FINANCIAL REPORTING COUNCIL OF NIGERIA

ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2022

FINANCIAL REPORTING COUNCIL OF NIGERIA

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Contents | **Page**

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		
Chairman	-	Samuel Okechukwu Nzekwe, Dr.
Executive Secretary / CEO	-	Shuaibu A. Ahmed, Amb.
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

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors submit their report together with the audited financial statements for the year ended 31 December 2022.

1. Legal form
The Financial Reporting Council of Nigeria (FRC) was established in June 2011 by the Financial Reporting Council of Nigeria Act 2011. 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.

	2022 N	2021 N
3. Operating result		
The financial performance for the year is as follows:		
Subvention from government	**141,981,699**	55,877,791
Internally generated revenue (IGR)	**1,160,904,153**	849,582,486
Other income	**2,704,406**	1,893,732
Donations	**109,813,056**	-
Gross earnings	**1,415,403,314**	907,354,009
Technical and administrative expenses	**(1,367,097,295)**	(1,210,930,396)
Other comprehensive income	**63,809,078**	25,530,892
Surplus/(Deficit) for the year	**112,115,097**	(278,045,495)
Appropriated as follows:		
Consolidated revenue fund	**74,406,132**	-
General reserve	**37,708,965**	(278,045,495)
	112,115,097	(278,045,495)

4. Board
The Board members who served during the year are as follows:

1 Samuel Okechukwu Nzekwe, Dr. - Chairman
2 Shuaibu A. Ahmed, Amb. - Executive Secretary/CEO

5. Staff Development, Health and Safety
The Council is committed to keeping staff abreast of developments in 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
The Council is governed by its 23-member Board (See Section 2 (2) of the FRC Act, 2011), that meets quarterly, with any additional number of special meetings convened as required. The Board decides on policy matters and directs the general affairs of the Council, agreeing strategy and monitoring priorities and execution by management. Committees of the Board also meet regularly in line with their respective charters, to further the Board's agenda. The five committees of the Board are:

i. **Technical and Oversight Committee (TOC):** which supports the Board in fulfilling its responsibility to oversee the setting and enforcement of standards of financial reporting and corporate governance;

ii. **Finance and General Purpose Committee:** which supports the Board in overseeing the Council's financial strategy and performance;

iii. **Audit Committee:** which supports the Board in fulfilling its oversight responsibilities for the monitoring of the Council's accounting; financial reporting; internal control processes and related policies and procedures; identifying and managing risks; and audit of the Council's financial statements;

iv. **Funding and Institutional Sustainability Committee:** which supports the Board in working to achieve financial sustainability for the Council by ensuring that the funding model is fit-for-purpose, and that the Council has viable sources from which to secure the funds required for its annual operations into the foreseeable future;

v. **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.

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 it's 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 accepts 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. Auditor

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

Shuaibu A. Ahmed, Amb.
Executive Secretary/CEO
FRC/2013/ICAN/00000015060

Dated: 25 May 2023

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, which comprise the statement of financial position at 31 December 2022, the statement of surplus or deficit and other comprehensive income, 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 Financial Reporting Council of Nigeria at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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.

PKF House 205A, Ikorodu Road, Obanikoro, Lagos G.P.O. Box 2047 Marina, Lagos, Nigeria.
T: +234(0) 9030001351 I 9030001352 E-mail: info@pkf-ng.com Web: www.pkf-ng.com

Partners: TA Akande (Managing), NA Abdus-salaam, OO Ogundeyin, BO Adejayan, AA Agboola, ED Akintola, II Aremu

Offices in: Abuja, Kaduna, Kano, Jos, Port Harcourt

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 Act, No 6, 2011, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

PKF
Accountants &
business advisers

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 books,

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**
Chartered Accountants
Lagos, Nigeria
Dated: 25 May 2023

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0623514

FINANCIAL REPORTING COUNCIL OF NIGERIA

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 N	2021 N
Continued operations			
Revenue			
Government subventions	5	**141,981,699**	55,877,791
Internally generated revenues	6	**1,160,904,153**	849,582,486
Other incomes	7	**2,704,406**	1,893,732
Gross earnings		**1,305,590,258**	907,354,009
Donations	7.1	**109,813,056**	-
Operating expenses			
Technical expenses	8	**(241,598,871)**	(97,897,593)
Administrative expenses	9	**(1,125,498,424)**	(1,113,032,803)
Operating surplus / (deficit) for the year		**48,306,019**	(303,576,387)
Other Comprehensive Income			
Actuarial gain for the year	18	**63,809,078**	25,530,892
Total Comprehensive income for the year		**63,809,078**	25,530,892
Total comprehensive surplus/(deficit) for the year		**112,115,097**	(278,045,495)
Appropriated as follows:			
Transfer to general reserve	15	**37,708,965**	(278,045,495)
Transfer to Consolidated Revenue Fund	16	**74,406,132**	-
		112,115,097	(278,045,495)

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

FINANCIAL REPORTING COUNCIL OF NIGERIA

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2022

	Note	2022 N	2021 N
Assets			
Non-current assets			
Property, plant and equipment	12	**204,362,847**	207,564,970
Account receivables	11	**2,350,000**	-
Restricted bank balances	14	**766,252,132**	953,922,854
Total non-current assets		**972,964,979**	1,161,487,824
Current assets			
Account receivables	11	**8,848,726**	3,464,378
Other assets	13	**226,670,774**	19,663,329
Cash and cash equivalent	14	**21,624,628**	19,857,400
Total current assets		**257,144,128**	42,985,107
Total assets		**1,230,109,107**	1,204,472,931
Equity and liabilities			
Equity			
General reserve fund	15	**(963,975,618)**	(1,164,355,305)
Total equity		**(963,975,618)**	(1,164,355,305)
Non-current liabilities			
IFRS Academy grant	19	**766,252,132**	928,922,854
Other grant	19	-	25,000,000
Retirement benefit obligations	18	**1,389,755,346**	1,202,186,625
Total non-current liabilities		**2,156,007,478**	2,156,109,479
Current liabilities			
Retirement benefit obligations	18	**2,143,300**	12,143,299
Payable to Consolidated Revenue Fund	16	**20,244,214**	20,244,214
Accruals and other liabilities	17	**15,689,733**	180,331,244
Total current liabilities		**38,077,247**	212,718,757
Total liabilities		**2,194,084,725**	2,368,828,236
Total equity and liabilities		**1,230,109,107**	1,204,472,931

The financial statements were authorized for issue on **25 May 2023** and signed on behalf of the council by:

Shuaibu A. Ahmed
Executive Secretary/CEO
FRC/2013/ICAN/0000015060

Ibrahim Abubakar
Chief Financial Officer
FRC/2012/ANAN/00000563

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

FINANCIAL REPORTING COUNCIL OF NIGERIA

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	General reserve fund N
At 1 January 2021		(886,309,810)
Changes in net assets for 2021:		
Deficit for the year transferred to general reserves		(278,045,495)
At 31 December 2021		(1,164,355,305)
At 1 January 2022		**(1,164,355,305)**
Changes in net assets for 2022:		
Surplus for the year transferred to general reserves		**37,708,965**
Transfer from IFRS Academy Fund	19	**162,670,722**
At 31 December 2022	15	**(963,975,618)**

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 2022

	Notes	2022 N	2021 N
Cash flows from operating activities			
Surplus/(deficit) for the year		48,306,019	(303,576,387)
Adjustment to reconcile deficit to net cash flow from operations:			
Current service cost on retirement benefit obligations	18	97,635,520	122,305,477
Interest cost on retirement benefit obligations	18	163,742,280	98,325,584
Depreciation of property, plant and equipment	12	71,182,033	62,509,804
Gain on disposal of property, plant and equipment	7	(2,228,653)	(1,221,250)
Impairment written off/(written back)	11.4	142,855	(60,524)
Donations - (Motor vehicles)		(32,801,500)	-
Cash generated from operations		345,978,554	(21,717,296)
Changes in assets and liabilities:			
Account receivables	11	(7,877,203)	1,470,642
Other assets	13	(207,007,444)	9,045,678
FIRS special grant	19	(25,000,000)	25,000,000
Accruals and other liabilities	17	(164,641,511)	77,410,642
		(404,526,158)	112,926,962
Retirement benefit obligations paid	18	(20,000,000)	(11,534,560)
Net cash (used in)/from operating activities		(78,547,604)	79,675,106
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment	12	2,228,653	1,221,250
Purchase of property, plant and equipment	12	(35,178,410)	(18,842,986)
Net cash used in investing activities		(32,949,757)	(17,621,736)
Cash flows from financing activities			
Consolidated revenue remitted	16	(74,406,132)	(102,591,085)
Net cash used in financing activities		(74,406,132)	(102,591,085)
Net decrease in cash and cash equivalents		(185,903,494)	(40,537,715)
Cash and cash equivalents at 1 January		973,780,254	1,014,317,969
Cash and cash equivalents at 31 December	14	787,876,760	973,780,254

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 2022

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.

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 2022** 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 Accounting convention

The financial statements have been prepared using the historical cost convention 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 Basis of measurement

The financial statements have been prepared in accordance with the going concern principle under the historical cost convention, except for financial assets or liabilities, which were measured at fair value. The liability for defined benefit obligations is recognized as the present value of the defined benefit obligation less the total of the plan assets, plus unrecognized actuarial gains, less unrecognized past service cost and unrecognized actuarial losses while the plan assets for defined benefit obligations are measured at fair value.

The financial statements are presented in Nigerian Naira (NGN), which is the Council's functional currency. All financial information presented in Naira has been rounded to the nearest Naira, except where otherwise indicated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates, it also requires management to exercise its judgment in the process of applying the Council's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and therefore the Council's financial statements present the financial position and results fairly.

2.6 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.

2.7 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 Responsivity 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.

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. Adoption of new and revised standards

3.1 New and amended IFRS Standards that are effective for the current year

There are no new or revised standards that have been issued but not yet effective as of the date of issuance of the these financial statements that are expected to have a material effect on the financial statements when they become effective or when they are adopted by the Council.

Impact of the initial application of Interest Rate Benchmark Reform
In the prior year, the Council adopted the Phase 1 amendments Interest Rate Benchmark Reform Amendments to IFRS 9/IAS 39 and IFRS 7. These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In the current year, the Council adopted the Phase 2 amendments Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Council to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements. The Council has not restated the prior period. Instead, the amendments have been applied retrospectively with any adjustments recognised in the appropriate components of equity as at 1 January 2021.

Both the Phase 1 and Phase 2 the amendments are not relevant to the Council and the Directors of the Council assessed that the application of the amendments has an immaterial impact on the Council's financial statements.

Impact of the initial application of COVID-19-Related Rent Concessions beyond 30 June 2021—Amendment to IFRS 16
In the prior year, the Council early adopted Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021.

In March 2021, the Board issued Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) that extends the practical expedient to apply to reduction in lease payments originally due on or before 30 June 2022. In the current financial year, the Council has applied the amendment to IFRS 16 (as issued by the Board in May 2021) in advance of its effective date.

The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall. Account for any change in lease payments resulting from the COVID-19-related rent concession applying IFRS 16 as if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID- 19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due on or before 30 June 202Z (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022);

c) There is no substantive change to other terms and conditions of the lease.

The Directors of the Council assessed that the application of the amendments has an immaterial impact on the Council's financial statements.

3.2 New and revised IFRS Standards in issue but not yet effective (but allow early application) for the year ending 31 December 2022

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

- IFRS 17 (including the June 2021 amendments to IFRS 17) - Insurance Contracts
- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate OT Joint Venture
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Amendments to IFRS 3 - Reference to the Conceptual Framework
- Amendments to IAS 16 - Property, Plant and Equipment—Proceeds before Intended Use
- Amendments to IAS 37 - Onerous Contracts — Cost of Fulfilling a Contract
- Annual Improvements to IFRS Standards 2018-2021 Cycle - Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Council in future periods.

IFRS 17 Insurance contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2021, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

The Directors of the Council do not anticipate that the application of the amendments in the future will have an impact on the Council's financial statements.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.

The Directors of the Council do not anticipate that the application of the amendments in the future will have an impact on the Council's financial statements.

Amendments to IAS 1 Presentation of Financial Statements — Classification of Liabilities as Current or Non- current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

The Directors of the Council do not anticipate that the application of the amendments in the future will have an impact on the Council's financial statements.

Amendments to IFRS 3 Business Combinations — Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events.

For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

The Directors of the Council do not anticipate that the application of the amendments in the future will have an impact on the Council's financial statements.

Amendments to IAS 16 - Property, Plant and Equipment — Proceeds before Intended Use
The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The Directors of the Council do not anticipate that the application of the amendments in the future will have an impact on the Council's financial statements.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets — Onerous Contracts — Cost of Fulfilling a Contract
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The Directors of the Council do not anticipate that the application of the amendments in the future will have an impact on the Council's financial statements.

Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract
The amendments specify that the cost of fulfilling a contract comprises the costs that relates directly to the contract. Cost that relates directly to a contract consists of both the incremental cost of fulfilling that contract. Examples would be direct labour or materials and allocation of other costs that relates directly to fulfilling the contract (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendment's. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other components of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The Directors of the Council do not anticipate that the application of the amendment in the future will have an impact on the Council's financial statements.

Annual Improvements to IFRS Standards 2018 - 2021 — Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
The Annual Improvements include amendments to four Standards.

IFRS 1 First-time Adoption of International Financial Reporting Standards
The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 9 Financial Instruments
The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 16 Leases
The amendment removes the illustration of the reimbursement of leasehold improvements.
As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

IAS 41 Agriculture
The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with earlier application permitted.

The Directors of the Council do not anticipate that the application of the amendments in the future will have an impact on the Council's financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements — Disclosure of Accounting Policies
The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four- step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

The Directors of the Council do not anticipate that the application of the amendments in the future will have an impact on the Council's financial statements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors — Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty.

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

The Directors of the Council do not anticipate that the application of the amendments in the future will have an impact on the Council's financial statements.

Amendments to IAS 12 Income Taxes — Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  -Right-of-use assets and lease liabilities
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset

The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

The Board of the Council do not anticipate that the application of the amendments in the future will have an impact on the Council's financial statements.

4. Summary of significant 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 that can be reasonably determined are recognised in the period receivable.

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 on issuance.

d) Fees from services rendered
The Council's services include consultancy services, training through workshops, seminars and conferences.

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.

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 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.

4.4.2 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.

4.4.3 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.

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.

4.4.4 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.

4.4.5 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.

4.4.6 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.

4.4.7 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.

4.4.8 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).

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

4.4.9 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 of 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.

4.6 Property, plant and equipment
4.6.1 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.

4.6.2 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.

4.6.3 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 (Leasehold)	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.

4.6.4 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.

4.7 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:

Assets	**Lease period**
Leasehold Land	99 years

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.

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 (i.e. of a value of N2 million). 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. The cost of inventories is 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.

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 the current year.

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.

	2022 N	2021 N
5. Government subventions		
Capital	**141,981,699**	55,877,791
	141,981,699	55,877,791
6. Internally generated revenues		
6.1 Annual dues from corporate entities:		
Listed companies	**304,063,233**	246,201,233
Other corporate entities	**184,447,079**	208,662,209
	488,510,312	454,863,442
6.2 Other internally generated revenues:		
Registration of professional individuals and corporates	**143,417,017**	103,830,353
Fines and penalties levied	**425,778,453**	191,111,639
Consultation fees assessed	**40,142,687**	44,135,289
Seminars Income	**63,055,684**	55,641,763
	672,393,841	394,719,044
	1,160,904,153	849,582,486

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

7. Other income

	2022 N	2021 N
Gain on disposal of property, plant and equipment	2,228,653	1,221,250
Interest on staff loans	105,753	237,482
Sale of tender documents	370,000	435,000
	2,704,406	1,893,732

7.1 Donations and Grant income

	2022 N	2021 N
FIRS Grant	57,801,500	-
IFRS Academy	52,011,556	-
	109,813,056	-

7.2 Sundry income relates to proceeds received on assets disposed-off.

8. Technical expenses

	2022 N	2021 N
Conference and meetings	87,788,852	14,494,748
Seminar cost	52,309,568	30,857,155
Purchase of standards	-	446,964
Steering committees	-	1,223,538
Internet services	17,668,645	16,532,789
Consultancy services	5,108,081	1,852,924
Publicity and public relations	78,723,725	32,489,475
	241,598,871	97,897,593

9. Administrative expenses

	2022 N	2021 N
Personnel costs (Note 9.1)	678,442,312	794,592,824
Training and staff development	86,057,041	32,541,917
Local travelling expenses	78,235,028	62,370,176
Repairs and maintenance	54,625,379	36,115,102
Legal fees	2,262,500	8,931,825
Postages and telephone	30,472,074	33,396,416
Printing and stationery	10,825,778	2,421,404
Depreciation of property, plant and equipment expenses	71,182,033	62,509,804
Office rent	85,231,751	60,552,906
Directors' sitting allowances	-	1,575,000
Board expenses	260,129	4,389,525
Auditor's remuneration	5,000,000	5,000,000
Auditor expenses	12,609,095	5,665,200
Insurance expenses	2,244,327	2,579,741
Impairment charge (Note 9.3)	250,000	107,145
Service charges	450,179	283,818
Security Personnel Expenses	7,350,800	-
	1,125,498,424	1,113,032,803

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

	2022 N	2021 N
9.1 Personnel costs		
Salaries and wages	**416,958,759**	573,724,281
Retirement benefit costs (Note 20.4)	**261,377,800**	220,631,061
Fair value of interest on staff loans	**105,753**	237,482
	678,442,312	794,592,824

9.2 Effective interest rate for staff loans is 16.96% (2021 : 16.96%).

	2022 N	2021 N
9.3 Impairment charge/(write-back)		
Account receivable	**250,000**	107,145
	250,000	107,145

10. Income tax
The Council is tax-exempt under the Financial Reporting Council of Nigeria Act No. 6 of 2011.

	2022 N	2021 N
11. Account receivable		
Staff loans (Note 11.1)	**6,645,100**	2,070,100
Staff cash advance (Note 11.2)	**4,803,626**	1,501,423
Gross account receivables	**11,448,726**	3,571,523
Impairment on account receivables (Note 11.4)	**(250,000)**	(107,145)
Net carrying amount	**11,198,726**	3,464,378
11.1 Staff loans		
At 1 January	**2,070,100**	3,249,268
Additions during the year	**4,900,000**	1,177,083
Repayments in the year	**(325,000)**	(2,356,251)
At 31 December	**6,645,100**	2,070,100
11.2 Staff cash advance		
At 1 January	**1,501,422**	1,083,544
Additions during the year	**11,540,000**	6,249,380
Retirements in the year	**(8,237,796)**	(5,831,501)
At 31 December	**4,803,626**	1,501,423
11.3 Analysis by tenor-gross:		
Non-current	**2,350,000**	-
Current	**8,848,726**	3,464,378
	11,198,726	3,464,378
11.4 Impairment allowance on account receivables		
At 1 January	**107,145**	167,669
Charge/ (write back) in the year	**142,855**	(60,524)
At 31 December	**250,000**	107,145

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. Property, plant and equipment

	Right of use assets N	Computer equipment N	Motor Vehicle N	Motorcycles N	Furniture & fittings N	Office equipment N	Office Improvement N	Library Boks N	Total N
Costs:									
At 1 January 2021	59,410,200	62,353,350	195,200,432	450,000	38,626,634	58,710,695	68,489,467	-	483,240,778
Additions	-	17,000,050	-	-	-	-	-	1,842,936	18,842,986
Disposals	-	(648,915)	(22,425,000)	-	-	-	-	-	(23,073,915)
At 31 December 2021	59,410,200	78,704,485	172,775,432	450,000	38,626,634	58,710,695	68,489,467	1,842,936	479,009,849
At 1 January 2022	**59,410,200**	78,704,485	172,775,432	450,000	38,626,634	58,710,695	68,489,467	1,842,936	479,009,849
Additions	-	25,835,702	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	**59,410,200**	**103,978,437**	**199,941,932**	**390,000**	**38,626,634**	**67,663,403**	**68,489,467**	**1,842,936**	**540,343,009**
Accumulated depreciation/ impairment									
At 1 January 2021	3,400,584	44,214,080	122,240,598	450,000	13,221,640	31,535,062	16,947,026	-	232,008,990
Charge for the year	600,103	9,181,073	27,010,192	-	3,739,147	4,580,482	17,122,367	276,440	62,509,804
Disposals	-	(648,915)	(22,425,000)	-	-	-	-	-	(23,073,915)
At 31 December 2021	4,000,687	52,746,238	126,825,790	450,000	16,960,787	36,115,544	34,069,393	276,440	271,444,879
At 1 January 2022	4,000,687	52,746,238	126,825,790	450,000	16,960,787	36,115,544	34,069,393	276,440	271,444,879
Charge for the year	600,103	13,362,231	32,477,108	71,500	3,584,898	3,595,239	17,122,367	368,587	71,182,033
Disposals	-	(561,750)	(5,635,000)	(450,000)	-	-	-	-	(6,646,750)
At 31 December 2022	**4,600,790**	**65,546,719**	**153,667,898**	**71,500**	**20,545,685**	**39,710,783**	**51,191,760**	**645,027**	**335,980,162**
Carrying amount: At 31 December 2022	**54,809,410**	**38,431,718**	**46,274,034**	**318,500**	**18,080,949**	**27,952,620**	**17,297,707**	**1,197,909**	**204,362,847**
At 31 December 2021	55,409,513	25,958,247	45,949,642	-	21,665,847	22,595,151	34,420,074	1,566,496	207,564,970

12.1 Depreciation charge of N71,182,033 (Dec 2021: N62,509,804) is included in the statement of profit or loss accounts and other comprehensive income.
12.2 None of the Council's property and equipment has been pledged as collateral.
12.3 There is no impairment charge during the year.
12.4 Right of use land were acquired as leasehold land to Financial Reporting Council of Nigeria for a period of 99 years.

	2022	2021
	N	N
13. Other assets		
Prepaid rent and rates (Note 13.2)	18,980,770	17,567,308
Prepaid insurance (Note 13.3)	690,004	2,096,021
Payment on account (Note 13.4)	207,000,000	-
	226,670,774	19,663,329
13.1 Analysis by tenor:		
Current	226,670,774	19,663,329
	226,670,774	19,663,329
13.2 Prepaid rent and rates movements:		
At 1 January	17,567,308	24,986,265
Payments in the year	44,650,000	32,625,000
Amortised in the year	(43,236,538)	(40,043,957)
At 31 December	18,980,770	17,567,308
13.3 Prepaid insurance movements:		
At 1 January	2,096,021	1,660,243
Payments in the year	823,635	2,980,215
Amortised in the year	(2,229,652)	(2,544,437)
At 31 December	690,004	2,096,021
13.4 Payment on account		
At 1 January	-	2,062,500
Payments in the year	207,000,000	-
Expensed in the year (Note 9)	-	(2,062,500)
At 31 December	207,000,000	-

13.4.1 Payment on account includes payment for goods or services made during the year but not yet supplied or services not yet enjoyed.

FINANCIAL REPORTING COUNCIL OF NIGERIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 N	2021 N
14. Cash and bank balances		
a) Cash	**60,000**	60,000
b) Current accounts with Central Bank of Nigeria:		
- Treasury Single Account - TSA	**13,288,336**	11,521,108
- Naira Transit	**8,276,292**	8,276,292
	21,624,628	19,857,400
c) Restricted balances:		
- IFRS Academy Fund	**953,922,854**	928,922,854
- FIRS Special Grant (Note 14.1)	**(25,000,000)**	25,000,000
- Other Inflows to IFRS Academy Account	**14,340,834**	-
- Utilised during the year	**(177,011,556)**	-
	766,252,132	953,922,854
Total Cash and cash equivalent as per cash flows	**787,876,760**	973,780,254

14.1 FIRS Special Grant
In 2021, N25,000,000 was received as Special Grant from Federal Government. This amount was utilized as payment for the processing of amendment on FRC Act, 2011 during the year.

	2022 N	2021 N
15. General reserve fund		
At 1 January	**(1,164,355,305)**	(886,309,810)
Transferred from statement of surplus or deficit and other comprehensive income	**37,708,965**	(278,045,495)
Transfer from IFRS Academy Fund	**162,670,722**	-
At 31 December	**(963,975,618)**	(1,164,355,305)
16. Payable to Consolidated Revenue Fund (CRF)		
At 1 January	**20,244,214**	122,835,299
Payable for the year (Note 16.1)	**74,406,132**	-
Remittances	**(74,406,132)**	(102,591,085)
At 31 December	**20,244,214**	20,244,214

		2022	2021
		N	N
16.1 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 / (deficit) for the year		**48,306,019**	(303,576,387)
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 12)		**71,182,033**	62,509,804
iv) Donations		-	-
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		**(141,981,699)**	(55,877,791)
Operating deficit		**(22,493,647)**	(296,944,374)
Payable to consolidated revenue fund	80%	-	-
Add: Under-provision in prior years		-	-
		-	-

	2022	2021
17. Accruals and other liabilities		
Accrued expenses	**10,108,338**	12,170,829
Salaries and wages payable	-	141,778,935
Pension payable	-	21,381,480
Audit fee	**5,581,395**	5,000,000
	15,689,733	180,331,244

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

18. 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.

	2022 N	2021 N
18.1 Retirement benefit obligation movement		
At 1 January	**1,214,329,924**	1,030,764,315
Payment during the year	**(20,000,000)**	(11,534,560)
Benefit cost for the year:		
Current service cost	**97,635,520**	122,305,477
Interest cost	**163,742,280**	98,325,584
Net amount recognised in surplus or deficit (Note 9.1)	**261,377,800**	220,631,061
Actuarial gain recognised in other comprehensive income	**(63,809,078)**	(25,530,892)
	197,568,722	195,100,169
At 31 December	**1,391,898,646**	1,214,329,924
18.2 Analysis by tenure:		
Non-current	**1,389,755,346**	1,202,186,625
Current	**2,143,300**	12,143,299
	1,391,898,646	1,214,329,924

	2022	2021
	%	%
18.3 Sensitivity analysis The sensitivity of the retirement benefit obligation as of 31 December 2022, 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	**12.0**	12.0

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.

19. 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 suport 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.

In the current year 2022, outflows of N177,011,556 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 14. 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 2022 was N766,252,132. (Note 14).

	2022	2021
	N	N
19.1. Movement in IFRS Academy		
At 1 January	**928,922,854**	928,922,854
Transfer from IFRS Academ Fund	**(162,670,722)**	-
At 31 December	**766,252,132**	928,922,854

	2022	2021
	N	N
20. Emoluments of Directors and Employees		
20.1 Directors		
The remuneration paid to the directors of the Council was:		
Fees and allowances	-	1,575,000
Executive compensation	260,129	4,389,525
	260,129	5,964,525
20.2 Emoluments disclosed above include amounts paid to:		
The highest paid director	28,000,000	28,000,000

	Number	Number
20.3 Employees		
Average number of employees (by function):		
Finance & Accounts	7	8
Inspections & Monitoring	9	9
Accounting, Auditing & Actuarial Standards	10	12
Research & Policy	3	4
Corporate Governance	5	5
Human Capital Management	23	24
Information Technology	3	3
Registration	4	5
Legal and Internal Audit	3	5
Procurement	2	2
	69	77

20.4 Remuneration for the above persons was:	N	N
Salaries and wages	417,064,512	573,961,763
Retirement benefit costs	261,377,800	220,631,061
	678,442,312	794,592,824

20.5 The numbers of employees of the Council other than directors, who received:	Number	Number
1,000,001 - 2,500,000	18	18
2,500,001 - 5,000,000	20	28
5,000,001 - 7,500,000	19	19
10,500,001 - 15,000,000	8	8
15,500,001 - 20,000,000	4	4
	69	77

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

21. Contingencies

21.1 Pending litigation

There is a litigious matter at the High Court of the Federal Capital Territory, Abuja, with Suit No. FCT/HC/CV/5222/2011 - between Hon. Bala A. Iyah & 3 others (suing for themselves and on behalf of Kpaduma Villagers, FCT, Abuja) V. The Minister, FCT & others (Federal Reporting Council of Nigeria inclusive who joined on 23 January 2019) of land allocated to FRCN at Guzape District of Abuja, by the Honourable Minister of the Federal Capital Territory in 2015, and measuring 9,868.28 meter square.

The matter would have come up on the 12th day of May, 2021, for the court to deliver its ruling on the application of two separate persons, one for the joiners as a Co-plaintiff/Claimant, and the other, as a Co-defendant to the matter and then the cross-examination of the Claimants' First Witness (CW1), thereafter, who has given his evidence in chief since 16th day of July, 2020.

An application letter has been written to the Honourable, the Chief Judge of the High Court of the FCT, Abuja, for re-assignment of the matter to another judge, to take over, continue, and conclude it.

21.2 Contingent liabilities

The Council had no contingent liabilities as at 31 December 2022 (2021: nil).

22. Capital Commitments

The Council had no capital commitments as at 31 December 2022 (2021: Nil).

23. 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 2022 that have not been adequately provided for or disclosed.

Other National Disclosures

FINANCIAL REPORTING COUNCIL OF NIGERIA

STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 N	%	2021 N	%
Gross revenue	**1,305,590,258**		907,354,009	
Actuarial gains and losses on defined benefit plan	**63,809,078**		25,530,892	
	1,369,399,336		932,884,901	
Operating expenses:				
- Technical	**(241,598,871)**		(97,897,593)	
- Administrative	**(376,874,079)**		(255,930,175)	
Value added	**898,436,609**	**100**	579,057,133	100
Distributed as follows:				
To pay employees				
Salaries, allowances, and benefits	**678,442,312**	**76**	794,592,824	137
To pay government				
Payable to Consolidated Revenue Fund	**74,406,132**	**8**	-	-
Retained for maintenance of assets and future expansion of business				
- Depreciation and amortisation	**71,182,033**	**8**	62,509,804	11
- Retained for Council's operations	**74,406,132**	**8**	(278,045,495)	(48)
Value added	**898,436,609**	**100**	579,057,133	100

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	2022	2021	2020	2019	2018
	N	N	N	N	N
Statement of financial position					
Assets					
Property, plant and equipment	**204,362,847**	207,564,970	251,231,788	247,200,962	177,302,673
Account receivables	**11,198,726**	3,464,378	4,874,496	14,869,538	76,376,724
Other assets	**226,670,774**	19,663,329	28,709,008	75,822,757	6,989,839
Restricted bank balances	**766,252,132**	953,922,854	928,922,854	928,922,854	928,922,854
Cash and cash equivalent	**21,624,628**	19,857,400	85,395,115	282,280,551	319,565,513
Total assets	1,230,109,107	1,204,472,931	1,299,133,261	1,549,096,662	1,509,157,603
Liabilities					
IFRS Academy grant	**766,252,132**	928,922,854	928,922,854	928,922,854	928,922,854
Other grant	-	25,000,000	-	-	-
Retirement benefit obligations	**1,391,898,646**	1,214,329,924	1,030,764,315	446,578,613	343,292,556
Payable to consolidated revenue fund	**20,244,214**	20,244,214	122,835,299	48,205,706	95,064,745
Accruals and other liabilities	**15,689,733**	180,331,244	102,920,603	17,067,582	16,516,239
Total liabilities	**2,194,084,725**	2,368,828,236	2,185,443,071	1,440,774,755	1,383,796,394
Net (liabilities)/assets	**(963,975,618)**	(1,164,355,305)	(886,309,810)	108,321,907	125,361,209
Represented by:					
General reserve fund	**(963,975,618)**	(1,164,355,305)	(886,309,810)	108,321,907	125,361,209
Statement of surplus or deficit and other comprehensive income					
Gross earnings	**1,305,590,258**	907,354,009	614,726,593	792,956,297	905,412,642
Surplus/(deficit) for the year	**48,306,019**	(303,576,387)	(405,258,503)	38,324,025	136,569,054
Other comprehensive income/(loss) for the year	**63,809,078**	25,530,892	(484,743,623)	(42,595,833)	47,134,353
Total comprehensive surplus/(deficit) for the year	**112,115,097**	(278,045,495)	(890,002,126)	(4,271,808)	183,703,407