,697	86,057,041
Travelling expenses	93,080,122	78,235,028
Repairs and maintenance	73,078,815	54,625,379
Legal fees	4,654,504	2,262,500
Postages and telephone	41,420,316	48,140,719
Printing and stationery	12,791,631	10,825,778
Depreciation of property, plant and equipment	67,662,421	70,581,930
Depreciation of right-of-use assets	600,103	600,103
Office rent	70,706,932	85,231,751
Board expenses	-	260,129
Auditor's remuneration	5,000,000	5,000,000
Auditor expenses	18,561,365	12,609,095
Insurance	1,124,345	2,244,327
Impairment allowance on right-of-use-asset	54,209,307	-
Impairment charge on staff loan	-	250,000
Service charges	1,313,639	450,179
Other admin expense	1,306,667	-
Security personnel	<u>5,201,003</u>	<u>7,350,798</u>
	<u>832,211,664</u>	<u>688,654,983</u>

FINANCIAL REPORTING COUNCIL OF NIGERIA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

	2023 N	2022 N
8.1 Donations		
The following are the donees and the amount donated to them:		
Federal Ministry of Industry, Trade and Investment		3,500,000
M. El Yakubu Investment		150,000
AUPTRE		200,000
Federal Ministry of Industry, Trade and Investment		1,000,000
NSCDC		1,200,000
		<u>6,050,000</u>
Provision of non-audit service		
8.2 The Firm did not provide any non-audit services to the Council during the year under review.		
9. Income tax		
The Council is tax-exempt under the Financial Reporting Council of Nigeria (Amendment) Act 2023.		
10. Account receivable		
Staff loans	3,342,666	8,998,726
Staff cash advance	<u>5,461,903</u>	<u>2,450,000</u>
Gross account receivables	8,804,569	11,448,726
Impairment on account receivables (Note 10.2)	<u>-</u>	<u>(250,000)</u>
Net carrying amount	<u>8,804,569</u>	<u>11,198,726</u>
10.1 Analysis by tenor-gross:		
Non-current	1,500,000	2,350,000
Current	<u>7,304,569</u>	<u>8,848,726</u>
	<u>8,804,569</u>	<u>11,198,726</u>
10.2 Impairment allowance on account receivables		
At 1 January	250,000	107,145
Write back in the year	<u>(250,000)</u>	<u>142,855</u>
At 31 December	<u>-</u>	<u>250,000</u>

FINANCIAL REPORTING COUNCIL OF NIGERIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

11. Property, plant and equipment

Costs:	Computer equipment	Motor Vehicle	Motorcycles	Furniture & fittings	Office equipment	Office Improvement	Library Books	Capital work- In-Progress	Total
	N	N	N	N	N	N	N	N	N
At 1 January 2022	78,704,485	172,775,432	450,000	38,626,634	59,710,695	68,489,467	1,842,936	-	419,599,649
Additions	25,635,702	32,801,500	390,000	-	8,952,708	-	-	-	67,979,910
Disposals	(561,750)	(5,635,000)	(450,000)	-	-	-	-	-	(6,646,750)
At 31 December 2022	103,678,437	199,941,932	390,000	38,626,634	67,663,403	68,489,467	1,842,936	-	480,932,809
At 1 January 2023	103,678,437	199,941,932	390,000	38,626,634	67,663,403	68,489,467	1,842,936	-	480,932,809
Additions	14,286,817	93,600,000	-	24,994,624	-	-	60,000	-	132,841,441
Reclassified	-	-	-	67,663,403	(67,663,403)	-	-	207,000,000	207,000,000
Disposals	(2,913,500)	(62,842,500)	-	(4,968,775)	-	-	-	-	(70,724,775)
At 31 December 2023	115,351,754	230,599,432	390,000	126,315,886	-	68,489,467	1,902,936	207,000,000	750,049,475
Accumulated depreciation/ impairment									
At 1 January 2022	52,746,238	126,825,790	450,000	16,960,787	36,115,544	34,069,393	276,440	-	267,444,192
Charge for the year	13,362,231	32,477,108	71,500	3,584,898	3,595,239	17,122,367	368,587	-	70,581,930
Disposals	(561,750)	(5,635,000)	(450,000)	-	-	-	-	-	(6,646,750)
At 31 December 2022	65,546,719	153,667,898	71,500	20,545,685	39,710,783	51,191,760	645,027	-	331,379,372
At 1 January 2023	65,546,719	153,667,898	71,500	20,545,685	39,710,783	51,191,760	645,027	-	331,379,372
Charge for the year	20,044,635	23,236,526	78,000	9,058,221	-	14,874,452	370,587	-	67,662,421
Reclassified	-	-	-	39,710,783	(39,710,783)	-	-	-	-
Disposals	(2,915,000)	(62,842,500)	-	(4,111,513)	-	-	-	-	(69,869,013)
At 31 December 2023	82,676,354	114,061,924	149,500	65,203,176	-	66,066,212	1,015,614	-	329,172,780
Carrying amount:									
At 31 December 2023	32,675,400	116,537,508	240,500	61,112,710	-	2,423,255	887,322	207,000,000	420,876,895
At 31 December 2022	38,431,718	46,274,034	318,500	18,080,949	27,952,620	17,297,707	1,197,909	-	149,553,437

11.1 The depreciation charge for the year was included in the statement of profit or loss accounts and other comprehensive income.

11.2 None of the Council's property and equipment has been pledged as collateral for borrowings.

11.3 There is no impairment charge during the year.

11.4 Capital work-in-progress : This is the payment made to Federal Ministry of Justice in respect of a property located at Lekki Peninsula, Lagos. The council has the intention of further developing the property before being used. The asset was reclassified from other current assets during the year under review.

FINANCIAL REPORTING COUNCIL OF NIGERIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

12 Right-of-use assets

Costs:

At 1 January 2022

Depreciation expense

At 31 December 2022

At 1 January 2023

Depreciation expense

Impairment

At 31 December 2023

LAND
N

55,409,513

(600,103)

54,809,410

54,809,410

(600,103)

(54,209,307)

-

Amount recognised in the statement of profit or loss

2022

Depreciation

600,103

2023

Depreciation

600,103

Impairment allowance

54,209,307

Total amount included the in profit or loss account

54,809,410

The total cash outflows to lease during the year was nil (2022: Nil)

12.1 Right-of-use land was acquired as leasehold land by the Financial Reporting Council of Nigeria. Having considered the current status of the land, it was considered that the land has no recoverable value, and as such has been impaired.

	FRCN registration portal N'000	Total N'000
13. Intangible assets - Company		
Cost:		
At 1 January 2023	-	-
Additions	8,600,000	8,600,000
At 31 December 2023	8,600,000	8,600,000
Carrying amount:		
At 31 December 2023	8,600,000	8,600,000

13.1 The intangible assets is the Financial Reporting Council (FRCN) of Nigeria's registration and filing portal internally developed by Procentriciq Limited with design, development and implementation of the portal done in 2022. The FRCN has full control over the use and has an exclusive right to derive future benefit therefrom.

13.2. FRCN has an indefinite right to enjoy future benefit from the use of the portal.

13.3 The portal is not amortised, but can only be tested for impairment. No impairment charge was passed during the year.

FINANCIAL REPORTING COUNCIL OF NIGERIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 N	2022 N
14. Other assets		
Prepaid rent and rates	106,932,903	18,980,770
Prepaid insurance	5,040,007	690,004
Payment on account (Note 11.4)	-	207,000,000
Sundry prepayment	<u>24,329,956</u>	<u>-</u>
	<u>136,302,866</u>	<u>226,670,774</u>
14.1 Analysis by tenor:		
Non-current	-	-
Current	<u>136,302,866</u>	<u>226,670,774</u>
	<u>136,302,866</u>	<u>226,670,774</u>
14.2 This is the payment made to Federal Ministry of Justice in respect of a property located at Lekki, Peninsula, Lagos. The council has the intention of further developing the property before being used. The asset has been reclassified to capital work-in-progress under property, plant and equipment.		
15. Cash and bank balances		
a) Cash	416,833	60,000
b) Current accounts with Central Bank of Nigeria:		
- Treasury Single Account - TSA	16,617,251	13,288,336
- Naira Transit	<u>7,951,957</u>	<u>8,276,292</u>
	<u>24,986,041</u>	<u>21,624,628</u>
c) IFIRS Special Grant		
- IFIRS Academy Fund	766,252,132	953,922,854
- FIRS Special Grant (Note 15.1)	-	(25,000,000)
- Other Inflows to IFIRS Academy Account	3,191,071	14,340,834
- Utilised during the year	<u>(11,582,762)</u>	<u>(177,011,556)</u>
	<u>757,860,442</u>	<u>766,252,132</u>
Total Cash and cash equivalent as per cash flows	<u>782,846,483</u>	<u>787,876,760</u>
15.1 FIRS Special Grant		
A sum of N11,582,762 was utilised from the FIRS Special Grant during the year (2022: N177,011,556), with a corresponding inflows of N3,191,071 (N14,340,834)		
16. General reserve fund		
At 1 January	(963,975,618)	(1,164,355,305)
Transferred from income statement and other comprehensive income	55,342,230	22,423,019
Transfer to statutory reserve (CRF)	(247,849,140)	15,285,946
Transfer from IFIRS Academy Fund	-	162,670,722
At 31 December	<u>(1,156,482,528)</u>	<u>(963,975,618)</u>

FINANCIAL REPORTING COUNCIL OF NIGERIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 N	2022 N
17. Statutory reserve (CRF)		
At 1 January	20,244,214	20,244,214
Transferred from income statement and other comprehensive income	221,368,918	89,692,078
Transfer to statutory reserve (CRF)	247,849,140	(15,285,946)
Direct deduction from CRF/remittances to CRF	<u>(427,672,259)</u>	<u>(74,406,132)</u>
At 31 December	<u>61,790,013</u>	<u>20,244,214</u>
 17.1 The Fiscal Responsibility Act requires the Council to remit 80% of its annual operating surplus to the Consolidated Revenue Fund (CRF). Periodically however, the Council makes advance and provisional remittances to CRF. The amount payable to CRF for the year as recognised above is estimated in accordance with the Fiscal Responsibility Commission's guidelines as follows:		
Operating surplus for the year	569,624,906	48,306,019
Add back:		
i) Unallowable provision - loss on disposal of fixed assets	-	-
ii) Write-off of obsolete property and equipment (Note 14)	-	-
iii) Excess depreciation/amortisation (Note 9)	67,662,421	70,581,930
iv) Donations	6,050,000	-
v) Capital expenditure	-	-
vi) Benefits-in-kind	-	-
vii) Political expenses	-	-
viii) Subscriptions	-	-
ix) Unbudgeted expenses	-	-
x) Undisclosed income	-	-
xi) Bank charges	-	-
Deduct:		
i) Under depreciation/amortisation	-	-
ii) Approved expenditure - capital expenditure	<u>(56,814,754)</u>	<u>(141,981,699)</u>
Operating surplus/(deficit)	<u>586,522,573</u>	<u>(23,093,750)</u>
Payable to consolidated revenue fund	80% 469,218,058	-
Add: Under-provision in prior years	<u>-</u>	<u>-</u>
	<u>469,218,058</u>	<u>-</u>
 18. Other liabilities		
Accrued expenses	20,835,927	15,614,728
VAT payable	8,293,014	-
WHT and PAYE	7,591,485	-
Other payables	<u>2,729,855</u>	<u>75,005</u>
	<u>39,450,281</u>	<u>15,689,733</u>

FINANCIAL REPORTING COUNCIL OF NIGERIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

19. Retirement Benefits obligations

a) Defined Contribution Plan

The council operates a defined contributory staff pension scheme in line with the Pensions Reform Act 2014. The Scheme is administered by designated Pension Fund Administrators (PFAs). The Council contributes 10% of employees emoluments while employees contribute 8% of same, with the contributions remitted to the designated PFAs montly.

The total expense recognised in the statement of surplus or deficit represents the annual contribution payable by the Council at rate specified above, while any related amounts in the statement of financial position represented unremitted contributions at the respective period end.

b) Defined Benefit Plan

The Council operates a defined benefit gratuity scheme with benefits provided based on length of service and salary at the time of retirement. The scheme is therefore exposed to inflation and interest rate risks as well as changes in the life expectancy of covered employees, and the liability is actuarially determined using the projected income method.

The following table summarises the components of the net benefit expense recognised in profit or loss, the actuarial gain/loss recognised in OCI and the amounts recognised in the statement of financial position.

	2023 N	2022 N
19.1 Retirement benefit obligation movement		
At 1 January	1,391,898,646	1,214,329,924
Payment during the year	(29,999,999)	(20,000,000)
Benefit cost for the year:		
Current service cost	-	97,635,520
Interest cost	-	163,742,280
Net amount recognised in surplus or deficit	-	261,377,800
Actuarial (loss)/gain recognised in other comprehensive income	292,913,758	(63,809,078)
	292,913,758	197,568,722
At 31 December	1,654,812,405	1,391,898,646
19.2 Analysis by tenure:		
Non-current	1,375,135,903	1,389,755,346
Current	279,676,502	2,143,300
	1,654,812,405	1,391,898,646

FINANCIAL REPORTING COUNCIL OF NIGERIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 %	2022 %
19.3 Sensitivity analysis		
The sensitivity of the retirement benefit obligation as of 31 December 2023, to changes in discount rate and salary increase assumptions is as follows:		
Effect of increase or decrease in the discount rate	13.0	13.0
Effect of increase or decrease in salary increase rate	20.0	20.0
Effect of increase or decrease in inflation rate	<u>12.0</u>	<u>12.0</u>

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The obligation amount set out above is based on a number of assumptions and therefore, could turn out to be overstated or understated depending on the extent to which actual experience differs from the assumptions used. The obligation was recalculated to show the effect of:

- The discount rate assumption on the obligation by adding and subtracting 1% to the discount rate.
- The salary increase assumption on the obligation by adding and subtracting 1% to the salary increase rate and;
- The mortality assumption on the defined benefit obligation by adding and subtracting 1 year to the age rating.

20. IFRS Academy

In May 2011, the Council embarked on a fund raising drive for a specialised training centre (the "IFRS Academy") and related resources to support adoption of international accounting standards in Nigeria. Consequently, the Council received initial grants amounting to N928,922,854 (nine hundred and twenty-eight million nine hundred and twenty-two thousand eight hundred and fifty-four naira only). The Council is in the process of forming a company ("IFRS Academy Nigeria Ltd/Gte") to carry on the business of constructing and operating the centre and the company is yet to commence operations.

Between the years 2022 and 2023, outflows of N171,062,412 were made as part payment with respect to the Council building in Lekki. This reduced the balance in the CBN - FRC - IFRS Academy Bank Account as per Note 15. There were inflows to the tune of N14,340,835 in this account during the year. These inflows were neither grants nor subventions, which will be later reclassified to CBN TSA Bank Account.

The balance in the CBN - FRC - IFRS Academy Account as at 31st December 2023 was N757,860,442 (2022: N766,252,132) (Note 15).

	2023 N	2022 N
20.1. Movement in IFRS Academy		
At 1 January	766,252,132	928,922,854
Transfer from IFRS Academy Fund	<u>(8,391,690)</u>	<u>(162,670,722)</u>
At 31 December	<u>757,860,442</u>	<u>766,252,132</u>

FINANCIAL REPORTING COUNCIL OF NIGERIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 N	2022 N
21		
21.1 Directors		
The remuneration paid to the directors of the Council was:		
Fees and allowances	-	-
Executive compensation	-	260,129
	<u>-</u>	<u>260,129</u>
21.2 Emoluments disclosed above include amounts paid to:		
The highest paid director	<u>28,000,000</u>	<u>28,000,000</u>
	Number	Number
21.3 Employees		
Average number of employees (by function):		
Finance & Accounts	7	8
Inspections & Monitoring	11	9
Accounting, Auditing & Actuarial Standards	14	12
Research & Policy	4	4
Corporate Governance	5	5
Human Capital Management	24	24
Information Technology	5	3
Registration	8	5
Legal and Internal Audit	4	5
Procurement	2	2
	<u>84</u>	<u>77</u>
21.4 Remuneration for the above persons was:	N	N
Salaries and wages	532,962,266	417,064,512
Retirement benefit costs	53,915,451	261,377,800
	<u>586,877,717</u>	<u>678,442,312</u>
21.5 The numbers of employees of the Council other than directors, who received (annually):	Number	Number
1,000,001 - 2,500,000	15	18
2,500,001 - 5,000,000	36	28
5,000,001 - 7,500,000	11	19
10,500,001 - 15,000,000	14	8
15,500,001 - 20,000,000	8	4
	<u>84</u>	<u>77</u>

FINANCIAL REPORTING COUNCIL OF NIGERIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

22 Contingent assets and liabilities

22.1 Pending litigation

Appeal No: CA/L/884/2014 between FRC Vs. Eko Hotels

The appeal is against the Federal High Court's decision in suit No: FHC/L/CS/1430/2012 wherein the Court held that the Defendant, now an Applicant has no legal authority to exercise any form of regulatory power over the plaintiff, which is a private company. The matter is pending at the Court of Appeal.

Appeal No: CA/LAG/CV/712/2/023 between IHS (NIG) Ltd. Vs. FRC

The appeal is against the Federal High Court's decision in suit No: FHC/L/CS/176/2021 wherein the Court upheld the Plaintiff, now the Respondent's claim that the Appellant falls within the definition and contemplation of a public interest entity and liable to pay the assessed sum as imposed. The matter is pending at the Court of Appeal. An application has been filed to dismiss the appeal lodged at the Court of Appeal Registry for lack of diligent prosecution.

22.2 Contingent liabilities

The Council is not subjected to claim and other liabilities from litigation and legal action arising from ordinary course of business as at 31 December 2023, (31 December 2022 : Nil).

23. Capital Commitments

The Council has no contingent liabilities as at 31 December 2023, (31 December 2022 : Nil).

24. Events after reporting date

There were no significant events after the statement of financial position date which would have had a material effect on the state of affairs of the Council at 31 December 2023 that have not been adequately provided for or disclosed.

FINANCIAL REPORTING COUNCIL OF NIGERIA

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Other National Disclosures

FINANCIAL REPORTING COUNCIL OF NIGERIA

STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 N	%	2022 N	%
Gross revenue	1,988,714,287		1,415,403,314	
Actuarial (loss)/gain on defined benefit plan	<u>(292,913,758)</u>		<u>63,809,078</u>	
	1,695,800,529		1,479,212,392	
Operating expenses:				
Other expenses - Local	<u>(516,700,103)</u>		<u>(633,358,999)</u>	
Value added	<u>1,179,100,426</u>	<u>100</u>	<u>845,853,393</u>	<u>100</u>
Distributed as follows:				
To pay employees				
Salaries, allowances, and benefits	586,877,717	50	678,442,312	80
To pay government				
Transfer to statutory reserve (CRF)	469,218,058	39	74,406,132	9
Retained for maintenance of assets and future expansion of business				
- Depreciation and amortisation	67,662,421	6	70,581,930	8
- Retained for Council's operations	<u>55,342,230</u>	<u>5</u>	<u>22,423,019</u>	<u>3</u>
Value added	<u>1,179,100,426</u>	<u>100</u>	<u>845,853,393</u>	<u>100</u>

The value added represents the wealth created by the efforts of the Council and its employees. This statement shows the allocation of that wealth to employees, government and to the future for creation of more wealth.

FINANCIAL REPORTING COUNCIL OF NIGERIA

FINANCIAL SUMMARY

31 DECEMBER

2023
N

2022
N

2021
N

2020
N

2019
N

Statement of financial position

Assets

Property, plant and equipment	420,876,695	149,553,437	207,564,970	251,231,788	247,200,962
Right-of-use assets	-	54,809,410	-	-	-
Intangible asset	8,600,000	-	-	-	-
Account receivables	8,804,569	11,198,726	3,464,378	4,874,496	14,869,538
Other assets	136,302,866	226,670,774	19,663,329	28,709,008	75,822,757
Cash and cash equivalent	782,846,483	787,876,760	973,780,254	1,014,317,969	1,211,203,405

Total assets	1,357,430,613	1,230,109,107	1,204,472,931	1,299,133,261	1,549,096,662
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Liabilities

IFRS Academy grant	757,860,442	766,252,132	928,922,854	928,922,854	928,922,854
Other grant	-	-	25,000,000	-	-
Retirement benefit obligations	1,654,812,405	1,391,898,646	1,214,329,924	1,030,764,315	446,578,613
Accruals and other liabilities	39,450,281	15,689,733	180,331,244	102,920,603	17,067,582

Total liabilities	2,452,123,128	2,173,840,511	2,348,584,022	2,062,607,772	1,392,569,049
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Net (liabilities)/assets	(1,094,692,515)	(943,731,404)	(1,144,111,091)	(763,474,511)	156,527,613
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Represented by:

General reserve fund	(1,156,482,528)	(963,975,618)	(1,164,355,305)	(886,309,810)	108,321,907
Statutory reserve (CRF)	61,790,013	20,244,214	20,244,214	122,835,299	48,205,706

	(1,094,692,515)	(943,731,404)	(1,144,111,091)	(763,474,511)	156,527,613
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Income statement and other comprehensive income

Gross income	1,988,714,287	1,415,403,314	907,354,009	614,726,593	792,956,297
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Net income for the year	569,624,906	48,306,019	(303,576,387)	(405,258,503)	38,324,025
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Other comprehensive (loss)/income for the year	(292,913,758)	63,809,078	25,530,892	(484,743,623)	(42,595,833)
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Total comprehensive income/(loss) for the year	276,711,148	112,115,097	(278,045,495)	(890,002,126)	(4,271,808)
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