WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
Lagos, Nigeria

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
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FOR THE YEAR ENDED 31 DECEMBER 2022

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WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT

INSTITUTE INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2022

Office Address:	Central Bank of Nigeria Learning Centre P. M. B. 2001 Satellite Town Lagos, Nigeria	
Board of Governors	Dr. Ibrahim Stevens	Governor, Bank of Sierra Leone, & Chairman, Board of Governors - Effective 30 October 2023
	Prof. Kelfala Kallon	Governor, Bank of Sierra Leone - Tenure ended on 2 October 2023
	Dr. Olayemi Michael Cardoso	Governor, Central Bank of Nigeria - Effective 26 September 2023
	Godwin Emefiele	Governor, Central Bank of Nigeria - Tenure ended on 9 June 2023
	Mr. Buah Saidy	Governor, Central Bank of the Gambia
	Mr. Jolue Aloysius Tarlue	Executive Governor, Central Bank of Liberia
	Dr. Ernest Kwamina Yedu Addison	Governor, Bank of Ghana
Institute Directors:	Dr. Baba Yusuf Musa	Director-General
	Mr. Euracklyn Williams	Director, Administration and Finance
	Dr. Alvin G. Johnson	Director, Governance and Institutional Development
	Dr. Emmanuel Owusu-Afriyie	Director, Research and Macroeconomic Management
	Mr. Yakubu Aliyu	Director, Fiscal Policy, Debt Management and Regional Integration
	Mr. Amadou Koora	Director, Financial Sector and Payment Systems
Legal Adviser:	Chris Eyisanmi & Co. Legal Practitioners Block AB Suite No. 8 Tinubu Shopping Complex, Gowon Estate Moshalashi, Iyana-Ipaja Agege, lagos	
Independent Auditor:	Ernst & Young 10th & 13th Floors, UBA House 57 Marina Lagos, Nigeria	

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
BOARD OF GOVERNORS' REPORT IN RELATION TO THE PREPARATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

The Board of Governors of West African Institute for Financial and Economic Management ("the Institute") are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Institute as at 31 December 2022 and its financial performance, changes in equity and cash flows for the year then ended, in compliance with the International Financial Reporting Standards ("IFRS") and the Headquarters Agreement between the Government of the Federal Republic of Nigeria and the Institute.

In preparing the financial statements, the Board of Governors are responsible for:

- Properly selecting and applying accounting policies
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- Providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Institute's financial position and financial performance, and
- Making an assessment of the Institute's ability to continue as a going concern

The Board of Governors are responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls throughout the Institute
- Maintaining adequate accounting records that are sufficient to show and explain the Institute's transactions and disclose with reasonable accuracy at any time the financial position of the Institute
- Maintaining statutory accounting records in compliance with IFRS and the Headquarters Agreement between the Government of the Federal Republic of Nigeria and the Institute
- Taking steps that are reasonably available to them to safeguard the assets of the Institute; and
- Preventing and detecting fraud and other irregularities

Going Concern

The Board of Governors have made an assessment of the Institute's ability to continue as a going concern and have no reason to believe the Institute will not remain as a going concern at least twelve months from the date of this statement.

The financial statements of the Institute for the year ended 31 December 2022 were approved by the Board of Governors on 14 September 2023.

On behalf of the Board of Governors of the Institute

Dr. Ibrahim L. Stevens	Dr. Baba Yusuf Musa
Chairman of the Board of Governors	Director General

12 Dec. 2023

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF GOVERNORS OF THE
WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT

Report on the Audit of the Financial Statements

We have audited the financial statements of West African Institute for Financial and Economic Management ("the Institute"), which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss 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 financial statements present fairly, in all material respects, the financial position of West African Institute for Financial and Economic Management as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and and the Headquarters Agreement between the Government of the Federal Republic of Nigeria and the Institute.

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 Institute in accordance with the International Ethics Standards Board of Accountants' (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in 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

Other Information

The Board of Governors is responsible for the other information. The other information comprises the information included in the document titled "West African Institute for Financial and Economic Management Annual Report and Financial Statements for the year ended 31 December 2022", which includes the Corporate Information, Statement of Board of Governors' Responsibilities in Relation to the Preparation of the Financial Statements, the Value Added Statement and the Five-Year Financial Summary. The other information does not include the financial statements and our Auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF GOVERNORS OF THE
WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT - Continued

Responsibilities of the Board of Governors for the Financial Statements

The Board of Governors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Headquarters Agreement between the Government of the Federal Republic of Nigeria and the Institute, and for such internal control as the Board of Governors 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 Board of Governors are responsible for assessing the Institute'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 Board of Governors either intend to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.

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 judgement and maintain professional skepticism 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 Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Governors.

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF GOVERNORS OF THE
WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT - Continued

Auditor's Responsibilities for the Audit of the Financial Statements - Continued

- Conclude on the appropriateness of the Board of Governors' 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 Institute'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 Institute to cease 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 the Board of Governors 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.

Oluwasayo Elumaro, FCA
FRC/2012/ICAN/00000000139
For: Ernst & Young
Lagos, Nigeria
19 Dec. 2023

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
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WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 US$	2021 US$
Income			
Subscription	4	4,339,412	2,414,040
Training income	5	91,583	238,799
Other operating income	6	260,869	90,236
Total operating income		4,691,864	2,743,075
Expenditure			
Personnel expenses	7	2,493,116	2,540,962
Training expenses	8	1,180,147	360,314
Depreciation	10	176,298	194,794
Amortisation	11	2,469	1,133
Operating expenses	9	715,197	655,408
Total expenses		4,567,227	3,752,611
Surplus/(deficit) for the year		124,637	(1,009,536)
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) for the year		124,637	(1,009,536)

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

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	31 December 2022 US$	31 December 2022 US$
Assets			
Non-current assets			
Property and equipment	10	427,703	406,768
Intangible assets	11	3,117	1,246
		430,820	408,014
Current assets			
Cash and cash equivalents	12	2,951,916	3,041,051
Cash held for staff provident fund (SPF)	13	2,153,207	1,986,329
Inventories	14	6,640	13,155
Other receivables	15	192,632	-
		5,304,395	5,040,535
Total assets		5,735,215	5,448,549
Liabilities			
Non-current liabilities			
Staff provident fund	17	2,153,207	1,986,329
		2,153,207	1,986,329
Current liabilities			
Other liabilities	16	36,006	40,855
		36,006	40,855
Total liabilities		2,189,213	2,027,184
Equity			
Accumulated funds	18	3,546,002	3,421,365
Total equity and liabilities		5,735,215	5,448,549

The financial statements were approved by the Board of Governors on 14 September 2023 and signed on its behalf by:

Dr. Ibrahim L. Stevens
Chairman of the Board of Governors

Dr. Baba Yusuf Musa
Director General

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

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Accumulated funds US$
As at 1 January 2022	3,421,365
Surplus for the year	124,637
Other comprehensive income	-
Total comprehensive income	124,637
As at 31 December 2022	3,546,002
As at 1 January 2021	4,430,901
Deficit for the year	(1,009,536)
Other comprehensive income	-
Total comprehensive income	(1,009,536)
As at 31 December 2021	3,421,365

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

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 US$	2021 US$
Operating activities			
Surplus/(deficit) for the year		124,637	(1,009,536)
Adjustment for non-cash items:			
Depreciation of property & equipment	10	176,298	194,794
Amortization of intangible assets	11	2,469	1,133
Net foreign exchange (gain)/loss	6 & 9	(12,017)	9,257
Working capital adjustments:			
Decrease/(increase) in inventory		6,515	(154)
Increase in trade & other receivables		(359,510)	(8,181)
Decrease in trade and other payables		(4,849)	(22,984)
Increase in other liabilities		166,878	8,181
Net cash flows from/(used in) operating activities		100,421	(827,490)
Investing activities			
Purchase of property, plant & equipment	10	(197,233)	(10,521)
Purchase of intangible assets	11	(4,340)	(1,253)
Net cash flows used in investing activities		(201,573)	(11,774)
Net decrease in cash and cash equivalents		(101,152)	(839,264)
Net foreign exchange difference on cash and cash equivalents		12,017	(9,257)
Cash and cash equivalents at 1 January		3,041,051	3,889,572
Cash and cash equivalents at 31 December	12	**2,951,916**	**3,041,051**

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

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS

1 General information

The West African Institute for Financial and Economic Management ("WAIFEM"; "the Institute") was established in 1996 by the Central Banks of Nigeria, The Gambia, Sierra Leone, Ghana and Liberia. The Institute commenced operations in January 1997. The Institute is domiciled at the Central Bank of Nigeria Learning Centre, P. M. B. 2001, Satellite Town, Lagos, Nigeria.

1.1 Principal activities

The principal activities of the Institute continue to be strengthening capacity building for macro-economic management in the West African sub-region by offering short-term customized courses to professional staff of Central banks, Ministries of finance and economic planning and other agencies involved in the formulation and implementation of macro-economic policies in the West African sub-region.

1.2 Approval of financial statements

The financial statements were approved by the Board of Governors and authorised for issue at its meeting held on 14 September 2023.

1.3 Statement of compliance

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

The financial statements of the Institute has been prepared in accordance with the Headquarters Agreement between member countries.

1.4 Basis of measurement

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the considerations given in exchange for the assets or liabilities.

1.5 Functional and presentation currency

Items included in the financial statements of the Institue are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the functional currency). These financial statements are presented in US Dollars ($), which is the entity's functional currency.

2 Significant accounting policies

The following are the significant accounting policies applied by the Institute in preparing its financial statements:

a) Income recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Institute and the income can be reliably measured. Income is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognized.

Subscription

This relates to contributions from member Central Banks of the Institute in accordance with the agreed distribution policy of 35%, 25% for the Central Banks of Nigeria and Ghana respectively and 13.33% for each of Liberia, The Gambia and Sierra Leone against the approved budget for the year. Contributions are made directly to the Institute's bank account housed with the Central Bank of Nigeria. The income is recognized on an accrual basis.

2 Significant accounting policies - Continued

a) Income recognition - continued

Grants

These represent grants received from donor organizations towards specific training programs.

Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Institute receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

The spending of these grants is usually monitored by the donors.

Other income

This represents income from consultancy, course executions and business development programs. These are recognized on an accrual basis.

b) Expenses

This comprised of personnel expenses, training expenses and other operating expenses. These are recognized on an accrual basis, as services are incurred.

c) Property and equipment

Recognition and measurement

Property and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses. Replacement or major inspection costs are capitalized when incurred and if it is probable that future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Institute and its cost can be measured reliably. The costs of the day-to-day repairs and maintenance of property and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis to write down the cost of items of property and equipment, to their residual values over the estimated useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognized or classified as held for sale in accordance with IFRS 5, Non-current assets held for sale and discontinued operations. A non-current asset or disposal group is not depreciated while it is classified as held for sale.

The useful lives for significant items of property and equipment are as follows:

	Years
Motor vehicle	5
Office furniture	4
Office equipment	4
Household furniture	4
Household equipment	5

2 Significant accounting policies - Continued

c) Property and equipment - continued

Derecognition

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

d) **Intangible assets**

Computer Software

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

The Institute's intangibles assets are Computer software. These represent the cost of procuring computers software. Computer software is amortized on a straight line rate of 50%. Cost associated with maintaining the software programs are recognized as an expense when incurred.

e) **Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost includes purchase cost and other cost incurred in bringing the stocks to present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2 Significant accounting policies - Continued

f) **Financial assets and liabilities**

All financial assets and liabilities- which include derivative financial instruments- have to be recognized in the statement of financial position and measured in accordance with their assigned category.

- *Initial recognition and measurement*

Financial assets are initially measured at fair value plus transactions costs that are directly attributable to the acquisition or issue of the financial Instruments.

- *Subsequent measurement*

Subsequent to initial measurement, financial instruments are measured either at fair value or amortised cost depending on their classification.

- *Classification and related measurement*

Subsequent to initial measurement, financial instruments are measured either at amortised cost or fair value depending on their classification category.

i) **Financial assets**

Subsequent to initial recognition, all financial assets within the Institute are measured at

Amortized cost
Fair value through other comprehensive income (FVOCI); or
Fair value through profit or loss (FVTPL)

Debt instruments at amortised cost or at FVTOCI

The Institute assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Institute's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Institute determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Institute's business model does not depend on management's intentions for an individual instrument. Therefore the business model assessment is performed at a higher level of aggregration rather than on an instrument- by- instrument basis.

2 Significant accounting policies - Continued

f) Financial assets and liabilities - continued

Debt instruments at amortised cost or at FVTOCI - continued

The Institute has more than one business model for managing its financial instruments which reflects how the Institute manages its financial assets in order to generate cash flows. The Institutes's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Institute considers all relevant information available when making the business model assessment. However, this assessment is not performed on the basis of scenarios that the Institutes does not reasonably expect to occur, such as so-called 'worst case' or' stress case' scenarios. The Institute takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and

- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Institute determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Institute reassesses its business models at each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period, the Institute has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

As at 31 December 2022, the Institute did not hold any debt instrument measured at fair value through other comprehensive income (FVOCI).

Debt instruments at Fair value through profit or loss

Financial assets at FVTPL are:

Assets with contractual cashflows that are SPPI; or/and assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised on profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2 Significant accounting policies - Continued

Impairment

The Institute recognises loss allowances for expected credit losses (ECLs) on the following financial instruments at amortised cost:

Debt investment securities;

Other receivables;

ECLs are required to be measured though a loss allowance at an amount equal to:

-12-month ECL, i.e. lifetime ECL that result from those default events on the financial instruments that are possible within 12 months after the reporting date, (referred to as Stage1); or full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument. (referred to as Stage 2 and Stage 3).

-A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal significantly or insignificantly to the 12-month ECL.

-ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Institute under the contract and the cash flows that the Institute expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

-The Institute measures ECL on an individual basis, or on a collective basis for debt instruments that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Significant increase in credit risk

The Institute monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Institute will measure the loss allowance based on lifetime rather than 12 month ECL. The Institute's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Institute monitors all financial assets that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Institute compares the risks of a default occurring on the financial statements at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Institute considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Institute's historical experience and expert credit assessment including forward-looking.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighing of these different scenarios that forms that basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

2 Significant accounting policies - Continued

f) Financial assets and liabilities - continued

As a back-stop, when an asset becomes 30 days past due, the Institute considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the convenant is or is not met (e.g. a change to the increase in the interest rate that arises when the covenants are breached).

When a financial asset is modified, the Institute assesses whether this modification results in derecognition. In accordance with the Institute's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms, the Institute considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then;

A quantitative assessment is to be performed to compare the present values to the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognised, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occassion where the new loan is considered to be originated credit impaired. This applies only in the case when the fair value of the new loan is recognised at a significant discount to its revised paramount because there remains a high risk of default which has not been reduced by the modification. The Institute monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Institute determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

-the remaining lifetime PD estimate based on data at initial recognition and the original contractual terms; with

- the remaining lifetime of PD at the reporting date based on the modified terms.

2 Significant accounting policies - Continued

i) Financial assets and liabilities - continued

Modification and derecognition of financial assets - continued

The Institute derecognizes a financial asset only when contractual rights to the asset's cashflows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Institute neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Institute neither recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Institute retains substantially all the risks and rewards of ownership of a transferred financial asset, the Institute continues to recognize the financial asset and recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognized in OCI and accumulated in equity is recognized in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to profit or loss.

On derecognition of a financial asset other than its entirety (e.g. when the Institute retains an option to repurchase part of a transferred asset), the Institute allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain/loss allocated to it that had been recognized in OCI is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI as the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to profit or loss.

Write-off

Debt securities and other receivables are written off when the Institute has no reasonable expectations of the financial asset (either in its entirety or portion of it). This is the case when the Institute determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Institute may apply enforcement activities to the financial assets written off. Recoveries resulting from the Institute's enforcement activities will result in impairment gains.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;

- for debt instruments measured at FVTOCI: no loss allowance is recognized in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investments revaluation reserve;

2 Significant accounting policies - Continued

f) Financial assets and liabilities - continued

ii) Financial liabilities and equity

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Institute's own equity instruments and is a non-derivative contract for which the Institute is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Institute's own equity instruments.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL. A financial liability is classified as held for trading if:

It has been incurred principally for the purpose of repurchasing it in the near term; or on initial recognition it is part of a portfolio of identified financial instruments that the Institute manages together and has a recent actual pattern of short term profit taking or it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if: such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis; in accordance with the Institute's documented risk management or investment strategy, and information about the accompanying is provided internally on that basis; or it forms part of a contract containing one or more embedded derivatives and IFRS 9 permits the entire hybrid (combined) contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at their fair value, with any gains/losses arising on remeasurement recognized in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'net income from other financial instruments at FVTPL' line in the profit or loss account.

The Institute does not have any financial liabilities at fair value through profit or loss at the reporting date.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate method (EIR).

The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period to the net carrying amount on initial recognition.

2 Significant accounting policies - Continued

f) Financial assets and liabilities - continued

ii) Financial liabilities and equity - continued

Derecognition of financial liabilities

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

When the Institute exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Institute accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms including any fees paid net of any fees received and discounted using the original effective rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability.

Equity instruments

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

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

g) Employee benefits

Staff provident fund (SPF)

The Institute operates a defined contribution pension scheme. The scheme is managed in-house.

The SPF is a contributory fund where all employees of the Institute make a contribution of 10% of their basic salary and the Institute contributes 20% of the employee's basic salary. Management administers this Fund in accordance with the approved Regulations of the Staff Provident Fund. Employees can make withdrawals of up to 60% of their total contributions from the fund as long as certain conditions are met. This withdrawal can be made after the employee has worked for the Institute for more than 3 years.

Employees are entitled to the full balance of their total contribution, less any withdrawals, upon termination or resignation or retirement from employment with the Institute. There is no requirement for interest to be paid on these contributions except the money is invested. The fund is currently held in a US dollar domicillary account with the Central Bank of Nigeria where it generates little or no interest.

h) Foreign currency translations

Transactions denominated in currencies other than the United States Dollar are translated at the rate of exchange ruling at the reporting date.

Monetary assets and liabilities in foreign currencies are converted to USD at the rate of exchange ruling at the reporting date.

Gains and losses arising there from are included in the income and expenditure account.

2 Significant accounting polcies - Continued

i) Taxation

According to Article vii (1) of The Headquarters agreement between WAIFEM and the Government of the Federal Republic of Nigeria, West African Institute for Financial and Economic Management (WAIFEM) is exempted from taxes and duties of any kind whether State, Provincial, Local and any other authority and whether such taxes and duties are now in existence or are to be imposed or issued in the future.

j) Current versus non-current classification

The Institute presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Institute classifies all other liabilities as non-current.

3 Significant accounting judgments, estimates and assumptions

The preparation of the Institute's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods

<u>Estimates and assumptions</u>

The key assumptions concerning the future and other key sources of estimation at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Institute based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Institute. Such changes are reflected in the assumptions when they occur.

<u>Useful lives and carrying value of property and equipment, and intangible assets</u>

The estimation of the useful lives of assets is based on management's judgment. The useful lives are determined based on the expected period over which the asset will be used and benefits received by the Institute from the use of the asset. Residual values are determined by obtaining observable market prices for the asset with the same age that the asset would be at the end of its useful life. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items (See note 10).

3 Significant accounting judgments, estimates and assumptions - continued

Determination of impairment of property and equipment, and intangible assets

Management is required to make judgments 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 exists. The Institute applies the impairment assessment to its separate cash generating units. This requires management to make significant judgments and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realizable values. Management's judgment is also required when assessing whether a previously recognized impairment loss should be reversed. There was no indicator of impairment of property and equipment throughout the year.

Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. The Institute uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Refer to Note 21.

3.1 New and amended standards and interpretations

There are several amendments and interpretations that apply for the first time in 2022, but do not have an impact on the financial statements of the Institute. These include the following:

(a) Reference to the Conceptual Framework - Amendments to IFRS 3

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately.

(b) Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16

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

(c) Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37

The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted. The amendment pro hibits the deduction from the cost to an item of property, plant and equipment proceeds of the sale of items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management. Instead, an entity should recognize the sale proceeds and related production cost of thoseitems in Profit or loss.

(d) Annual Improvements 2018-2020 cycle (issued in May 2020)

i) IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. This amendment does not have an impact on the Company's financial statements.

ii) IFRS 9 Financial Instruments- Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39. This amendment does not have an impact on the Institute's financial statements

iii) 'IAS 41 Agriculture - Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets with the scope of IAS 41. An entity applies the amendment to fair value measurements on or after the beginning of the first annual reporting period beginning or after 1 January 2022. This amendment does not have an impact on the Institute's financial statements.

iv) IFRS 16 Leases- Lease incentives

The amendment removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.
This amendment does not have an impact on the Institute's financial statements.

3.2 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Institute's financial statements are disclosed below. The Institute intends to adopt these standards, if applicable, when they become effective.

(a) Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the Board issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendment is effective for annual reporting periods beginning on or after 1 January 2023. These amendments will currently have no impact on the financial statements of the Institute.

3.2 Standards issued but not yet effective - continued

(b) Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

These amendments will currently have no impact on the financial statements of the Institute, and it is effective for annual reporting periods beginning on or after 1 January 2023.

(c) Classification of Liabilities as current or non-current - Amendments to IAS 1

This is a slight amendment to IAS 1- Presentation of Financial Statements, the amendment clarifies how an entity classifies debt and other financial liabilities as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. The impact of this standard on the Institute's financial statements is currently under assessment.

(d) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. These amendments will currently have no impact on the financial statements of the Institute, and its effective annual reporting periods beginning on or after 1 January 2023.

3.2 Standards issued but not yet effective - continued

Other amendments to standards, which currently do not apply to the Institute are listed below:

(i) *IFRS 17 Insurance Contracts*

The IASB issued IFRS 17 in May 2017 and it applies to annual reporting periods beginning on or after 1 January 2023. The new IFRS 17 standard establishes the principles for the recognition, measurement, presentation, and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance, and cash flows. This standard does not impact the Institute in any way as the Insitute do not engage in insurance business.

(ii) *Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12*

The amendments carify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component. This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

(ii) *Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments are intended to eliminate diversity in practice and give preparers a consistent set of principles to apply for such transactions. However, the application of the definition of a business is judgemental and entities need to consider the definition carefully in such transactions.

	Note	2022 US$	2021 USS
4 Subscription			
Central Bank of Nigeria		1,518,803	844,923
Bank of Ghana		1,084,857	603,513
Bank of Sierra Leone		578,584	321,868
Central Bank of The Gambia		578,584	321,868
Central Bank of Liberia		578,584	321,868
		4,339,412	2,414,040
5 Training income			
Net consultancy fees	(Note 5.1)	89,160	216,567
Sundry income & E-learning		2,423	22,232
		91,583	238,799
5.1 Net consultancy fees			
Consultancy fees		753,264	1,213,932
Demand Driven Courses expenses		(664,104)	(997,365)
		89,160	216,567

These relate to fees earned from training, learning and development organised by the Institute to Central Bank of Nigeria, Lagos state government, Debt Management Office, and other governmental, ministries, agency and departments from member countries and associated expenses of organising these trainings.

	Note	2022 US$	2021 USS
6 Other operating income			
Grants	(Note 6.1)	240,028	80,682
Interest		8,824	9,554
Foreign exchange gain		12,017	-
		260,869	90,236
6.1 Grants			
World Bank		192,632	80,682
International Monetary Fund Institute (IMF)		47,396	-
		240,028	80,682

i There are no unfulfilled conditions or contingencies attached to these grants.

ii World Bank Grant relates to grant received for expenses incurred by the Institute in organising various courses under the World Bank Debt Management Facility (DMF). The Funds were utilised in accordance with the Grant Agreement.

iii International Monetary Fund (IMF) Grant relates to grant received to implement a Regional Training Programme on Macroeconomic Diagnostics.

7 Personnel expenses	2022 US$	2021 US$
Salaries and wages	1,591,560	1,619,882
Provident fund contribution	429,343	436,914
Leave allowance, home leave and ex-gratia allowance	203,792	308,296
13-month salary	135,541	139,415
Utility allowance	63,630	33,026
Resettlement, recruitment costs and shipment of personal effects	61,423	-
Overtime allowance	7,827	3,429
	2,493,116	2,540,962

7.1 Staff Remuneration Salary range	2022 Number	2021 Number
$1001 - $10,000	7	8
$10,001 - $20,000	25	22
$20,001 - $30,000	1	1
$30,001 - $40,000	5	5
$40,001- $50,000	3	3
Above $50,000	11	12
	52	51

8 Training expenses		
Programme fees	866,589	273,183
Training materials, cost of administration & transportation	313,558	66,674
E-learning Expenses & Staff Retreat	-	20,457
	1,180,147	360,314

These are expenses incured on training and development for employees of the instituite to improve on the job and be intune with the latest development in the industry. These include flight expenses within and outside country, accommodation, transportation, feeding and their per diems etc.

9 Operating expenses	2022 US$	2021 US$
Official mission and travels	242,212	101,268
Staff training	90,844	116,530
Social programmes	43,182	65,948
Board expenses	36,368	27,294
Motor vehicle running expenses	35,787	38,428
Postages and telecommunications	35,438	23,445
Printing, stationery and computer consumables	34,547	45,199
Bank charges	33,353	2,436
Audit fees	31,000	31,000
Electricity, lighting and rates	26,811	17,234
Internet subscription/ website	22,064	26,308
Souvenir teaching aids	13,895	5,736
Repairs and maintenance	13,449	34,139
General insurance	12,702	38,156
Hospitality and security	12,315	8,352
Upkeep of grounds and buildings	9,235	6,211
Medical expenses	7,284	46,865
Entertainment	6,048	5,248
Management expenses	2,975	1,208
Cleaning materials and staff uniforms	2,866	1,802
Journals, periodicals and newspapers	2,822	3,344
Net foreign exchange loss	-	9,257
	715,197	655,408

10 Property and equipment

	Motor Vehicles US $	Office Furniture US$	Office Equipment US $	Household Furniture US $	Household Equipment US $	Total US $
Cost						
At 1 January 2021	727,804	13,667	441,116	45,188	110,415	1,338,190
Additions	-	-	10,521	-	-	10,521
At 31 December 2021	727,804	13,667	451,637	45,188	110,415	1,348,711
Additions	116,888	-	14,081	21,322	44,942	197,233
At 31 December 2022	844,692	13,667	465,718	66,510	155,357	1,545,944
Accumulated depreciation						
At 1 January 2021	356,188	3,578	317,690	19,453	50,240	747,149
Depreciation charge	119,349	2,066	39,146	9,313	24,920	194,794
At 31 December 2021	475,537	5,644	356,836	28,766	75,160	941,943
Depreciation charge	100,026	2,072	36,092	10,950	27,159	176,298
At 31 December 2022	575,563	7,716	392,928	39,716	102,319	1,118,241
Net book value:						
At 31 December 2022	269,129	5,951	72,790	26,794	53,039	427,703
At 31 December 2021	252,267	8,023	94,801	16,422	35,255	406,768

i) There were no restrictions on title and no asset pledge as security for liabilities during the year.

ii) At the end of the reporting period, management has assessed all items of property and equipment for any indication of impairment and based on judgement there is no such indication.

11 Intangible assets

	Computer Software N'000
Cost	
At 1 January 2021	80,324
Additions	1,253
At 31 December 2021	81,577
Additions	4,340
At 31 December 2022	85^917
Accumulated amortisation:	
At 1 January 2021	79,198
Amortisation	1,133
At 31 December 2021	80,331
Amortisation	2,469
At 31 December 2022	82,800
Net book value:	
At 31 December 2022	3,117
At 31 December 2021	1,246

12 Cash and cash equivalents

	2022 US$	2021 US$
Cash on hand	249,492	15,490
Endowment fund at bank	128,751	108,171
Cash at bank	2,573,673	2,917,390
	2,951,916	3,041,051

12.1 Cash & cash equivavalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Endowment fund is credited with surpluses from the Institute's overall operations.

13 Cash held for Staff Provident Fund (SPF)

	2022 US$	2021 US$
Cash held for Staff Provident Fund (SPF) (See note 13.1)	2,153,207	1,986,329

13.1 60% of the Staff Provident Fund are payable to staff on demand if certain conditions are met. The full balance is payable to staff upon termination or resignation or retirement from employment with the Institute.

14 Inventories

	2022 US$	2021 US$
Computer consumables	3,821	8,623
Cleaning materials	954	333
Household items	267	463
Stationery	1,598	3,736
	6,640	13,155

14.1 Inventories are carried at the lower of cost and net realisable value. There were no write-downs of inventory during the year and all inventory balances are current in nature. Inventory balances will be turned over within 12 months after the financial vear.

15 Other receivables

	2022 US$	2021 US$
World Bank	192,632	-
	192,632	-

Other receivables represent programmes organized in 2022 under World Bank Debt Management Facility 111 (DMF 111) for which the grant was yet to be received as at 31 December 2022. This was received in January 2023.

16 Other liabilities	2022 US$	2021 US$
Accruals (note 16.1)	36,006	40,855

16.1 Accruals are in respect of various expenses (e.g. audit fees, printing, medical bills), which have been incurred during the year but remained unpaid as at year end. The Institute normally settles such expenses within one to three months from the date of receipt of service to which they relate.

17 Staff Provident Fund (SPF)	2022 USS	2021 USS
Balance at 1 January	1,986,329	1,978,148
Contributions by Staff (10% of total salary)	143,127	145,638
Contributions by the Institute (20% of total salary)	286,216	291,265
	2,415,672	2,415,051
Payment to withdrawn staff (withdrawals by staff for the year) (Note 17.2)	(262,465)	(428,722)
Balance at 31 December	2,153,207	1,986,329

17.1 Staff provident provisions		
Contributions by Staff (10% of total salary)	143,127	145,638
Contributions by the Institute (20% of total salary)	286,216	291,265
	429,343	436,903

17.2 Staff provident payment		
Payment to withdrawn staff (withdrawals by staff for the year)	(262,465)	(428,722)

17.3 SPF is a contribution platform provided by the Institute to all staff. This is usually deducted at source from staff salary at 10% of monthly salary. While the Institute contributes 20% of staff's monthly salary. Staff are entitled to 60% of total contribution after the staff has spent more than 3 years in the Institute. Approval of SPF withdrawal is given when it is primarily meant for house building purposes only.

18 Accumulated fund		
As at January	3,421,365	4,430,901
Surplus/(deficit) for the year	124,637	(1,009,536)
	3,546,002	3,421J365~

19 Related parties

All related parties transactions are from the Business Development and Consultancy Unit and fees are charged on a cost recovery basis.

Directors remuneration	2022 US$	2021 US$
	749,409	736,517

The number of Directors excluding the Board of Governors, whose emoluments fall within the following ranges were:

	2022	2021
$50,000-$120,000	5	5
$120,001- $200,000	1	1

20 Financial risk management objectives and policies

The nature and carrying values of financial instruments that the Institute deploys in carrying out its activities are included in notes 12 to 17. The Institute's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance operations and to provide guarantees that support its operations. The Institute has trade and other receivables, and cash and bank balance that arise directly from its operations. The major risks that the Institute is exposed to as a result of deploying financial instruments include market risk, credit risk, liquidity risk and Operational risk. The Institute oversees the management of these risks. The Management advises on financial risks and the appropriate financial risk strategy within its policy framework to ensure that risks are kept at a minimum level. The Management provides assurance that the financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed to reduce the impact on its operations. The Management reviews and agrees policies for managing each of these risks which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. The Institute is not exposed to any significant market risks resulting from its financial instruments.

(t>) interest rate risk

The Institute does not have any long term debt obligations. The Institute's trade and other payables are for working capital and as such the Institute has little or no exposure to interest rate risk as at the year end.

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Institute's exposure to the risk of changes in foreign exchange rates relates primarily to the Institute's operating activities (when revenue or expense is denominated in a different currency from the Institute's presentation currency).

The table below summarises the Institute's exposure to foreign currency exchange rate risk at 31 December 2022 and 31 December 2021. Included in the table are the Institute's financial instruments at carrying amounts, categorised by currency.

	NAIRA US$	EURO US$
As at 31 December 2022		
Net foreign currency exposures		
Cash and bank balances	57,390	70,481
As at 31 December 2021		
Net foreign currency exposures		
Cash and bank balances	53,385	77,706

Foreign currency sensitivity

The Foreign exchange sensitivity analysis of the Institue is presented below.

For each foreign currency net exposure it is reasonable to assume a 5% appreciation/depreciation against the functional currency. If all other variables are held constant, the tables below present the impacts on profit or loss before tax if these currency movements had occurred.

20 Financial risk management objectives and policies - continued

(c) Foreign currency risk - continued

The following table details the sensitivity to a 11% increase and 1% decrease in US Dollar against the Naira and a 1% increase and 3% decrease against the Euro. Management believes that the percentage movement above is reasonably possible at the reporting date. The sensitivity analysis below include outstanding Naira and Euro denominated assets and liabilities. A positive number indicates an increase in profit where US Dollar strengthens by 11% against the Naira and 1% against the Euro. For a 1% and 3% weakening of US Dollar against the Naira and Euro respectively, there would be an opposite impact on profit, and the balance below would be negative.

	NAIRA US$	EURO US$
Foreign exchange sensitivity analysis (31 December 2022)		
US Dollar strengthens by 11% (Naira) & 1% (Euro)		
Profit/(loss)	6,313	705
US Dollar weakens by 1% (Naira) & 3% (Euro)		
Profit/(loss)	(574)	(2,114)
Foreign exchange sensitivity analysis (31 December 2021)		
US Dollar strengthens by 8% (Naira) & l%(Euro)		
Profit/(loss)	4,271	777
US Dollar weakens by 1% (Naira) & 4% (Euro)		
Profit/(loss)	(534)	(3,108)

(d) Price risk

The Institute does not carry any financial instrument that exposes it to significant price risk.

(e) Credit risk

Credit risk is the risk of financial loss to the Institute if members or donors fail to meet their contractual obligations, and arises principally from the Institute's receivables from members and donor agencies. The Institute's principal exposure to credit risk is influenced mainly by the individual characteristics of each member and/or donor agency. Management is responsible for analysing each existing and new members based on experience and relevant available information on an ongoing basis. This is to ensure that the subscriptions and/or grants in form of subscription/contribution are made good by the respective members and donors. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Institute evaluates the concentration of risk with respect to cash and bank balances and trade and other receivables as low. This is because its customers are located in several jurisdictions and operate in largely independent markets and also, it uses the services of several banks.

i) Credit Collateral

The Institute generally does not hold collateral over its financial assets and no such collaterals were held as at 31 December 2022 (2021: Nil).

ii) Credit exposure

The credit risk analysis below is presented in line with how the Institute manages the risk. The Institute manages its credit risk exposure based on the carrying value of the financial instruments.

•ii) Industry analysis

	Financial services US$	Government US$	Consumer US$	Others US$	Total US$
As at 31 December 2022					
Other receivables	192,632	-	-	-	192,632
Cash and cash equivalents	2,702,424	-	-	-	2,702,424
Total credit risk exposure	2,895,056	-	-	-	2,895,056
As at 31 December 2021					
Cash and cash equivalents	3,025,561	-	-	-	3,025,561
Total credit risk exposure	3,025,561	-	-	-	3,025,561

20 Financial risk management objectives and policies - continued

(e) Credit risk - continued

The table below provides information regarding the credit risk exposure of the Institute by classifying assets according to the Institute's credit ratings of counterparties:

Neither past-due nor impaired

	Investment grade US$	Non-investment grade: satisfactory US$	Non-investment grade: unsatisfactory US$	Past-due but not impaired US$	Total US$
As at 31 December 2022					
Cash and cash equivalents	2,702,424	-	-	-	2,702,424
Other receivables	192,632	-	-	-	192,632
Total	2,895,056	-	-	-	2,895,056
As at 31 December 2021					
Cash and cash equivalents	3,025,561	-	-	-	3,025,561
Total	3,025,561	-	-	-	3,025,561

Age analysis of financial assets past due but not impaired

	< 30 days US$	31 to 60 days US$	> 60 days US$	Total US$
As at 31 December 2022				
Other receivables	192,632	-	-	192,632
Total	192,632	-	-	192,632
As at 31 December 2021				
Other receivables	-	-	-	-
Total	-	-	-	-

(f) **Liquidity risk**

Liquidity risk is the risk that the Institute will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Institute's approach to managing liquidity is to ensure, as far as practicable, that it will always have sufficent liquidity to meet its liabilities as at when due, without incurring unacceptable losses or risking damage to the Institute's reputation.

However, the Institute ensures that it has sufficient cash on demand to meet current and expected operational needs.

Maturity profiles

The table that follows summarises the maturity profile of the financial assets and financial liabilities of the Institute based on remaining undiscounted contractual obligations, including interest payable and receivable.

Maturity analysis (contractual undiscounted cash flow basis)

	Carrying amount US$	Up to 3months US$	3-6 months US$	Total US$
As at 31 December 2022				
Financial assets				
Other receivables	192,632	-	192,632	192,632
Cash and cash equivalents	2,702,424	2,702,424	-	2,702,424
Total assets	2,895,056	2,702,424	192,632	2,895,056
Less: Financial liabilities				
Other liabilities	36,006	36,006	-	36,006
Total liabilities	36,006	36,006	-	36,006
Total liquidity surplus	2,859,050	2,666,418	192,632	2,859,050

20 **Financial risk management objectives and policies - continued**

(f) **Liquidity risk - continued**

	Carrying amount US$	Up to 3months US$	3-6 months US$	Total US$
As at 31 December 2021				
Financial assets				
Cash and cash equivalents	3,025,561	3,025,561	-	3,025,561
Total assets	3,025,561	3,025,561	-	3,025,561
Less: Financial liabilities				
Other liabilities	40,855	40,855	-	40,855
Total liabilities	40,855.00	40,855.00	-	40,855.00
Total liquidity surplus	2,984,706	2,984,706	-	2,984,706

(g) **Capital management**

Capital is the equity attributable to the equity holders of an entity. The primary objective of the Institute's capital management is to ensure that it maintains strong accumulated funds in order to support its operations and to sustain future developments. The Institute is not subject to any internally or externally imposed capital requirements.

(h) **Operational risk**

Operational risk is the risk of loss in both financial and non-financial terms resulting from human error and the failure of internal processes and systems.

Managing operational risk is seen as part of the day-to-day operations and management, which includes explicit consideration of both opportunities and the risks of all business activities. Operational risk management includes Institute-wide policies that describe the standard required of both staff and specific internal control systems designed for implementation in the Institute. Compliance with corporate policies and departmental internal control systems are managed by departmental management and an active internal audit function.

21 Fair value of financial assets and liabilities

Financial instruments that are measured subsequent to initial recognition at fair value, are grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in
Level 2: for equity securities not listed on an active market and for which observable
Level 3: fair value measurements are those derived from valuation techniques that

There were no assets or liabilities measured at fair value at reporting date (2021: Nil).

21.1 Financial instruments not measured at fair value

Table below shows the carrying value of financial assets not measured at fair value.

As at 31 December 2022	Level 1	Level 2	Level 3
Financial assets			
Cash and bank balances	-	-	2,951,916
Cash held for Staff Provident Fund (SPF)	-	-	2,153,207
Other receivables	-	-	192,632
	-	-	5,297,755
Financial liabilities			
Other liabilities	-	-	36,006
Staff provident fund	-	-	2,153,207
	-	-	2,189,213

As at 31 December 2021	Level 1	Level 2	Level 3
Financial assets			
Cash and bank balances	-	-	3,041,051
Cash held for Staff Provident Fund (SPF)	-	-	1,986,329
	-	-	5,027,380
Financial liabilities			
Other liabilities	-	-	40,855
Staff provident fund	-	-	1,986,329
	-	-	2,027,184

The Institute considers the carrying value of all financial assets and liabilities to approximate their fair values. There were no transfers between the different levels in 2022 (2021: Nil).

22 Contingent liabilities

There were no pending litigations against the Institute as at 31 December 2022 (2021: Nil).

23 Capital Commitments

There was no capital expenditure contracted but not provided for in these financial statements as at 31 December 2022 (2021: Nil).

24 Events after the reporting period

There are no other events after reporting date which could have a material effect on the financial position of the Institute as at 31 December 2022 and income and expenditure and other comprehensive income on that date which have not been adequately adjusted for or disclosed.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT

OTHER FINANCIAL DISCLOSURES

FOR THE YEAR ENDED 31 DECEMBER 2022

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 US$	%	2021 US$	%
Gross earnings	4,691,864	168	2,743,075	159
Less:				
Bought in material and services	(1,895,345)	(68)	(1,015,722)	(59)
Value added	2,796,519	100	1,727,353	100
Applied as follows:				
To employees:				
- Personnel expenses	2,493,116	89	2,540,962	147
Retained for the Institute's future:				
- Depreciation	176,298	6	194,794	11
- Amortisation	2,469	-	1,133	-
- Surplus /(deficit)for the year	124,637	4	(1,009,536)	(58)
Value added	2,796,519	100	1,727,353	100

Value added represents the additional wealth which the Institute has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth between employees and that retained for the future creation of more wealth.

WEST AFRICAN INSTITUTE FOR FINANCIAL AND ECONOMIC MANAGEMENT
FIVE-YEAR FINANCIAL SUMMARY

Statement of Financial Position
At 31 December

	2022 US$	2021 US$	2020 US$	2019 US$	2018 US$
Assets					
Non-current assets					
Property and equipment	427,703	406,768	591,041	425,759	268,090
Intangible assets	3,117	1,246	1,126	2,798	1,428
	430,820	408,014	592,167	428,557	269,518
Current assets					
Cash and bank balances	2,951,916	3,041,051	3,889,572	1,834,812	1,185,483
Cash held for Staff Provident Fund (SPF)	2,153,207	1,986,329	1,978,148	1,679,541	1,468,087
Inventories	6,640	13,155	13,001	14,437	18,519
Trade and other receivables	192,632	-	-	40,470	61,806
	5,304,395	5,040,535	5,880,721	3,569,260	2,733,895
Total assets	5,735,215	5,448,549	6,472,888	3,997,817	3,003,413
Liabilities					
Non-current liabilities					
Staff provident fund	2,153,207	1,986,329	1,978,148	1,679,552	1,468,098
Other liabilities	-	-	-	11,233	41,406
	2,153,207	1,986,329	1,978,148	1,690,785	1,509,504
Current liabilities					
Trade and other payables	36,006	40,855	63,839	36,175	93,295
	36,006	40,855	63,839	36,175	93,295
Total liabilities	2,189,213	2,027,184	2,041,987	1,726,960	1,602,799
Equity					
Accumulated funds	3,546,002	3,421,365	4,430,901	2,270,857	1,400,614
Total equity	3,546,002	3,421,365	4,430,901	2,270,857	1,400,614
Total equity and liabilities	5,735,215	5,448,549	6,472,888	3,997,817	3,003,413

Statement of Profit or Loss

	2022 US$	2021 US$	2020 US$	2019 US$	2018 US$
Total operating income	4,691,864	2,743,075	5,254,608	5,602,482	6,053,228
Expenditure					
Personnel expenses	(2,493,116)	(2,540,962)	(2,269,508)	(2,265,982)	(2,429,414)
Training expenses	(1,180,147)	(360,314)	(181,350)	(1,287,169)	(2,400,255)
Depreciation	(176,298)	(194,794)	(151,961)	(225,584)	(137,618)
Amortisation	(2,469)	(1,133)	(1,672)	(1,128)	(2,732)
Operating expenses	(715,197)	(655,408)	(490,073)	(952,376)	(1,157,142)
Total expenses	(4,567,227)	(3,752,611)	(3,094,564)	(4,732,239)	(6,127,160)
Surplus/(deficit) for the year	124,637	(1,009,536)	2,160,044	870,243	(73,932)