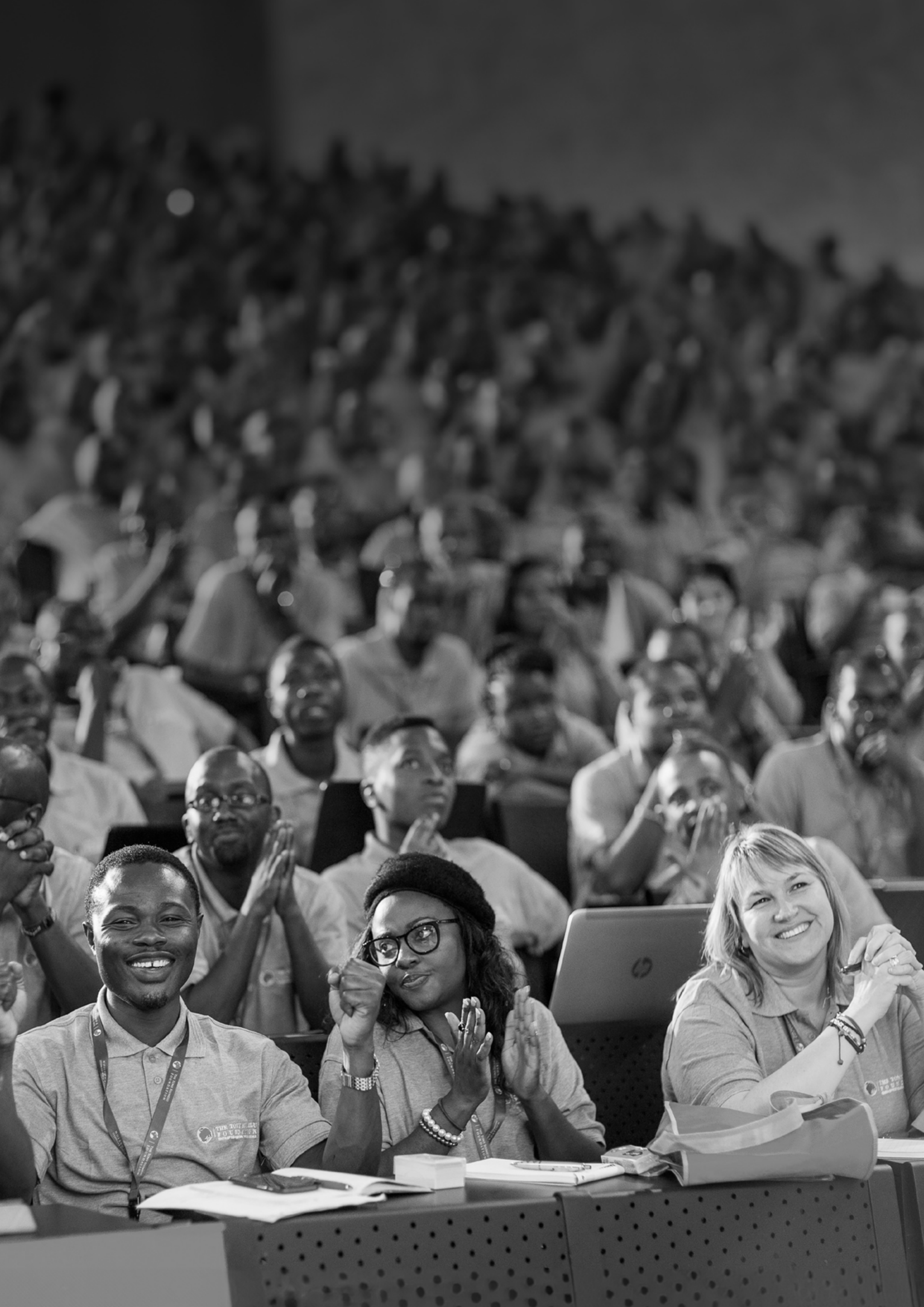
The Tony Elumelu Foundation
Annual Report and Financial Statements
For the Year Ended 31 December 2023



THE TONY ELUMELU FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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THE TONY ELUMELU FOUNDATION

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FOUNDATION INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2023

TRUSTEES:	Mr. Tony O. Elumelu, CFR Mrs. Awele V. Elumelu, OFR Mr. Alex Trotter	- Founder/Chairman
CHIEF EXECUTIVE OFFICER	Somachi Chris-Asoluka	
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	
Tax Identification Number (TIN):	09866339-0001	
Website:	http://tonyelumelufoundation.org	

THE TONY ELUMELU FOUNDATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023. In preparing these financial statements and the comparative financial information, the Foundation has applied IFRS Accounting Standards as issued by the International Accounting Standards Board and the provisions of the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

PRINCIPAL ACTIVITIES

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

RELATIONSHIP WITH OTHER ORGANISATIONS

Membership

1. 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 Agrculture (I4AG) (Sponsorship of Additional Entrepreneurs)
15. Nigerian Export Promotion Council (NEPC) (Second Stage funding)
16. 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 (Sponsorship of Additional Entrepreneurs)
20. IKEA Foundation and UNICEF (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 2023 that would affect the financial statements as presented.

OPERATING RESULTS

Highlights of the operating results are as follows:

	2023 ₦'000	**2022** ₦'000
Total revenue	2,401,900	2,877,545
Total expenses	(3,669,882)	(3,090,220)
Loss for the year	(1,267,982)	(212,675)

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

REPORT OF THE TRUSTEES - Continued
FOR THE YEAR ENDED 31 DECEMBER 2023

TRUSTEES' INTERESTS IN CONTRACT
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 2023.

PROPERTY AND EQUIPMENT
Information relating to changes in property and equipment is provided in Note 17 to the financial statements.

EMPLOYMENT OF PHYSICALLY CHALLENGED PERSONS
It is the Foundation's policy to consider physically challenged persons for employment, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming physically challenged, 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 IFRS Accounting Standards as issued by the International Accounting Standards Board and Financial Reporting Council of Nigeria (Amendment) Act, 2023. The Trustees consider that the format adopted is the most suitable for the Foundation.

SUBSEQUENT EVENTS
As stated in Note 30, 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/PRO/NBA/002/00000016059
Secretary

03 October 2024

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

FOR THE YEAR ENDED 31 DECEMBER 2023

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 IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, and the Financial Reporting Council of Nigeria (Amendment) Act, 2023;

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,

- IFRS Accounting Standards as issued by the International Accounting Standards Board

- the provisions of the Companies and Allied Matters Act, 2020

- Financial Reporting Council of Nigeria (Amendment) Act, 2023

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 of its financial results.

The Trustees further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, 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/PRO/DIR/003/00000002590

Mrs. Awele V. Elumelu, OFR
Trustee
FRC/2013/PRO/DIR/003/00000004705

03 October 2024

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

For The Year Ended December 31, 2023

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

We the undersigned hereby certify the following with regards to our audited financial statement for the year ended 31 December, 2023 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 Foundation as of, and for the periods covered 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 company'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 Foundation'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.

....	....
Mr. Tony O. Elumelu, CFR	Mr. Uche Ekwensi
Chairman	Chief Financial Officer
FRC/2013/PRO/DIR/003/00000002590	FRC/2013/PRO/ICAN/001/00000004690

Ernst & Young
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Lagos, Nigeria

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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 2023, 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 material accounting policy information.

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 2023, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' 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 2023", 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 the 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.

Independent Auditor's Report - Continued

To the Members of The Tony Elumelu Foundation - Continued

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 the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023, 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.
- 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.

Independent Auditor's Report - Continued

To the Members of The Tony Elumelu Foundation - Continued

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 it 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.

Olumide Oshikoya
FRC/2013/PRO/ICAN/004/00000000663
For Ernst & Young
Lagos, Nigeria
25 October 2024

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0679210

THE TONY ELUMELU FOUNDATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 ₦'000	2022 ₦'000
Grant income	4	584,040	1,507,140
Finance income	5	30,348	12,537
Corporate Social Responsibility income	6	998,198	864,375
Dividend income	7	645,058	482,940
Other income	8	144,256	10,553
Total revenue		2,401,900	2,877,545
TEF Entrepreneurship Program expenses	9	(3,030,559)	(2,319,927)
Travel expenses	10	(72,608)	(72,534)
Event and publicity expenses	11	(1,509)	(69,649)
Personnel expenses	12	(260,316)	(230,054)
Professional and consulting expenses	13	(12,159)	(6,076)
Other operating expenses	14	(237,496)	(415,936)
Credit loss (expense)/reversal	15	(37,064)	43,672
Bank charges	16	(1,205)	(3,272)
Depreciation of property and equipment	17	(3,482)	(2,595)
Amortisation of intangible assets	18	(13,484)	(13,849)
Total expenses		(3,669,882)	(3,090,220)
Loss for the year		(1,267,982)	(212,675)
Other comprehensive income:			
Items to be subsequently reclassified to surplus or deficit:			
Fair value changes in financial asset at Fair Value through Other Comprehensive Income	25.3	8,631,507	5,335
Total other comprehensive income		8,631,507	5,335
Total comprehensive income/ (loss) for the year		7,363,525	(207,340)

The accompanying notes on pages 14 to 35 form an integral part of these financial statements

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

Assets	**Notes**	**2023 ₦'000**	**2022 ₦'000**
Non-current assets			
Property and equipment	17	16,100	6,599
Intangible assets	18	42,733	56,217
Financial assets at fair value through OCI	19	12,887,279	4,255,772
Total non-current assets		12,946,112	4,318,588
Current assets			
Loans and other receivables	20	9,369	7,046
Prepayments	22	74,835	35,388
Cash and cash equivalents	23	3,691,389	3,060,395
Total current assets		3,775,593	3,102,829
Total assets		16,721,705	7,421,417
Equity and liabilities			
Equity			
Accumulated surplus	25.1	37,960	1,305,942
Fair value reserve	25.2	11,425,496	2,793,989
Total equity		11,463,456	4,099,931
Current liabilities			
Account and other payables	24	5,258,249	3,321,486
Total current liabilities		5,258,249	3,321,486
Total equity and liabilities		16,721,705	7,421,417

The financial statements were approved by the Trustees to the Foundation on 03 October 2024, and signed on its behalf by:

Mr. Tony O. Elumelu, CFR	**Mrs. Awele V. Elumelu, OFR**	**Mr. Uche Ekwensi**
Chairman	**Trustee**	**Chief Financial Officer**
FRC/2013/PRO/DIR/003/00000002590	**FRC/2013/PRO/DIR/003/00000004705**	**FRC/2013/PRO/ICAN/001/00000004690**

The accompanying notes on pages 14 to 35 form an integral part of these financial statements

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

	Accumulated surplus	Fair Value reserve	Total
As at 1 January 2023	1,305,942	2,793,989	4,099,931
Loss for the year	(1,267,982)	-	(1,267,982)
Other comprehensive Income	-	8,631,507	8,631,507
As at 31 December 2023	**37,960**	**11,425,496**	**11,463,456**
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**

The accompanying notes on pages 14 to 35 form an integral part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

Operating activities	**Notes**	**2023 ₦'000**	**2022 ₦'000**
Loss for the year		(1,267,982)	(212,675)
Non-cash adjustment:			
Depreciation of property and equipment	17	3,482	2,595
Amortisation of intangible asset	18	13,484	13,849
Credit loss expense	15	37,064	(43,672)
Dividend income	6	(645,058)	(482,940)
Foreign exchange gain	6	(51,977)	(10,554)
		(1,910,987)	**(733,397)**
Working capital adjustments:			
Changes in Loans and other receivables		(2,408)	(4,957)
Changes in prepayments		(39,447)	5,868
Changes in account and other payables		1,936,763	(1,865,981)
Net cash flows from used in operating activities		**(16,079)**	**(2,598,467)**
Investing activities			
Purchase of property and equipment	17	(13,653)	(3,666)
Purchase of intangible asset	18	-	(3,424)
Sale of property and equipment	11	670	369
Dividend received	6	645,058	482,940
Net cash generated from investing activities		**632,075**	**476,219**
Net increase/(decrease) in cash and cash equivalents		615,996	(2,122,248)
Expected credit loss (expense)/reversal on cash and cash equivalents		(36,979)	43,695
Net foreign exchange differences		51,977	10,554
Cash and cash equivalents as at beginning		3,060,394	5,128,393
Cash and cash equivalents as at closing		**3,691,388**	**3,060,394**

The accompanying notes on pages 14 to 35 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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 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 2023 were authorised for issue in accordance with a resolution of the Trustees on 03 October 2024.

2 Accounting Policies

2.1 Basis of preparation

The financial statements of the Tony Elumelu Foundation have been prepared in accordance with IFRS Accounting Standards 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 material accounting policies

A summary of the material 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.

Dividend Income

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

Corporate Social Responsibility Income

CSR income are contributions made to the Foundation by third parties. It is usually in cash and is recognised as revenue on accrual basis when no significant uncertainty as to its collectability exists.

Other income

Other income includes exchange gains.

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.

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.

2.2.5 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.

2.2.5 Financial Instruments -Continued

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.

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2023

2.2.5 Financial Instrument -Continued

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 2023

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2023

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. However the Foundation is subject to transaction taxes.

2.2.9 Fair value reserve

Fair value 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.

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) 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 2023

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2023

(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:

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

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

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

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

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 interpretation does not have any impact on the Foundation's financial statements.

b Disclosure of Accounting Estimates - 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 entities' financial statements. It is effective for annual periods beginning on or after 1 January 2023. This amendment does not have any material impact on the Foundation's Financial Statements.

c 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.
This amendment does not have any material impact on the Foundation's Financial Statements.

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 decisions about accounting policy disclosures. These amendments may impact the accounting policy disclosures of entities so entities are encouraged to revisit their accounting policy information disclosures to ensure consistency with the amended standard. It is effective for annual periods beginning on or after 1 January 2023. These amendments does not have any material impact on the Foundation's Financial Statements.

3.2 New standards and interpretations 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) Amendments to IAS 1: Classification of Liabilities as Current or Non-current
(b) Lease Liability in a Sale and Leaseback - Amendments to IFRS 16
(c) Amendments to IAS 7 & IFRS 7 – Supplier Finance Arrangements
(d) Amendments to IAS 21 – Lack of exchangeability
(e) IFRS 9 & IFRS 7 – Classification and Measurement of Financial Instruments
(f) IFRS 18 – Presentation and Disclosure in Financial Statements
(g) IFRS 19 – Subsidiaries without Public Accountability: Disclosures

a 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 amendment is not expected to have any material impact on the Foundation.

b 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. The amendment is not expected to have any impact on the Foundation's financial statements.

c Amendments to IAS 7 & IFRS 7 – Supplier Finance Arrangements

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments. The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers. The amendments require an entity to provide information about the impact of supplier finance arrangements on liabil ities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. These amendments are not expected to have any impact on the Foundation's financial statements.

d Amendments to IAS 21 – Lack of exchangeability

In August 2023, the Board issued Lack of exchangeability amendments to IAS 21. The amendments specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or ex change mechanism in which an exchange transaction would create enforceable rights and obligations.
If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique. The amendment is not expected to have any material impact on the Foundation's financial statements.

e IFRS 9 & IFRS 7 – Classification and Measurement of Financial Instruments

In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:

* Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy Option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met
* Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features
* Clarifies the treatment of non-recourse assets and contractually linked instruments
* Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG linked), and equity instruments classified at fair value through other comprehensive income.

The amendment is not expected to have any impact on the Foundation's financial statements.

f IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the Board issued IFRS 18 to become effective on 1 January 2027. The objective of the Standard is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses, with emphasis on the subject matter as shown below:

* **Aggregation** : The adding together of assets, liabilities, equity, income, expenses or cash flows that share characteristics and are included in the same classification.

* **Classification**: The sorting of assets, liabilities, equity, income, expenses and cash flows based on shared characteristics.
* **Disaggregation**: The separation of an item into component parts that have characteristics that are not shared.

The amendment is not expected to have any impact on the Foundation's financial

g IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19), which allows eligible to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS accounting standards compliance statement. IFRS 19 requires an entity whose financial statements comply with IFRS accounting standards including IFRS 19 to make an explicit and unreserved statement of such compliance.

Eligible Entities

* It is a subsidiary as defined in IFRS 10 Consolidation Financial Statement
* It does not have public accountability
* It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accunting standards.

The amendment is not expected to have any impact on the Foundation's financial statements.

		2023 ₦'000	2022 ₦'000
4	**Grant Income**		
	Grant income (Note 4.1)	584,040	1,507,140
		584,040	1,507,140

4.1 The grant income reduced significantly in 2023 because there were fewer partners

5	**Finance income**		
	Interest income on cash and cash equivalent	30,171	12,443
	Interest income on staff loan	177	94
		30,348	12,537
6	**CSR Income**		
	Corporate Social Responsibilty Income	998,198	864,375
		998,198	864,375

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

		2023 ₦'000	2022 ₦'000
7	**Dividend income**		
	Dividend income	645,058	482,940
		645,058	482,940
8	**Other income**		
	Exchange gain	51,977	10,554
	Other income	92,279	-
		144,256	10,554

8.1 Other income relates to recovery of FCY related losses incurred in the prior year from the partners in the current year.

8.2 Reclassification of prior year presentation: Dividend and CSR income was moved from other income into separate line for consistency with the current year presentation.

9	**TEF Entrepreneurship Program Expenses**		
	TEFEP expenses	3,030,559	2,319,927
		3,030,559	2,319,927
10	**Travel expenses**		
	Travel expenses	72,608	72,534
11	**Event and publicity expenses**		
	Event & publicity expenses	1,509	69,649

11.1 Events & Publicy expenses during the year were mostly sponsored by partners.

12	**Personnel expenses**		
	Salaries and allowances	231,838	209,921
	Defined contribution expense	8,102	6,937
	Other staff cost	20,376	13,196
		260,316	230,054

12.1 Reclassification of prior year presentation: ITF,NSITF, health insurance & Medical expenses was moved from general office expenses to personnel expenses for consistency with the current year presentation.

		2023 ₦'000	2022 ₦'000
13	**Professional and consulting expenses**		
	Professional expenses	9,141	793
	Consulting expenses	3,018	5,283
		12,159	6,076
14	**Other operating expenses**		
	Application Drive Expenses	-	254,859
	Entertainment expenses	15,098	13,298
	Fuel expenses	18,007	40,483
	General office expenses	86,099	57,338
	Insurance expenses	1,943	839
	Other administrative expenses (Note 14.1)	39,234	19,496
	Realised fx losses	36,049	75
	Repairs & maintenance	21,507	20,611
	Regulatory & levy expenses	4,598	941
	Stationery Expenses	14	190
	Utility Expenses	14,947	7,806
		237,496	415,936

14.1 Other administrative expenses consist majorly of ICT related expenses.

		2023	2022
		₦'000	₦'000
	Credit loss (expense)/reversal		
15	Credit loss (expense)/reversal (Note 15.1)	(37,064)	43,672
		(37,064)	43,672

15.1 Credit loss (expense)/reversal

31 December 2023	Stage 1	Stage 2	Stage 3	Total
	₦'000	**₦'000**	**₦'000**	**₦'000**
Cash and cash equivalents (Note 21.1)	(36,979)	-	-	(36,979)
Loans and other receivables (Note 19.1)	(85)	-	-	(85)
	(37,064)	-	-	(37,064)

31 December 2022	Stage 1	Stage 2	Stage 3	Total
	₦'000	**₦'000**	**₦'000**	**₦'000**
Cash and cash equivalents (Note 21.1)	43,695	-	-	43,695
Loans and other receivables (Note 19.1)	(23)	-	-	(23)
	43,672	-	-	43,672

16 Bank charges

	2023	2022
Bank charges	1,205	3,272
	1,205	3,272

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2023

17 Property and equipment

	Motor vehicle ₦'000	Property & equipment ₦'000	Computer equipment ₦'000	Furniture & Fittings ₦'000	Work-In-Progress ₦'001	Total ₦'000
Cost:						
As at 1 January 2022	10,000	1,001	16,370	163	-	27,534
Additions	-	-	3,666	-	-	3,666
Disposal	-	-	(452)	-	-	(452)
As at 31 December 2022	10,000	1,001	19,584	163	-	30,748
Additions	-	-	5,166	-	8,487	13,653
Disposal	-	-	(957)	-	-	(957)
As at 31 December 2023	10,000	1,001	23,793	163	8,487	43,444
Accumulated depreciation:						
As at 1 January 2022	10,000	1,001	10,547	88	-	21,636
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
Charge for the year	-	-	3,448	34	-	3,482
Disposal	-	-	(287)	-	-	(287)
As at 31 December 2023	10,000	1,001	16,180	163	-	27,344
Net Book Value:						
As at 31 December 2023	-	-	7,613	-	8,487	16,100
As at 31 December 2022	-	-	6,565	34	-	6,599

18 Intangible assets

	₦'000
Cost:	
As at 1 January 2022	108,934
Additions	3,424
As at 31 December 2022	112,358
Additions	-
As at 31 December 2023	112,358
Accumulated amortisation:	
As at 1 January 2022	42,292
Charges for the year	13,849
As at 31 December 2022	56,141
Charges for the year	13,484
As at 31 December 2023	69,625
Net Book Value:	
As at 31 December 2023	42,733
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 2023

	2023 ₦'000	2022 ₦'000
19 Financial assets at fair value through OCI		
Quoted equities		
Afriland Properties Plc	32,478	14,080
Africa Prudential Plc	126,294	102,400
United Capital Plc	1,177,603	716,802
United Bank for Africa Plc	11,550,904	3,422,490
	12,887,279	**4,255,772**

19.1 Movement in quoted securities:

	2023	2022
Opening balance	4,255,772	4,250,437
Valuation gains	8,631,507	5,335
Balance of financial assets at fair value through OCI	12,887,279	4,255,772

20 Loans and other receivables

	2023	2022
Staff loans	5,761	3,745
Other receivables (Note 20.1)	2,584	2,537
WHT Asset	1,246	901
	9,591	7,183
Impairment on Loans and other receivables	(222)	(137)
	9,369	7,046

20.1 Other receivables relates to refunds from vendors and expenses incurred on behalf of a partner.

21 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 2023	7,183	-	-	7,183
New assets originated or purchased	2,408	-	-	2,408
Gross carrying amount as at 31 December 2023	9,591	-	-	9,591

In thousands of Nigerian Naira	Stage 1 individual	Stage 2 individual	Stage 3	Total
ECL allowance as at 1 January 2023	137	-	-	137
Credit loss expense	85	-	-	85
ECL allowance as at 1 December 2023	222	-	-	222

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 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

	2023 ₦'000	2022 ₦'000
22 Prepayments		
Prepaid insurance	6,328	2,658
Prepaid subscription	8,476	3,302
Prepaid others	60,031	29,428
	74,835	35,388

23 Cash and cash equivalents

	2023	2022
Cash in hand	-	918
Cash at bank	3,820,467	3,151,576
	3,820,467	3,152,494
Less: Allowance for ECL (Note 23.1)	(129,078)	(92,099)
	3,691,389	3,060,395

23.1 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	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2023	3,152,494	-	-	3,152,494
New assets originated or purchased	667,973	-	-	667,973
Gross carrying amount as at 31 December 2023	3,820,467	-	-	3,820,467

In thousands of Nigerian Naira	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023	92,099	-	-	92,099
Credit loss expense	36,979	-	-	36,979
ECL allowance as at 31 December 2023	129,078	-	-	129,078

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	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2022	5,264,188	-	-	5,264,188
New assets originated or purchased	(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	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2022	135,794	-	-	135,794
Credit loss expense	(43,695)	-	-	(43,695)
ECL allowance as at 31 December 2022	92,099	-	-	92,099

24 Account and other payables	₦'000	₦'000
Financial		
Other payables (Note 24.1)	5,225,397	3,249,553
Account payable	14,082	55,619
Domestic Reimbursables	4,140	4,140
	5,243,619	3,309,312
Non-Financial		
Withholding tax payable	8,810	3,116
PAYE payable	2,160	6,072
Industrial Training Fund Payable	2,260	1,634
Employee benefit payable	385	204
VAT payable	958	1,091
NHF Payable	57	57
	14,630	12,174
	5,258,249	3,321,486

24.1 Other payables relates to money received from Partners for project expenses that are yet to be disbursed as at 31 December 2023 (2022: N3,249,553).

25 Equity

25.1 Accumulated surplus

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

25.2 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.

25.3 Fair value changes in Financial asset at Fair Value through Other Comprehensive Income

	2023	2022
	₦'000	₦'000
Opening balance	1,950,077	1,944,742
Gain arising from remeasurement of financial assets at fair value through OCI (Note 19.1)	8,631,507	5,335
	10,581,584	1,950,077

26 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.

	2023	2022
	₦'000	₦'000
Assets measured at fair value		
Level 1		
Financial assets at fair value through OCI	12,887,279	4,255,772
	12,887,279	4,255,772

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

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	
	2023	2022	2023	2022
	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents (Note 23)	3,691,389	3,060,395	3,691,389	3,060,395
Loans other receivables (Note 20)	9,369	7,046	9,369	7,046
	3,700,758	**3,067,441**	**3,700,758**	**3,067,441**
Account and other payables (Note 24)	5,243,619	3,309,312	5,243,619	3,309,312
	5,243,619	**3,309,312**	**5,243,619**	**3,309,312**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2023

27 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.

27.1 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.

27.1.1 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 N12,887,279,000 (31 December 2022: N4,255,772,000). A decrease of 10% on the Nigerian Stock Exchange (NSE) market index could have an impact of approximately N1,288,727,900 (31 December 2022: N425,577,200) 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 2023 Rate sensitive assets				
Bank placements and Loans and other receivables	1517	3,035	(1,517)	(3,035)
As at 31 December 2022 Rate sensitive assets				
Bank placements and Loans and other receivables	627	1,254	(627)	(1,254)

27.1.2 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 2023 and 31 December 2022. 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 2023					
Cash and cash equivalents	1,834,955	519	1,389,720	466,195	3,691,389
Loans and other receivables	9,369	-	-	-	9,369
Prepayments	74,835	-	-	-	74,835
Finacial assets at FVOCI	12,887,279	-	-	-	12,887,279
	14,806,438	519	1,389,720	466,195	16,662,872
Account and other payables	5,243,619	-	-	-	5,243,619
	5,243,619	-	-	-	5,243,619
Net open currency position	9,562,819	519	1,389,720	466,195	11,419,253
As at 31 December 2022					
Cash and cash equivalents	2,145,012	250	751,511	163622	3,060,395
Trade and other receivables	7,046	-	-	-	7,046
Prepayments and other assets	35,388	-	-	-	35,388
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

27 Financial risk management - Continued

27.1.3 Foreign currency Fluctuation

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 2023	%	*Strengthening*	*Weakening*
Euro	10	46,620	(46,620)
USD	10	138,972	(138,972)
GBP	10	52	(52)
31 December 2022			
Euro	5	12,856	(12,856)
USD	5	174,688	(174,688)
GBP	5	12	(12)

27.2 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

	2023	2022
	₦'000	₦'000
Loans and other receivables	9,369	7,046
Cash at bank	3,691,389	3,060,395
Financial assets at fair value through OCI	12,887,279	4,255,772

27.3 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 2023					
Financial assets					
Financial assets at fair value through OCI	-	-	-	12,887,279	12,887,279
Loans and other receivables	-	-	6,785	2,584	9,369
Cash and cash equivalents	3,691,389	-	-	-	3,691,389
	3,691,389	-	6,785	12,889,863	16,588,037

	On demand	1-3 months	3 -12 months	More than 12 months	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Financial liabilities					
Account and other payables	-	18,222	5,225,397	-	5,243,619
	-	18,222	5,225,397	-	5,243,619
Total liquidity (gap)/Surplus	3,691,389	(18,222.00)	(5,218,612)	12,889,863	11,344,418

	On demand	1-3 months	3 -12 months	More than 12 months	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	-	-	3,626	3,438	7,064
Cash and cash equivalents	3,152,494	-	-	-	3,152,494
	3,152,494	-	3,626	4,259,210	7,415,330
Financial liabilities					
Account and other payables	-	59,759	3,249,553	-	3,309,312
	-	59,759	3,249,553	-	3,309,312
Total liquidity (gap)/Surplus	3,152,494	(59,759.00)	(3,245,927)	4,259,210	4,106,018

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

28 Related party disclosures

Emolument of Trustees:
None of the Trustees received any emoluments during the year (2022: nil).

29 Contingent liabilities, commitments and operating lease arrangements
There were no known contingent liabilities and capital commitments as at 31 December 2023 (31 December 2022: nil).

30 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.

OTHER NATIONAL DISCLOSURES

STATEMENT OF VALUE ADDED

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023		2022	
	₦'000			
Grant income	584,040		1,507,140	
Bought-in- goods and services	(3,392,600)		(2,843,722)	
	(2,808,560)		(1,336,582)	
Other income	1,817,860		1,370,405	
Value (consumed)/added	**(990,700)**		**33,823**	
Applied as follows:		%		%
To pay employees:				
Staff costs	260,316	(26)	230,054	680
Consumed for assets replacement and future expansion of business:				
-depreciation	3,482	(0)	2,595	8
-amortisation	13,484	(1)	13,849	41
Loss for the year	(1,267,982)	128	(212,675)	(629)
Value (consumed)/added	**(990,700)**	**100**	**33,823**	**100**

Value (consumed)/added represents the wealth which the Company has utilized/created on its own and its employees' efforts.

OTHER NATIONAL DISCLOSURES

FIVE-YEAR FINANCIAL SUMMARY

			31 December		
	2023	**2022**	**2021**	**2020**	**2019**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
STATEMENT OF FINANCIAL POSITION					
Assets					
Non-current assets					
Property and equipment	16,100	6,599	5,897	6,022	7,095
Intangible assets	42,733	56,217	66,642	68,200	42,104
Financial assets at fair value through OCI	12,887,279	4,255,772	4,250,437	4,256,108	3,412,196
Total non-current assets	12,946,112	4,318,588	4,322,976	4,330,330	3,461,395
Current assets					
Financial assets at amortised cost	-	-	-	863,244	-
Loans and other receivables	9,369	7,046	2,112	12,878	3,425
Prepayments	74,835	35,388	41,256	23,423	24,587
Cash and cash equivalents	3,691,389	3,060,395	5,128,394	112,820	1,051,283
Total current assets	3,775,593	3,102,829	5,171,762	1,012,365	1,079,295
Total assets	16,721,705	7,421,417	9,494,738	5,342,695	4,540,690
Equity and liabilities					
Equity					
Accumulated surplus	37,960	1,305,942	1,518,617	2,445,459	1,576,366
Fair value reserve	11,425,496	2,793,989	2,788,654	2,794,325	1,950,413
Total equity	11,463,456	4,099,931	4,307,271	5,239,784	3,526,779
Current liabilities					
Account and other payables	5,258,249	3,321,486	5,187,467	102,911	1,013,911
Total current liabilities	5,258,249	3,321,486	5,187,467	102,911	1,013,911
Total equity and liabilities	16,721,705	7,421,417	9,494,738	5,342,695	4,540,690

PROFIT OR LOSS ACCOUNT

	31 December 2023	**31 December 2022**	**31 December 2021**	**31 December 2020**	**31 December 2019**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Total revenue	2,401,900	2,877,545	1,660,996	3,115,445	2,560,723
Total expenses	(3,669,882)	(3,090,220)	(2,587,838)	2,246,352	(2,563,927)
Loss for the year	(1,267,982)	(212,675)	(926,842)	(3,204)	(3,204)
Total comprehensive (Loss)/income for the year	7,363,525	(207,340)	(932,513)	1,713,005	(292,430)