THE TONY ELUMELU
FOUNDATION

The Tony Elumelu Foundation
Annual Financial Statements
For the Year Ended 31 December 2022

THE TONY ELUMELU
FOUNDATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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THE TONY ELUMELU FOUNDATION

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TRUSTEES:	Mr. Tony O. Elumelu, CFR Mrs. Awele V. Elumelu, OFR Mr. Alex Trotter	- Founder/Chairman
CHIEF EXECUTIVE OFFICER	Ifeyinwa Ugochukwu	
COMPANY SECRETARY:	Chike Anikwe 1, Macgregor Road Ikoyi, Lagos	
REGISTERED OFFICE:	1, Macgregor Road Ikoyi, Lagos	
AUDITORS:	Ernst & Young 10th & 13th Floors UBA House 57 Marina Lagos	
BANKER:	United Bank for Africa Plc	
SOLICITORS:	Jackson Etti & Edu 3-5 Sinari Daranijo Street Victoria Island Lagos. Oluwayemisi & Co Suit B42 Shakir Plaza Area 11 Garki Abuja	
RC NO.:	CAC/IT/39632	
Website:	http://tonyelumelufoundation.org	

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees have pleasure in submitting to the members of The Tony Elumelu Foundation ("the Foundation") the audited financial statements for the year ended 31 December 2022. In preparing these financial statements and the comparative financial information, the Foundation has applied International Financial Reporting Standards ("IFRS") issued by International Accounting Standard Board ("IASB") and the provisions of the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act, No 6, 2011.

PRINCIPAL ACTIVITIES

The Tony Elumelu Foundation is an Africa-based not-for-profit instituition dedicated to the promotion and celebration of excellence in business leadership and entrepreneurship across Africa.

RELATIONSHIP WITH OTHER ORGANISATIONS

Membership

Foundation Community (World Economic Forum)

Partnerships

1 Indorama Eleme Petrochemicals Limited (Sponsorship of Additional Entrepreneurs)
2 Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) (Sponsorship of Additional Entrepreneurs)
3 African Development Bank (AfDB) (Sponsorship of Additional Entrepreneurs)
4 Anambra State Government (ANSG)- (Sponsorship of Additional Entrepreneurs)
5 CEDA, Government of Botswana- (Sponsorship of Additional Entrepreneurs)
6 International Committee of the Red Cross (ICRC) (Sponsorship of Additional Entrepreneurs)
7 Seme City (Government of Benin Republic) (Sponsorship of Additional Entrepreneurs)
8 United Nations Development Programme (UNDP) (Sponsorship of Additional Entrepreneurs)
9 US Consulate Nigeria- (Sponsorship of Additional Entrepreneurs)
10 Agence Francaise Development (AFD) de-risking facility (Access to Second Stage Financing)
11 Institut Français de Recherche en Afrique (IFRA) (Research Partnership)
12 Google.org (Sponsorship of Additional Entrepreneurs)
13 European Development Commission (Sponsorship of Additional Entrepreneurs)
14 Funding for the Promotion of Innovation in Agriculture (I4AG) (Sponsorship of Additional Entrepreneurs)
15 Nigerian Export Promotion Council (NEPC) (Second Stage Funding)
16 Deutsche Investitions-UND Entwicklungsgellschaft Mbh (DEG Kfw) (Sponsorship of Additional Entrepreneurs)
17 Deloitte and Touche (Business Plan Review and TEF Connect Platform Sponsorship)
18 Africa Foundation for Education (AFE) (Sponsorship of Additional Entrepreneurs)
19 Sightsavers (Sponsporship of Additional Entrepreneurs)
20 Arab Bank for Economic Development in Africa (BADEA) (Sponsorship of Additional Entrepreneurs)
21 Government of the Democratic Republic of Congo (DRC) (Sponsorship of Additional Entrepreneurs)

STATE OF AFFAIRS

In the opinion of the Trustees, the state of the Foundation's affairs is satisfactory and no events have occurred since the year ended 31 December 2022 that would affect the financial statements as presented.

OPERATING RESULTS

Highlights of the operating results are as follows:

	2022 ₦'000	**2021** ₦'000
Total revenue	2,877,545	1,660,996
Total expenses	(3,090,220)	(2,587,838)
Loss for the year	(212,675)	(926,842)

TRUSTEES

The names of the Trustees at the date of this report and of those who held office during the year are as follows:

Mr. Tony O.Elumelu,CFR	-	Founder/Chairman
Mrs. Awele V. Elumelu, OFR	-	Trustee
Mr. Alex Trotter	-	Trustee

THE TONY ELUMELU FOUNDATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

REPORT OF THE TRUSTESS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2022

None of the Trustees has notified the Foundation for the purpose of Section 303 of the Companies and Allied Matters Act, 2020 of any direct or indirect interest in contracts with which the Foundation is involved as at 31 December 2022.

PROPERTY AND EQUIPMENT

Information relating to changes in property and equipment is provided in Note 13 to the financial statements.

EMPLOYMENT OF PHYSICALLY CHALLENGED PERSONS

It is the Foundation's policy to consider disabled persons for employment, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment continues and that appropriate training is arranged. It is the policy of the Foundation that the training, as far as possible, be identical with that of other employees. In view of this, there are no disabled employees within the Foundation.

HEALTH, SAFETY AND WELFARE AT WORK OF EMPLOYEES

Employees are adequately insured against occupational hazards. In addition, medical facilities at specified limits are provided to employees and their immediate families at the Foundation's expense.

The Foundation places considerable value on the involvement of its employees in its affairs and has continued its practice of keeping them informed on matters affecting them as employees. In line with this, formal and informal channels of communication are employed in keeping employees abreast of factors affecting the performance of the Foundation.

EMPLOYEES' DEVELOPMENT AND TRAINING

The Foundation organizes in-house and external training for its employees based on the requirements of their job. Overseas courses are also arranged where necessary.

FORMAT OF THE FINANCIAL STATEMENTS

The financial statements are presented in accordance with International Financial Reporting Standards, provisions of the Companies and Allied Matters Act 2020 and Financial Reporting Council of Nigeria Act, No. 6, 2011. The Trustees consider that the format adopted is the most suitable for the Foundation.

SUBSEQUENT EVENTS

As stated in Note 25, no other events or transactions have occurred since the year end which would have a material effect on the financial statements as presented.

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AUDITORS

Messrs Ernst and Young, having expressed their willingness, will continue in office as auditors of the Foundation in accordance with Section 401(2) of the Companies and Allied Matters Act, 2020.

BY ORDER OF THE BOARD

Chike Anikwe
FRC/2017/NBA/00000016059
Secretary
23 June 2023

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

The Companies and Allied Matters Act, 2020, requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Foundation at the end of the year and of the profit or loss for the year then ended.

The responsibilities include ensuring that the Foundation:

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Foundation and comply with the International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020, and the Financial Reporting Council of Nigeria Act No. 6, 2011;

b) establishes appropriate and adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities;

c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, that are consistently applied; and

d) it is appropriate for the financial statements to be prepared on a going concern basis.

The Trustees 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,

- the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB)
- the provisions of the Companies and Allied Matters Act, 2020
- Financial Reporting Council of Nigeria Act, No. 6, 2011

The Trustees are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Foundation and ofits financial results.

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

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

Mr. Tony O. Elumelu, CFR Chairman FRC/2013/CIBN/00000002590	Mrs. Awele V. Elumelu, OFR Trustee FRC/2013/MDCAN/00000004705

23 June 2023

THE TONY ELUMELU FOUNDATION

STATEMENT OF CORPORATE RESPONSIBILITY FOR FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Certification Pursuant to Section 405(1) of Companies and Allied Matter Act, 2020

We the undersigned hereby certify the following with regards to our Financial Statements for the year ended 31 December 2022 that:

a. We have reviewed the report;

To the best of our knowledge, the report does not contain:

- Any untrue statement of a material fact, or
- Omit to state a material fact, which would make the statements misleading in the light of circumstances under which such statements were made;

b. To the best of our knowledge, the audited financial statement and other financial information included in this report fairly present in all material respects the financial condition and results of operation of the company as of, and for the periods presented in this report.

c. We :

- are responsible for establishing and maintaining internal controls.
- have designed such internal controls to ensure that material information relating to the Foundation is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
- have evaluated the effectiveness of the Foundation's internal controls as of date within 90 days prior to the report;
- have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

d. We have disclosed to the auditors of the Foundation and Audit Committee:

- All significant deficiencies in the design or operation of internal controls which would adversely affect the Foundation's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
- Any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls;

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

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Mr. Tony O. Elumelu, CFR
Chairman
FRC/2013/CIBN/00000002590

....

Mr. Ayodeji Adigun
Chief Financial Officer
FRC/2018/ICAN/00000018117

Ernst & Young
10th Floor, UBA House
57, Marina
Lagos, Nigeria

Tel: +234 (01) 844 996 2/3
Fax: +234 (01) 463 0481
ey.com

Independent Auditor's Report

To the Members of The Tony Elumelu Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Tony Elumelu Foundation ('the Foundation'), 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 accompanying financial statements give a true and fair view of the financial position of The Tony Elumelu Foundation as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards , the provisions of the Companies and Allied Matters Act, 2020 and 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 Foundation in accordance with the International Code of Ethics for Professional 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 opinion.

Other Information

The Trustees are responsible for the other information. The other information comprises the information included in the document titled "The Tony Elumelu Foundation Annual Financial Statements for the year ended 31 December 2022", which includes the Foundation information, Report of the Trustees, Statement of Trustees' responsibilities in relation to the preparation of the Financial Statements, Statement of Corporate Responsibility for Financial Statements and Other National Disclosures. 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.

Responsibilities of the Trustees for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 and

Responsibilities of the Trustees for the Financial Statements - continued

in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011, and for such internal control as the Trustees 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 Trustees are responsible for assessing the Foundation'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 Trustees either intend to liquidate the Foundation 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 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' 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 Foundation'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 Foundation to cease to continue as a going concern.

Independent Auditor's Report - continued

To the Members of The Tony Elumelu Foundation – continued

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

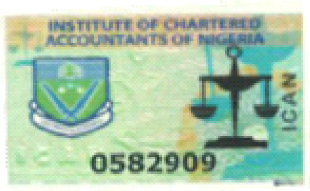
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

- 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;
- In our opinion, proper books of account have been kept by the Foundation in so far as appears from our examination of those books;
- The Foundation's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.



Abiodun Akinnusi
FRC/2021/004/00000023386

For Ernst & Young
Lagos, Nigeria
22 August 2023

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 ₦'000	2021 ₦'000
Grant income	4	1,507,140	916,664
Finance income	5	12,537	52,138
Other income	6	1,357,868	692,194
Total revenue		2,877,545	1,660,996
TEF Entrepreneurship Program expenses	7	(2,319,927)	(2,065,117)
Travel expenses	8	(72,534)	(8,985)
Event and publicity expenses	9	(69,649)	(10,135)
Personnel expenses	10	(216,858)	(203,830)
Professional and consulting expenses		(6,076)	(28,107)
Other operating expenses	11	(429,132)	(124,069)
Credit loss reversal/(expense)	12	43,672	(131,617)
Bank charges		(3,272)	(973)
Depreciation of property and equipment	13	(2,595)	(2,013)
Amortisation of intangible assets	14	(13,849)	(12,992)
Total expenses		(3,090,220)	(2,587,838)
Loss for the year		(212,675)	(926,842)
Other comprehensive (loss)/ income:			
Items to be subsequently reclassified to surplus or deficit:			
Fair value changes in financial asset at FVOCI	20.3	5,335	(5,671)
Total other comprehensive income/ (loss)		5,335	(5,671)
Total comprehensive loss for the year		(207,340)	(932,513)

The accompanying notes form an integral part of these financial statements

THE TONY ELUMELU FOUNDATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		2022	2021
Assets	**Notes**	**₦'000**	**₦'000**
Non-current assets			
Property and equipment	13	6,599	5,897
Intangible assets	14	56,217	66,642
Financial assets at fair value through OCI	15	4,255,772	4,250,437
Total non-current assets		4,318,588	4,322,976
Current assets			
Loans and other receivables	16	7,046	2,112
Prepayments	17	35,388	41,256
Cash and cash equivalents	18	3,060,395	5,128,394
Total current assets		3,102,829	5,171,762
Total assets		7,421,417	9,494,738
Equity and liabilities			
Equity			
Accumulated surplus	20.1	1,305,942	1,518,617
Fair value reserve	20.2	2,793,989	2,788,654
Total equity		4,099,931	4,307,271
Current liabilities			
Account and other payables	19	3,321,486	5,187,467
Total current liabilities		3,321,486	5,187,467
Total equity and liabilities		7,421,417	9,494,738

The financial statements were approved by the Trustees to the Foundation on 23 June 2023, and signed on its behalf by:

Mr. Tony O. Elumelu, CFR	**Mrs. Awele V. Elumelu, OFR**	**Mr. Ayodeji Adigun**
Chairman	**Trustee**	**Chief Financial Officer**
FRC/2013/CIBN/00000002590	**FRC/2013/MDCAN/00000004705**	**FRC/2018/ICAN/00000018117**

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Accumulated surplus	Fair Value reserve	Total
As at 1 January 2022	1,518,617	2,788,654	4,307,271
Loss for the year	(212,675)	-	(212,675)
Other comprehensive Income	-	5,335	5,335
As at 31 December 2022	**1,305,942**	**2,793,989**	**4,099,931**
As at 1 January 2021	2,445,459	2,794,325	5,239,784
Loss for the year	(926,842)	-	(926,842)
Other comprehensive Loss	-	(5,671)	(5,671)
As at 31 December 2021	**1,518,617**	**2,788,654**	**4,307,271**

The accompanying notes form an integral part of these financial statements

THE TONY ELUMELU FOUNDATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
Operating activities	**Notes**	**₦'000**	**₦'000**
Loss for the year		(212,675)	(926,842)
Non-cash adjustment:			
Depreciation of property and equipment	13	2,595	2,013
Amortisation of intangible asset	14	13,849	12,992
Credit loss expense	12	(43,672)	131,617
Income from disposal of assets	6	-	(1,311)
Dividend income	6	(482,940)	(121,417)
Foreign exchange gain	6	(10,554)	(3,745)
		(733,397)	**(906,693)**
Working capital adjustments:			
Changes in Loans and other receivables		(4,957)	10,764
Changes in prepayments		5,868	(17,833)
Changes in account and other payables		(1,865,981)	5,084,556
Net cash flows from/ (used in) operating activities		**(2,598,467)**	**4,170,794**
Investing activities			
Purchase of property and equipment	13	(3,666)	(3,505)
Purchase of intangible asset	14	(3,424)	(11,434)
Sale of property and equipment	11	369	1,616
Income from disposal of assets	6	-	1,311
Dividend received	6	482,940	121,417
Proceed from redemption of financial assets at amortised cost		-	865,623
Net cash generated from investing activities		**476,219**	**975,028**
Net (decrease) / increase in cash and cash equivalents		(2,122,249)	5,145,822
Expected credit loss reversal/(expense) on cash and cash equivalents		43,695	(133,994)
Net foreign exchange differences		10,554	3,745
Cash and cash equivalents as at beginning		5,128,393	112,820
Cash and cash equivalents as at closing		**3,060,393**	**5,128,393**

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Foundation information

The Tony Elumelu Foundation was founded in 2010. It was incorporated as a not-for-profit institution on 20 July 2010 and commenced operations on 1 October 2010.

The Tony Elumelu Foundation is an Africa-based and African-funded not-for-profit institution dedicated to the promotion and celebration of excellence in business leadership and entrepreneurship across Africa. The Foundation strives to deploy its resources to generate solutions to challenges that inhibit the growth of the African private sector.

The Foundation is domiciled in Nigeria with its registered office at 1 MacGregor Road, Ikoyi, Lagos State, Nigeria.

The financial statements of the Foundation for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Trustees on 23 June 2023.

2 Accounting Policies

2.1 Basis of preparation

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

The financial statements have been prepared on a historical cost basis, except where otherwise stated.

These financial statements are presented in Naira which is the Foundation's functional and presentation currency. Except as otherwise indicated, financial information presented in Naira has been rounded to the nearest thousand (₦'000).

The Foundation presents current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position. An analysis regarding recovery or settlement within twelve months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the respective notes.

2.2 Summary of significant accounting policies

A summary of the significant accounting policies, all of which have been applied consistently throughout the current and preceding years, is set out below.

2.2.1 Foreign currencies

The Foundation's financial statements are presented in Naira, which is also the Foundation's functional currency used in measuring all items in the financial statements.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Foundation at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.2.2 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Foundation and the income can be reliably measured. Income is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

The Foundation revenue exists in the form of endowment funds, finance income and dividend income.

Endowment funds/Grant Income

Endowment funds are contribution made to the Foundation by the trustees and other third parties. This can be in the form of cash or kind. Endowment is recognised as revenue on accrual basis when no significant uncertainty as to its collectability exists.

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets, interest income is recorded using the effective interest rate ("EIR"). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of profit or loss.

Dividends

Dividend is recognised when the Foundation's right to receive the payment is established, which is generally when shareholders approve the dividend.

Other income

Included in other income are exchange gain, dividend and corporate social responsibility income.

2.2.3 Intangible assets

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at costs amortized over a useful life.
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 amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

The Foundation has one group of intangible assets which is made up of Computer software:

Computer software: These represent the cost of procuring computer software. Computer software is amortised on a straight line basis over the useful lives of the software.

2.2.4 Property and equipment

Property and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property and equipment if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Foundation recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in the statement of comprehensive income as incurred.

Property and equipment transferred from customers is initially measured at the fair value at the date on which control is obtained. The straight-line method is used to depreciate the cost less any estimated residual value of the assets over their expected useful lives.

The Foundation estimates the useful lives of assets in line with their beneficial periods. Where a part of an item of property and equipment has different useful live and is significant to the total cost, the cost of that item is allocated on a component basis among the parts and each is depreciated separately. The useful lives of the Foundation's property and equipment for the purpose of depreciation are as follows:

	Number of years
Property and equipment	4
Motor vehicles	4
Furniture and Fittings	4
Computer equipment	5
Computer software	8

An item of property and equipment is de-recognised upn disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recongtion of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is de-recognised.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(i) **Useful lives and carrying value of property and equipment and intangible assets**

The estimation of the useful lives of assets is based on management's judgment. Any material adjustment to the estimated useful lives of items of property and equipment and intangibles will have an impact on the carrying value of these items.

(ii) **Determination of impairment of property and equipment, and intangible assets**

At each reporting date, or more frequently where events or changes in circumstances dictate, tangible and intangible assets excluding goodwill, are assessed for indications of impairment. If indications are present, these assets are subject to an impairment review. For the purpose of conducting impairment

The recoverable amount of the asset is the higher of the assets or the cash-generating unit's fair value less the carrying values of tangible and intangible assets, excluding goodwill, are written down by the amount.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2022

2.2.5 Financial instruments

All financial assets and liabilities are initially recognized on the trade date, i.e. the date that the Foundation becomes a party to the contractual provisions of the instrument. The Foundation uses trade date accounting for regular way contracts when recording financial assets transactions.

A financial asset or financial liability is measured initially at fair value plus or minus, for an item not at fair value through profit or loss, direct and incremental transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in profit or loss at initial recognition.

Financial assets

Initial recognition and measurement

Financial assets and liabilities are initially recognised on the trade date at which the Foundation becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, transaction costs that are directly attributable to its acquisition or issue.

The Foundation classifies its financial assets under IFRS 9, into the following measurement categories:
• those to be measured at fair value through other Comprehensive Income (FVOCI) (equity instrument); and
• those to be measured at amortised cost (debt instrument).

The classification depends on the Foundation's business model (i.e. business model test) for managing financial assets and the contractual terms of the financial assets cash flows (i.e. solely payments of principal and interest – SPPI test).
The Foundation also classifies its financial liabilities at amortized cost. Management determines the classification of the financial instruments at initial recognition.

The Foundation's financial assets include cash and cash equivalents, Loans and other receivables, Equity instrument held at fair value through other comprehensive income.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Debt instruments

The classification and subsequent measurement of debt instruments depend on the Foundation's business model for managing the financial assets and the contractual terms of the cash flows. Based on these factors, the Foundation classifies its debt instruments using the Amortised cost method.

Amortised cost

Financial assets such as loans and advances that are held within a business model whose objective is collection of contractual cash flows and where such cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss due to impairment or upon derecognition of a debt investment that is subsequently measured at amortised cost is recognised in profit or loss. Interest income from these financial assets is included in "Interest and similar income" using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less in the statement of financial position. Cash and cash equivalents are measured at amortised cost.

For the purpose of the cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Financial instruments - Continued

Equity instruments

The Foundation subsequently measures all its equity investments at fair value through Other Comprehensive Income (FVOCI). Changes in the fair value of financial assets at fair value through Other Comprehensive Income are recognised in Other Comprehensive Income. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payments is established. Included in this classification are quoted financial investments.

Impairment of financial assets

Overview of the ECL principles

The Foundation assesses on a forward looking basis the expected credit losses (ECL) associated with its loans and other receivables. In this section all referred to as 'financial instruments'. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Foundation recognises a loss allowance for expected credit losses (ECL) on cash and bank balances, intercompany receivables and Staff loans. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For all financial instruments (intercompany receivables, Staff loans and bank balances), the Foundation recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Foundation measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The calculation of ECLs

The Foundation calculates ECLs based on three economic scenarios (upturn economic scenario, downturn economic scenario and base case economic scenario) to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period.

EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.

LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time.

Impairment of financial assets -Continued

When estimating the ECLs, the Foundation considers three economic scenario which are considered to be the upturn economic scenario, downturn economic scenario and base case economic scenario.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Foundation has the legal right to call it earlier.

The mechanics of the ECL method are summarised below:

Stage 1

• The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Foundation calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date.

• These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2

• When a financial instrument has shown a significant increase in credit risk since origination, the Foundation records an allowance for the LTECLs. The mechanics are similar to those explained above but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3

• For financial instruments considered credit-impaired (as defined in the Note), the Foundation recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Write-off

The Foundation writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Foundation's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Forward-looking information

In its ECL models, the Foundation relies on a broad range of forward looking information as economic inputs, such as:

• Inflation rates
• Unemployment rates
• Crude oil price

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Derecognition of financial assets

The Foundation derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Foundation neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in such derecognised asset financial asset that is created or retained by the Foundation is recognised as a separate asset or liability. Impaired debts are derecognised when they are assessed as uncollectible.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognised in 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.

Financial liabilities

Initial and subsequent measurement

Initial recognition and measurement

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, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Foundation's financial liabilities include trade and other payables and due to related parties

In both the current and prior period, all financial liabilities are classified and subsequently measured at amortised cost.

Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

Reclassification

Financial liabilities are not reclassified after initial classification.

2.2.6 Fair value measurement

The Foundation measures financial instruments and non-financial assets such as quoted equities, at fair value at each year end. Also, fair values of financial instruments measured at amortised cost are disclosed in the notes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Foundation.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Foundation uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2022

2.2.6 Fair value measurement - Continued

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial liabilities

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Foundation determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Foundation has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets or liability and the level of the fair value hierarchy as explained above.

2.2.7 Employment benefits

The Foundation operates a defined contribution pension plan. The contribution payable to a defined contribution plan is in proportion to the services rendered to the Foundation by the employees and is recorded as an expense under 'Personnel expenses'. The employer and employee contributions are 10% and 8% respectively of the basic salary, housing allowance and transport allowance. Unpaid contributions are recorded as a liability.

2.2.8 Taxation

For Nigeria tax purpose, the Tony Elumelu Foundation is classified as a not-for-profit, tax-exempt organisation.

2.2.9 Fair value reserve

Fair reserve comprises changes in fair value of financial assets at fair value through other comprehensive income (FVOCI)

3.0 Significant accounting judgements, estimates and assumptions

The preparation of the Foundation'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.

Judgments, estimates and assumptions

In the process of applying the Foundation's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements.

The key assumptions concerning the future and other key sources of estimation uncertainty 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 Foundation 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 Foundation. Such changes are reflected in the assumptions when they occur and in any future periods affected.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2022

3.0 Significant accounting judgements, estimates and assumptions -Continued

Critical judgments in applying the Foundation's accounting policies

The following are the critical judgments, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Foundation's accounting policies and that have the most significant effect on the amounts recognised in financial statements

Going Concern

The financial statements have been prepared on the going concern basis and there is no intention to curtail business operations. The Directors have made assessment of the Foundation's ability to continue as a going concern and have no reason to believe that the Foundation will not remain a going concern in the next 12 months ahead.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty 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 Foundation 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 Foundation. Such changes are reflected in the assumptions when they occur.

(i) **Useful lives and carrying value of property and equipment, and intangible assets**

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 Foundation 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.

(ii) **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 Foundation 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 realisable values. Management's judgment is also required when assessing whether a previously recognised impairment loss should be reversed.

(iii) **Fair value measurement of financial instruments**

The best evidence of fair value is a quoted price in an actively traded market. In the event that the market for a financial instrument is not active, a valuation technique is used. The majority of valuation techniques employ only observable market data and so the reliability of the fair value measurement is high. However, certain financial instruments are valued on the basis of valuation techniques that feature one or more significant market inputs that are unobservable. Valuation techniques that rely to a greater extent on unobservable inputs require a higher level of management judgment to calculate a fair value than those based wholly on observable inputs.

The main assumptions and estimates which management consider when applying a model with valuation techniques are:

· The likelihood and expected timing of future cash flows on the instrument. These cash flows are usually governed by the terms of the instrument, although judgment may be required when the ability of the counterparty to service the instrument in accordance with the contractual terms is in doubt. Future cash flows may be sensitive to changes in market rates;

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2022

(iii) **Fair value measurement of financial instruments - Continued**

· Selecting an appropriate discount rate for the instrument. The determination of this is based on the assessment of what a market participant would regard as the appropriate spread of the rate for the instrument over the appropriate rate; and

· Judgment to determine what model to use to calculate fair value in areas where the choice of valuation model is particularly subjective, for example, when valuing complex derivative products.

When applying a model with unobservable inputs, estimates are made to reflect uncertainties in fair values resulting from a lack of market data inputs, for example, as a result of illiquidity in the market. For these instruments, the fair value measurement is less reliable. Inputs into valuations based on unobservable data are inherently uncertain because there is little or no current market data available from which to determine the level at which an arm's length transaction would occur under normal business conditions. However, in most cases there is some market data available on which to base a determination of fair value, for example historical data, and the fair values of most financial instruments are based on some market observable inputs even when unobservable inputs are significant.

Given the uncertainty and subjective nature of valuing financial instruments at fair value, it is possible that the outcomes in the next financial year could differ from the assumptions used, and this could result in a material adjustment to the carrying amount of financial instruments measured at fair value.

(iv) **Impairment under IFRS 9**

The impairment requirements of IFRS 9 apply to all debt instruments that are measured at amortised cost.
The determination of impairment loss and allowance moves from the incurred credit loss model whereby credit losses are recognised when a defined loss event occurs under IAS 39, to expected credit loss model under IFRS 9, where expected credit losses are recognised upon initial recognition of the financial asset based on expectation of potential credit losses at the time of initial recognition.The Foundation does not originate or purchase credit impaired loans or receivables.

Forecast of future economic conditions when calculating ECLs are considered. The lifetime expected losses are estimated based on the probability – weighted present value of the difference between:
1) The contractual cash flows that are due to the Foundation under the contract; and
2) The cash flows that the Foundation expects to receive.

Elements of ECL models that are considered accounting judgements and estimates include:
• The Foundation's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Life-Time Expected Credit Lossess (LTECL) basis and the qualitative assessment
• The development of ECL models including the various formulas and the choice of inputs, determination of associations between macroeconomic scenarios and economic inputs such as unemployment levels and collateral values, and the effect on Probability of Defaults (PDs), Exposure at Defaults (EADs), and Loss Given Defaults (LGDs).
• Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Expected lifetime:
The expected life time of a financial asset is a key factor in determining the life time expected credit losses. Lifetime expected credit losses represents default events over the expected life of a financial asset. The Foundation measures expected credit losses considering the risk of default over the maximum contractual period (including any borrower's extension option) over which it is exposed to credit risk.

3.1 Standards and interpretations effective during the reporting period

The new standards and interpretations that are issued and are effective up to the date of issuance of the Foundation's financial statements are disclosed below. The Foundation has adopted these standards and interpretations, where applicable.

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

(b) IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter (effective for annual reporting periods beginning on or after 1 January 2022)

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

(d) Amendments to IAS 37- Onerous Contracts – Cost of Fulfilling a Contract

(e) IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

(f) AIP IAS 41 Agriculture - Taxation in fair value measurement

a Reference to the Conceptual Framework Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added 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 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. The amendments are not expected to have any impact on the Foundation's financial statements.

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

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Foundation's financial statements.

C Property, Plant and Equipment: Proceeds before Intended Use Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.
The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Foundation's financial statements.

d Onerous Contracts Costs of Fulfilling a Contract Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group and Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The amendments are not expected to have a material impact on the Foundation's financial statements.

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

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. 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. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Foundation's financial statements.

f AIP IAS 41 Agriculture - Taxation in fair value measurement

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 within 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 on or after 1 January 2022. Earlier application is permitted. The amendments are not expected to have a material impact on the Foundation's financial statements.

3.2 Standards and interpretations issued/amended but not yet effective

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

(a) Amendment to IFRS 17- Insurance Contracts (Effective for annual periods beginning on or after 1 January 2023)

(b) Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective for annual reporting periods beginning on or after 1 January 2023)

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

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

(e) Disclosure of Accounting Estimates - Amendments to IAS 8

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

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

a IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model (the general model) for insurance contracts, supplemented by the variable fee approach for contracts with direct participation features that are substantially Investment-related service contracts, and the premium allocation approach mainly for short- duration which typically applies to certain non-life insurance contracts.

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. Retrospective application is required.
However, if full retrospective application for a group of insurance contracts is impracticable, then the entity is required to choose either a modified retrospective approach or a fair value approach. The Foundation does not expect this interpretation to have any impact on the Foundation's financial statements.

b Amendments to IAS 1: Classification of Liabilities as Current or Non-current

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

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

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The amendments are not expected to have any impact on the Foundation's Financial Statements.

C 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 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. These amendments are not expected to have an impact on the financial statements of the Foundation as it has no Associates and Joint Ventures.

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

The amendments aim to help entities provide accounting policy disclosures that are most useful by: replacing the requirements for the entities to disclose their significant accounting policies with requirement to disclose their material accounting policies and adding guidance on how entities apply the concept of materiality in making decisons about accounting policy disclosures. It is effective for annual periods beginning on or after 1 January 2023. These amendments are not expected to have any material impact on the Foundation's Financial Statements.

e Disclosure of Accounting Policies - Amendments to IAS 8

In February 2021, IASB issued amendments to IAS 8 which 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. The amendments are intended to provide preparers of financial statements with greater clarity as to the definition of accounting estimates, particularly in terms of the difference between accounting estimates and accounting policies. Although the amendments are not expected to have a material impact on Foundation's financial statements. It is effective for annual periods beginning on or after 1 January 2023.

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

In May 2021, IASB issued amendments to IAS 12 which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle liability are deductible for tax purposes, it is a matter of judgement whether such deductions are attributable for tax purpose to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). Judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. It is effective for annual periods beginning on or after 1 January 2023.

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

In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. It is effective for annual periods beginning on or after 1 January 2024.

		2022 ₦'000	2021 ₦'000
4	**Grant Income**		
	Grant income	1,507,140	916,664
		1,507,140	916,664
5	**Finance income**		
	Interest income on staff loan	94	268
	Interest income on deposits	12,443	51,870
		12,537	52,138
6	**Other income**		
	Corporate Social Responsibility income (Note 6.1)	864,374	565,721
	Dividend income	482,940	121,417
	Exchange gain	10,554	3,745
	Income from disposal of assets	-	1,311
		1,357,868	692,194

6.1 The Corporate Social Responsibility(CSR) income relates to contributions made by Companies towards the Foundation's CSR initiatives and Programmes.

		2022 ₦'000	2021 ₦'000
7	**TEF Entrepreneurship Program Expenses**		
	TEFEP expenses (Note 7.1)	2,319,927	2,065,117
		2,319,927	2,065,117

7.1 The increase in TEF Entrepreneurship Program Expenses was due to seed capital grant to entrepreneurs in 2022 which did not occur in 2021.

		2022 ₦'000	2021 ₦'000
8	**Travel expenses**		
	Travel expenses	72,534	8,984
9	**Event and publicity expenses**		
	Event & publicity expenses	69,649	10,135
10	**Personnel expenses**		
	Salaries and allowances	209,921	196,505
	Defined contribution expense	6,937	7,325
		216,858	203,830

		2022 ₦'000	2021 ₦'000
11	**Other operating expenses**		
	Application Drive Expenses	254,859	36,708
	General office expenses	70,534	77,771
	Other administrative expenses	19,571	8,203
	Repairs & maintenance	20,611	356
	Entertainment expenses	13,298	-
	Insurance expenses	839	1,023
	Regulatory & levy expenses	941	8
	Fuel expenses	40,483	-
	Utility Expenses	7,806	-
	Stationery Expenses	190	-
		429,132	124,069

11.1 Application drive expenses relates to the amount spent to advertise the entrepreneurship program. The increase 2022 is due to more advert done in 2022 as compared to 2021

12	Credit loss reversal/(expense) (Note 12.1)	43,672	(131,617)
		43,672	(131,617)

12.1 Credit loss reversal/(expense)

31 December 2022	Stage 1	Stage	Stage 3	Total
	₦'000	**₦'000**	**₦'000**	**₦'000**
Cash and cash equivalents (Note 18)	43,695	-	-	43,695
Loans and other receivables (Note 16)	(23)	-	-	(23)
	43,672	-	-	43,672

31 December 2021	Stage 1	Stage	Stage 3	Total
	₦'000	**₦'000**	**₦'000**	**₦'000**
Cash and cash equivalents (Note 18)	(133,994)	-	-	(133,994)
Financial assets at amortised cost	2,379			2,379
Loans and other receivables (Note 16)	(2)	-	-	(2)
	(131,617)	-	-	(131,617)

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Property and equipment

	Motor vehicle	Property & equipment	Computer equipment	Furniture & Fittings	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Cost:					
As at 1 January 2021	13,295	1,001	15,283	163	29,742
Additions	-	-	3,505	-	3,505
Disposal	(3,295)	-	(2,418)	-	(5,713)
As at 31 December 2021	10,000	1,001	16,370	163	27,534
Additions	-	-	3,666	-	3,666
Disposal	-	-	(452)	-	(452)
As at 31 December 2021	10,000	1,001	19,584	163	30,748
Accumulated depreciation:					
As at 1 January 2021	13,295	1,001	9,377	47	23,720
Charge for the year	-	-	1,972	41	2,013
Disposal	(3,295)	-	(802)	-	(4,097)
As at 31 December 2021	10,000	1,001	10,547	88	21,637
Charge for the year	-	-	2,555	41	2,595
Disposal	-	-	(83)	-	(83)
As at 31 December 2022	10,000	1,001	13,019	129	24,149
Net Book Value:					
As at 31 December 2021	-	-	5,823	75	5,897
As at 31 December 2022	-	-	6,565	34	6,599

14 Intangible assets

	₦'000
Cost:	
As at 1 January 2021	97,500
Additions	11,434
As at 31 December 2021	108,934
Additions	3,424
As at 31 December 2022	112,358
Accumulated amortisation:	
As at 1 January 2021	29,300
Charge for the year	12,992
As at 31 December 2021	42,292
Charge for the year	13,849
As at 31 December 2022	56,141
Net Book Value:	
As at 31 December 2021	66,642
As at 31 December 2022	56,217

Intangible assets represent the costs incurred in the procurement and installation of accounting and other software.

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 ₦'000	2021 ₦'000
15 Financial assets at fair value through OCI		
Quoted equities		
Afriland Properties Plc	14,080	10,044
Africa Prudential Plc	102,400	108,374
United Capital Plc	716,802	506,881
United Bank for Africa Plc	3,422,490	3,625,138
	4,255,772	**4,250,437**

15.1 Movement in quoted securities:		
Opening balance	4,250,437	4,256,108
Valuation gains/(losses)	5,335	(5,671)
Balance of financial assets at fair value through OCI	4,255,772	4,250,437

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Loans and other receivables

Staff loans	3,745	1,132
Other receivables	3,438	1,094
	7,183	2,226
Impairment on Loans and other receivables	(137)	(114)
	7,046	2,112

16.1 An analysis of changes in the gross carrying amount and the corresponding ECL allowances

In thousands of Nigerian Naira	Stage 1 individual	Stage 2 individual	Stage 3	Total
Gross carrying amount as at 1 January 2022	2,226	-	-	2,226
New assets originated or purchased	4,957	-	-	4,957
Gross carrying amount as at 31 December 2022	7,183	-	-	7,183

In thousands of Nigerian Naira	Stage 1 individual	Stage 2 individual	Stage 3	Total
ECL allowance as at 1 January 2022	114	-	-	114
Credit loss expense	23	-	-	23
ECL allowance as at 1 December 2022	137	-	-	137

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to trade and other receivables is as follows:

In thousands of Nigerian Naira	Stage 1 individual	Stage 2 individual	Stage 3	Total
Gross carrying amount as at 1 January 2021	2,226	-	-	2,226
Payments and asset derecognised (excluding write offs)	-	-	-	-
Gross carrying amount as at 31 December 2021	2,226	-	-	2,226

In thousands of Nigerian Naira	Stage 1 individual	Stage 2 individual	Stage 3	Total
ECL allowance as at 1 January 2021	112	-	-	112
Credit loss expense	2	-	-	2
ECL allowance as at 1 December 2021	114	-	-	114

	2022 ₦'000	2021 ₦'000
17 Prepayments		
Prepaid insurance	2,658	2,237
Prepaid subscription	3,302	2,526
Prepaid others	29,428	36,493
	35,388	41,256

18 Cash and cash equivalents

Cash	918	1,079
Cash in bank	3,151,576	5,263,109
	3,152,494	5,264,188
Less: Allowance for ECL (Note 18.1)	(92,099)	(135,794)
	3,060,395	5,128,394

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2022

18.1 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to cash at banks is as follows:

In thousands of Nigerian Naira	Stage 1 individual	Stage 2 individual	Stage 3	Total
Gross carrying amount as at 1 January 2022	5,264,188	-	-	5,264,188
Payments and asset derecognised (excluding write offs)	(2,111,694)	-	-	(2,111,694)
Gross carrying amount as at 31 December 2022	3,152,494	-	-	3,152,494

In thousands of Nigerian Naira	Stage 1 individual	Stage 2 individual	Stage 3	Total
ECL allowance as at 1 January 2022	135,794	-	-	135,794
Credit loss reversal	(43,695)	-	-	(43,695)
ECL allowance as at 31 December 2022	92,099	-	-	92,099

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to cash at banks is as follows:

In thousands of Nigerian Naira	Stage 1 individual	Stage 2 individual	Stage 3	Total
Gross carrying amount as at 1 January 2021	114,620	-	-	114,620
New assets originated or purchased	5,149,568	-	-	5,149,568
Gross carrying amount as at 31 December 2021	5,264,188	-	-	5,264,188

In thousands of Nigerian Naira	Stage 1 individual	Stage 2 individual	Stage 3	Total
ECL allowance as at 1 January 2021	1,800	-	-	1,800
Credit loss expense	133,994	-	-	133,994
ECL allowance as at 31 December 2021	135,794	-	-	135,794

19 **Account and other payables**	₦'000	₦'000
Financial		
Account payable	55,619	1,543
Other payables (Note 19.1)	3,249,553	5,170,605
Domestic Reimbursables	4,140	4,140
	3,309,312	5,176,288
Non-Financial		
Withholding tax payable	3,116	2,184
PAYE payable	6,072	4,526
Industrial Training Fund Payable	1,634	1,716
Employee benefit payable	204	2,201
VAT payable	1,091	483
NHF Payable	57	69
	12,174	11,179
	3,321,486	5,187,467

19.1 Other payables relates to money received from Partners for project expenses that are yet to be disbursed as at year end.

20 Equity

20.1 Accumulated surplus

Accumulated surplus warehouses the surplus or deficit reported in previous reporting years and current year's statement of comprehensive income.

20.2 Fair value reserve

The fair value reserve warehouses the fair value changes on quoted equities measured at fair value with fair value changes recognised through other comprehensive income at the end of each reporting date.

20.3 Movement in the items of other comprehensive income	2022 ₦'000	2021 ₦'000
Opening balance	1,944,742	1,950,413
Gain/(Loss) arising from remeasurement of financial assets at fair value through OCI (Note 15.1)	5,335	(5,671)
	1,950,077	1,944,742

21 Fair value of financial instruments

Determination of fair value and fair values hierarchy

The financial instruments held by the Foundation comprises cash and cash equivalents, financial assets at FVOCI, Staff loans , other receivables and Account and other payables

The Foundation uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets;
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	2022 ₦'000	2021 ₦'000
Assets measured at fair value		
Level 1		
Financial assets at fair value through OCI	4,255,772	4,250,437
	4,255,772	4,250,437

The following financial instruments were measured at amortised cost; Cash and cash equivalents, Staff loans and related party receivables.

The carrying value of the Foundations financial instruments measured at amortised cost approximates their fair value as at the reporting date.

Set out below is a comparison by class of the carrying amounts and fair values of the Foundation's financial instruments that are carried in the financial statements.

	Carrying value		**Fair value**	
	2022	2021	2021	2020
	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents (Note 18)	3,060,395	5,128,394	3,060,395	5,128,394
Loans other receivables (Note 16)	7,046	2,112	7,046	2,112
Financial assets at fair value through OCI (Note 15)	4,255,772	4,250,437	4,250,437	4,250,437
	7,323,213	**9,380,943**	**7,317,878**	**9,380,943**
Account and other payables (Note 19)	3,309,312	5,176,288	3,309,312	5,176,288
	3,309,312	**5,176,288**	**3,309,312**	**5,176,288**

22 Financial risk management

The Tony Elumelu Foundation's activities and holding of financial instruments expose it to financial risk namely, market risk, credit risk and liquidity risk. This note describes the Foundation's objectives, policies and processes for managing those risks.

22.1 Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk, currency risk and other price risks. The Foundation is exposed to the following market risk; foreign currency risk and equity price risk.

22.1.1 Equity price risk

The Foundation's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The movement in listed equity is reflected immediately in the carrying amount of the investment at every reporting date. The Foundation's Board of Trustees reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value is N4,257,479,000 (31 December 2021: N4,250,437,000). A decrease of 10% on the Nigerian Stock Exchange (NSE) market index could have an impact of approximately N425,747,900 (31 December 2021: N425,043,700) on the income or equity attributable to the Foundation, depending on whether the decline is significant or prolonged.

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, to the Foundation's income statements and equity.

	Plus 5 Basis Points	Plus 10 Basis Points	Minus 5 Basis Points	Minus 10 Basis Points
	Sensitivity of profit or loss & equity			
	₦'000	₦'000	₦'000	₦'000
As at 31 December 2022 Rate sensitive assets				
Bank placements and Loans and other receivables	627	1,254	(627)	(1,254)
As at 31 December 2021 Rate sensitive assets				
Bank placements and Loans and other receivables	2,607	5,214	(2,607)	(5,214)

22.1.2 Foreign currency risk

The Foundation's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities (when Trustees' contributions, grants and bank deposits are denominated in a different currency from the Foundation's functional currency). The Foundation manages its foreign currency risk through carrying out sensitivity analysis, forecasting its foreign exchange positions and taking appropriate positions. The effect of any foreign currency risk exposure is recognised in the profit or loss.

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

	NAIRA	**GBP**	**USD**	**EURO**	**TOTAL**
	₦'000	₦'000	₦'000	₦'000	₦'000
As at 31 December 2022					
Cash and cash equivalents	2,145,012	250	751,511	163,622	3,060,395
Loans and other receivables	7,046	-	-	-	7,046
Finacial assets at FVOCI	4,255,772	-	-	-	4,255,772
	6,443,218	250	751,511	163,622	7,358,601
Account and other payables	3,309,312	-	-	-	3,309,312
	3,309,312	-	-	-	3,309,312
Net open currency position	3,133,906	250	751,511	163,622	4,049,289
As at 31 December 2021					
Cash and cash equivalents	1,377,273	249	3,493,759	257113	5,128,394
Trade and other receivables	2,112	-	-	-	2,112
Finacial assets at FVOCI	4,250,437	-	-	-	4,250,437
	5,671,078	249	3,493,759	257,113	9,422,199
Account and other payables	5,176,288	-	-	-	5,176,288
	5,176,288	-	-	-	5,176,288
Net open currency position	494,790	249	3,493,759	257,113	4,245,911

22 Financial risk management - Continued

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, Pound sterling & EURO exchange rates, with all other variables held constant. The impact on the Foundation's Comprehensive income is due to changes in the fair value of monetary assets and liabilities.

	%	Effect in Comprehensive Income	Effect in Comprehensive Income
31 December 2022		*Strengthening*	*Weakening*
Euro	5	8,181	(8,181)
USD	5	37,576	(37,576)
GBP	5	13	(13)
31 December 2021			
Euro	5	12,856	(12,856)
USD	5	174,688	(174,688)
GBP	5	12	(12)

22.2 Credit risk

Credit risk arises from cash in bank and loans and other receivables. The Foundation assesses the credit quality of counter parties, taking into account their financial position, past experience and other factors. Staff loans are secured by employee salaries and deductions are made at source. The utilisation of credit limits is regularly monitored to ensure debts are easily collected.

Cash is held either on current or on short-term deposits at floating rates of interest. Part of the cash at bank is held in Euros, GBP and US dollar accounts.

Credit risk from balances with banks and financial institutions is managed by the Foundation's Treasury Unit in accordance with the Foundation's risk management policy.

The table below shows the Foundation maximum exposure to credit risk

	2022	2021
	₦'000	₦'000
Loans and other receivables	7,046	2,112
Cash in bank	3,060,395	5,128,394

22.3 Liquidity risk

The Tony Elumelu Foundation manages its working capital to ensure sufficient cash resources are maintained to meet short-term liabilities. To manage this risk, management has adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity using maturity profile analysis.

The table below summarizes the maturity profile of the Foundation's financial assets and liabilities based on contractual undiscounted payments.

	On demand	1-3 months	3 -12 months	No Maturity	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
31 December 2022					
Financial assets					
Financial assets at fair value through OCI	-	-	-	4,255,772	4,255,772
Loans and other receivables	-	-	3,608	3,438	7,046
Cash and cash equivalents	3,060,395	-	-	-	3,060,395
	3,060,395	-	3,608	4,259,210	7,323,213

	On demand	1-3 months	3 -12 months	More than 12 months	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Financial liabilities					
Account and other payables	-	-	3,309,312	-	3,309,312
	-	-	3,309,312	-	3,309,312
Total liquidity (gap)/Surplus	3,060,395	-	(3,305,704)	4,259,210	4,013,901

	On demand	1-3 months	3 -12 months	More than 12 months	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
31 December 2021					
Financial assets					
Financial assets at fair value through OCI	-	-	-	4,250,437	4,250,437
Loans and other receivables	-	-	1,018	1,094	2,112
Cash and cash equivalents	5,264,188	-	-	-	5,264,188
	5,264,188	-	1,018	4,251,531	9,516,737
Financial liabilities					
Account and other payables	-	-	5,176,288	-	5,176,288
	0	-	5,176,288	-	5,176,288
Total liquidity (gap)/Surplus	5,264,188	-	(5,175,270)	4,251,531	4,340,449

The Foundation also has a contingency funding plan, which would be activated in the event of sudden liquidity pressure.

23 Related party disclosures

Emolument of Trustees:
None of the Trustees received any emoluments during the year.

24 Contingent liabilities, commitments and operating lease arrangements
There were no known contingent liabilities and capital commitments as at 31 December 2022 (31 December 2021: nil).

25 Events after the reporting date

No significant events have occurred after the balance sheet date which have a material effect on the financial statements, or the omission of which will make the financial statements misleading as to the financial position of the Foundation.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

OTHER NATIONAL DISCLOSURES

STATEMENT OF VALUE ADDED

FOR THE YEAR ENDED 31 DECEMBER 2022

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	2022		2021	
	₦'000			
Grant income	1,507,140		916,664	
Bought-in- goods and services	(2,856,918)		(2,369,003)	
	(1,349,778)		(1,452,339)	
Other income	1,370,405		744,332	
Value added	**20,627**		**(708,007)**	
Applied as follows:		%		%
To pay employees:				
Staff costs	216,858	1,052	203,830	(30)
Consumed for assets replacement and future expansion of business:				
-depreciation	2,595	13	2,013	(0)
-amortisation	13,849	67	12,992	(2)
Loss for the year	(212,675)	(1,032)	(926,842)	131
	20,627	**100**	**(708,007)**	**100**

Value added represents the wealth which the Company has created on its own and its employees' efforts.

THE TONY ELUMELU FOUNDATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

OTHER NATIONAL DISCLOSURES

FIVE-YEAR FINANCIAL SUMMARY

	31 December				
	2022	**2021**	**2020**	**2019**	**2018**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
STATEMENT OF FINANCIAL POSITION					
Assets					
Non-current assets					
Property and equipment	6,599	5,897	6,022	7,095	3,450
Intangible assets	56,217	66,642	68,200	42,104	42,684
Financial assets at fair value through OCI	4,255,772	4,250,437	4,256,108	3,412,196	3,701,422
Total non-current assets	4,318,588	4,322,976	4,330,330	3,461,395	3,747,556
Current assets					
Financial assets at amortised cost	-	-	863,244	-	-
Loans and other receivables	7,046	2,112	12,878	3,425	892
Prepayments	35,388	41,256	23,423	24,587	13,692
Cash and cash equivalents	3,060,395	5,128,394	112,820	1,051,283	128,808
Total current assets	3,102,829	5,171,762	1,012,365	1,079,295	143,392
Total assets	7,421,417	9,494,738	5,342,695	4,540,690	3,890,948
Equity and liabilities					
Equity					
Accumulated surplus	1,305,942	1,518,617	2,445,459	1,576,366	1,579,571
Fair value reserve	2,793,989	2,788,654	2,794,325	1,950,413	2,239,639
Total equity	4,099,931	4,307,271	5,239,784	3,526,779	3,819,210
Current liabilities					
Account and other payables	3,321,486	5,187,467	102,911	1,013,911	71,738
Total current liabilities	3,321,486	5,187,467	102,911	1,013,911	71,738
Total equity and liabilities	7,421,417	9,494,738	5,342,695	4,540,690	3,890,948

PROFIT OR LOSS ACCOUNT

	31 December 2022	**31 December 2021**	**31 December 2020**	**31 December 2019**	**31 December 2018**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Total revenue	2,877,545	1,660,996	3,115,445	2,560,723	2,378,011
Total expenses	(3,090,220)	(2,587,838)	2,246,352	(2,563,927)	(2,412,908)
Loss for the year	(212,675)	(926,842)	(3,204)	(3,204)	(34,897)
Total comprehensive (Loss)/income for the year	(207,340)	(932,513)	1,713,005	(292,430)	(1,249,012)