Association of Accounting Technicians West Africa
The Institute of Chartered Accountants of Nigeria
Annual Report and Financial Statements
31 December 2022

Association of Accounting Technicians West Africa
The Institute of Chartered Accountants of Nigeria
Annual Report and Financial Statements
For the year ended 31 December 2022

Contents

Independent auditor's report

To the Members of Association of Accounting Technicians West Africa of the Institute of Chartered Accountants of Nigeria

Report on the audit of the financial statements

Our opinion

In our opinion, Association of Accounting Technicians West Africa of the Institute of Chartered Accountants of Nigeria ("the Association's") financial statements give a true and fair view of the financial position of the Association as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

Association of Accounting Technicians West Africa of the Institute of Chartered Accountants of Nigeria financial statements comprise:

- the statement of comprehensive income for the year then ended 31 December 2022;
- the statement of financial position as at 31 December 2022;
- the statement of changes in member's fund for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Association in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The Executive Committee is responsible for the other information. The other information comprises the Statement of value added and Five-Year Financial Summary, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 Executive Committee and those charged with governance for the financial statements

The Executive Committee is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the Executive Committee determines 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 Executive Committee is responsible for assessing the Association'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 Executive Committee either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.

- Conclude on the appropriateness of the Executive Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association'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 Association 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA ICAN 0565808

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA ICAN 0576749

Udochi Muogilim

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria
01 December 2023

Engagement Partner: Udochi Muogilim
FRC/2013/ICAN/00000003209

For: **UHY Maaji**
Chartered Accountants
Lagos, Nigeria
01 December 2023

Engagement Partner: Gabriel Idahosa, FCA
FRC/2014/ICAN/00000009524

Statement of comprehensive income

	Note	31 December 2022 N'000	31 December 2021 N'000
Income			
Fees and subscriptions	4	39,064	36,292
Operational expenditure	5.1	(16,923)	(15,849)
		22,141	20,443
Non operational expenditures			
Conference	5.2	2,202	3,217
Members' meeting	5.3	2,755	2,888
Induction	5.4	30,888	40,249
Annual General Meeting	6	1,153	1,150
		36,998	47,504
Deficit for the year		(14,857)	(27,061)
Total comprehensive loss for the year		(14,857)	(27,061)

The notes on pages 8 to 17 are an integral part of these financial statements.

Association of Accounting Technicians West Africa
The Institute of Chartered Accountants of Nigeria
Annual Report and Financial Statements
As at 31 December 2022

Statement of Financial Position

	Notes	31 December 2022 N'000	31 December 2021 N'000
Assets			
Non-current assets			
AATWA Account balance with ICAN			
Fund			
Accumulated fund	7	(31,385)	(16,528)
Liabilities			
Non-current liabilities			
AATWA Account balance with ICAN		(31,385)	(16,528)

The financial statements on pages 4 to 20 were approved and authorised for issue by the Executive Committee on ..November 2nd... 2023 and signed on its behalf by:

....
Innocent Iweka Okwuosa
President
FRC/2013/ICAN/00000006936

....
Oluwatobi Ayodele Abiola
Honorary Treasurer
FRC/2020/ICAN/00000021823

....
Mukaila Ayinla Lawal
Acting Registrar/Chief Executive
FRC/2013/ICAN/00000003707

The notes on pages 9 to 18 are an integral part of these financial statements.

Statement of Changes in Members' Fund

	Accumulated fund 2022 N'000	Accumulated fund 2021 N'000
Balance at 1 January 2021	**10,533**	**19,116**
Total comprehensive loss for the year	(27,061)	(8,583)
Balance at 31 December 2021	**(16,528)**	**10,533**
Balance at 1 January 2022	**(16,528)**	**10,533**
Total comprehensive loss for the year	(14,857)	(27,061)
Balance at 31 December 2022	**(31,385)**	**(16,528)**

The notes on pages 8 to 17 are an integral part of these financial statements.

Statement of cash flows

	Note	31 December 2022 N'000	31 December 2021 N'000
Cash generated from operations			
Deficit for the year		(14,857)	(27,061)
Changes in work capital:			
Decrease in AATWA Account balance with ICAN		1	10,533
Cash from operating activities		(14,856)	(16,528)
Cash flows from investing activities		-	-
Net cash generated from investing activities		-	-
Cash flows from financing activities		-	-
Net cash generated from financing activities		-	-
Net cash and cash equivalents		(14,856)	(16,528)
Cash and cash equivalents at the end of the year		**(14,856)**	**(16,528)**

The notes on pages 8 to 17 are an integral part of these financial statements.

Notes to the financial statements

1 General information

The Association of Accounting Technicians (AAT) was established in 1989 by the Institute of Chartered Accountants of Nigeria (ICAN) to provide middle level manpower to the Accounting profession. The Association is an accountancy association in Nigeria recognised by the International Federation of Accountants (IFAC) and a member of Association of Accountancy bodies in West Africa (ABWA).

The duties and responsibilities of all AAT members were outlined in the Association's Constitution, Bye-law and Code of ethics.

HEAD OFFICE

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VISION

To be a leading global professional body.

MISSION STATEMENT

To produce world- class Chartered Accountants, regulate and continually enhance their ethical standards and technical competence in the public interest.

MOTTO

Accuracy and Integrity

FINANCIAL REPORTING REGISTRATION NO:

FRC/2013/NFPO/00000000017

JOINT AUDITORS

PricewaterhouseCoopers
Chartered Accountants
Landmark Towers
5B Water Corporation Road
Victoria Island
Lagos

UHY Maaji & Co
Chartered Accountants
22 Town Planning Way
Ilupeju
Lagos

2 Summary of accounting policies

2.1 Introduction to summary of significant accounting policies

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

2.2 Basis of preparation

The financial statements of The Association of Accounting Technicians of the Institute of Chartered Accountants of Nigeria have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB"). Additional information required by National regulations is included where appropriate.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Executive Committee to exercise its judgment in the process of applying the Association's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The Executive Committee believe that the underlying assumptions are appropriate and that the Association's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.3

The financial statements have been prepared in accordance with the going concern principle under the historical cost concept. All values are rounded to the nearest thousand, except when otherwise indicated. The financial statements are presented in Naira.

2.2.1 Going concern

The Association has consistently been generating funds through the members' subscriptions and students' examination fees. The Executive Committee members believe that there is no intention or threat from any source to curtail significantly its membership and students enrollment in the foreseeable future. Thus, these financial statements are prepared on going concern basis.

2.2.2 Changes in accounting policies and disclosures

1 New standards, amendments and interpretations adopted by the Association.

There were no new standards adopted by the Institute for the first time for the financial year beginning on or after 1 January 2022.

The following standards became effective during the year but they have no impact on the Association:

a Amendment to IAS 16 - Property, plant and equipment [Effective January 1 2022]

The amendment prohibits a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related costs in profit or loss.

These amendments had no impact on the financial statements of the Association as there was no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

b Amendment to IAS 37 - Provisions, contingent liabilities and contingent assets [Effective January 1 2022]

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendment had no impact on the financial statements of the Association as there were no such contracts on or after the earliest period presented.

(c) Annual Improvements to IFRS Standards 2018-2020 Cycle [Effective from 1 January 2022]

I) IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

The Association is not impacted by the introduction of IFRS 16 as it does not have leases.

2.1.2.2 New standards and interpretations not yet adopted (Continued)

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Association. These new standards and interpretations are set out below:

(a) Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 [Effective 1 January 2023]

The International Accounting Standards Board (Board) has issued narrow-scope amendments to IFRS Standards. The amendments will help companies improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies, and distinguish changes in accounting estimates from changes in accounting policies.

The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

These amendments are not expected to have a material impact on the financial statements of the Association.

(b) IFRS 17: Insurance Contracts [Effective 1 January 2023]

This standard replaces IFRS 4, which permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

This Standard would have no impact on the financial statements of the Association as it is not applicable to the Association.

(c) Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction [Effective 1 January 2023

These amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

This amendment is not expected to impact on the financial statements of the Association as the Association do not pay tax.

(d) Amendment to IFRS 16 – Leases on sale and leaseback [Effective 1 January 2024]

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

This standard does not have any impact on the Association

(e) Amendment to IAS 1 – Non current liabilities with covenants [Effective 1 January 2024]

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

This amendment is not expected to have a material impact on the financial statements of the Association.

2.2.3 Financial instrument

(a) Classification and measurement

Financial assets

Classification and subsequent measurement is dependent on the Association's business model for managing the asset and the cash flow characteristics of the asset. On this basis, the Association may classify its financial instruments at amortised cost, fair value through profit or loss and at fair value through other comprehensive income (FVTOCI).

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Association has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Association's financial assets at amortised cost at the reporting date are the receivables from the Institute of Chartered Accountants of Nigeria (ICAN) and are included in non current assets. Interest income from these assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in finance income/cost.

Financial liabilities

Financial liabilities of the Association are classified and measured at fair value on initial recognition and subsequently at amortized cost net of directly attributable transaction costs.

Fair value gains or losses for financial liabilities designated at fair value through profit or loss are accounted for in profit or loss except for the amount of change that is attributable to changes in the Association's own credit risk which is presented in other comprehensive income. The remaining amount of change in the fair value of the liability is presented in profit or loss. The Association does not have any financial liabilities as at the reporting date. The Association does not also have any financial liabilities at fair value through profit or loss.

(b) Impairment of financial assets

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to financial assets classified at amortized cost and contract assets under IFRS 15: Revenue from Contracts with Customers. 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.

The simplified approach is applied to membership subscription receivables while the general approach is applied to all other financial assets at amortised cost.

The simplified approach requires expected lifetime losses to be recognized from initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the Association's historical default rates observed over the expected life of the receivable and adjusted for forward-looking estimates. This is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each ageing bucket and for each individual exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD is determined based on management's estimates by adopting the average recovery rates for corporate senior unsecured loans in emerging economies. The EAD is the total amount of outstanding receivable at the reporting period. These three components are multiplied together and adjusted for forward looking information, such as inflation and interest rate, to arrive at an ECL which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognized in profit or loss.

(c) Significant increase in credit risk and default definition

Significant increase in credit risk

The Association assesses the credit risk of its financial assets based on the information obtained during periodic review of publicly available information, industry trends and payment records. Based on the analysis of the information provided, the Association identifies the assets that require close monitoring. The Association has considered various quantitative and qualitative criteria in determining significant increase in credit risk.

2.2.3 Financial instrument (Continued)

(d) Derecognition

The Association derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognized as finance income/cost.

Financial liabilities

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized immediately in the statement of comprehensive income.

(e) Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position. Offsetting can be applied when there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

The legally enforceable right is not contingent on future events and is enforceable in the normal course of business, and in the event of default, insolvency or bankruptcy of the Association or the counterparty.

2.2.4 Financial Instruments

Financial assets

Financial assets are classified into the following specified categories: Financial assets at 'fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loan and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognized or derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

(i) Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective rate and transaction) through the expected life of the debt instrument, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest rate basis for debt instruments other than those financial assets classified as fair value through profit or loss (FVTPL).

(ii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as fair value through profit or loss' (FVTPL) when the financial asset is either held for trading or it is designated as (FVTPL).

A financial asset is classified as held for trading if:

It has been acquired principally for the purpose of selling it in the near term; or
On initial recognition it is part of a portfolio of identified financial instruments that the Association manages together and has a recent actual pattern of short-term profit-taking: or

It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as fair value through profit or loss' (FVTPL) initial recognition if:

Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

The financial asset form part of the Association's financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Association's documented risk management or investment strategy, and information about the grouping is provided internally on that basis, or

It forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial instruments: Recognition and Measurement permit the entire combined contract (asset or liability) to be designated as fair value through profit or loss (FVTPL).

Financial assets at fair value through profit or loss (FVTPL) are stated at fair value, with any gains or losses arising on remeasurement recognized in the statement of comprehensive income. The net gain or loss recognized in the statement of comprehensive income incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the Association's (statement of comprehensive income/income statement).

(iii) Derecognition of financial assets

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

If the Association retains substantially all the risk and rewards of ownership of a transferred financial asset, the Association continues to recognize the financial asset and also recognize a collaterized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gains or loss that had been recognized in other comprehensive income and accumulated in the equity is recognized in the statement of comprehensive income.

On derecognition of a financial asset other than in its entirety (e.g. when the Association retains an option to repurchase part of a transferred asset), the Association allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair value of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in the statement of comprehensive income. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair value of those parts.

(iv) Derecognition of financial liabilities

The Association derecognizes financial liabilities when, and only when, the Association's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of comprehensive income.

2.2.5 Revenue recognition from contracts with customers (Cont.')

Revenue is measured at the fair value of the consideration received or receivable for services, in the ordinary course of the Association's activities. “The Association recognises fees and subscriptions to depict the transfer of promised services to members and students in an amount that reflects the consideration to which it expects to be entitled in exchange for those services”

A valid contract is recognised as revenue after;
- The contract is approved by the parties.
- Rights and obligations are recognised.
- Collectability is probable.
- The contract has commercial substance.
- The payment terms and consideration are identifiable.

The probability that a customer would make payment (collectability criteria) is ascertained based on the evaluation done on the members as stated in the credit management policy at the inception. The Association has included a 3-year working experience as a criteria for all students who want to become members to ensure collectability, non financial members are also delisted after 3 years.

The Association is the principal in all of its revenue arrangement and recognises revenue from the following activities:.
- Fees and subscription
- Qualification and examinations
- Conference fees

Revenue for providing these services are recognised in the accounting period in which the services are provided. Each of the services are a separate performance obligation. Fees and subscription are recognised over time as the service is provided while all other revenue are recognised at a point in time.

2.3 Critical accounting estimates and judgements

The preparation of the Association's historical financial statements in accordance with IFRSs requires the use of certain accounting estimates which, by definition, will seldom equal the actual results. The Executive Committee also exercises judgement and assumptions in applying the Association's accounting policies.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

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. The Association based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Association. Such changes are reflected in the assumptions when they occur.

2.3 Critical accounting estimates and judgements (Continued)

As at the reporting date, the Association did not make any estimate or assumption that may have a significant impact on the carrying amount of the assets and liabilities.

2.4 Income recognition

Members' and students' fees and subscriptions are accounted for as income in the period to which they relate. Income from qualifications and examinations relate to examination and exemption income from the professional qualification and are accounted for in the period to which they relate. Income generated from publications relates to advertising services. Conferences and courses income is accounted for as the services are performed. Income from regulation and discipline relates to annual licence fees, monitoring visit fees and fines recoverable and all are accounted for as income in the period to which they relate. Other revenues are recorded as earned or as the services are performed.

Subscriptions and conference incomes received in advance are deferred to the period it relates.

3 Financial risk management

3.1 Introduction and overview of the Association's risk management

This note presents information about the Association's exposure to financial risks and the Association's management of capital.

3.1.1 Credit risk

Credit risk is the risk of suffering financial loss, should any of the Association's members, students or market counterparties fail to fulfil their contractual obligations to the Association. Credit risk arises mainly from cash and cash equivalents and the receivable balance with The Institute of Chartered Accountants of Nigeria (ICAN).

The Association's risk management policies are established to identify and analyse the risks faced by the Association, to set appropriate risk limits and controls, to monitor risks and adherence to limits. The Association regularly monitors and reviews its exposure with key banking and investment manager, suppliers and for deposits, only independently rated banks and financial institutions with a minimum rating of 'A' are used. The Association's receivables relate to receivables from ICAN.

3.1 Introduction and overview of the Association's risk management (Cont'd)

3.1.2 Liquidity risk

Liquidity risk arises from the Association's management of working capital. It is the risk that the Association will encounter difficulty in meeting its financial obligations as they fall due. The Association manages its liquidity risk by ensuring that it has adequate fund. The Association receives the majority of its income as subscriptions in the first quarter of the year, or as induction fees, conference fees, and registration fees each year. Cash not required for short-term operating purposes is kept with the Association's parent (ICAN) without any exposure of risk.

3.2.4 Capital

The Association considers its capital to be its accumulated fund. Executive Committee's financial objective is to generate a targeted operating position, to build and maintain reserves at a sustainable level, taking into account the various competitive risks. The Association's Executive Committee reviews the financial position of the Association at each committee meeting. The Association is not subject to any material externally imposed capital requirements.

Notes to the financial statements

		31 December 2022 N'000	31 December 2021 N'000
4	**Fees and subscriptions**		
	Members' subscriptions	10,803	6,652
	Conference fees	14,130	14,820
	Induction fees	14,130	14,820
		39,064	**36,292**
5	**Operating expenses**		
5.1	**Administrative expenses**		
	Cleaning	2,049	1,575
	Liason office - Abuja	678	1,260
	Newspapers	101	83
	Security expenses	1,990	2,103
	Rent	112	244
	Printing	1,243	537
	Salaries and wages	10,750	10,047
		16,923	**15,849**
5.2	**Conference**		
	Advertisement and publicity	265	386
	Printing of programmes	286	418
	Conference materials	330	483
	Transport and other expenses	903	1,319
	Hire of hall and decoration	418	611
		2,202	**3,217**
5.3	**Members' meeting**	**2,755**	**2,888**
5.4	**Induction**		
	New standards and interpretations not yet adopted (Continued)	1,235	1,610
	Printing of programmes	2,471	3,220
	Hire of hall and decoration	4,016	5,232
	Transport and other expenses	7,413	9,660
	Induction materials	7,104	9,257
	Entertainment	8,649	11,270
		30,888	**40,249**
6	**Annual general meeting**		
	Advertisement and publicity	170	184
	Printing of programmes	201	195
	Transport and other expenses	527	506
	Hire of hall and decoration	255	265
		1,153	**1,150**

7 **Accumulated fund**

The accumulated fund represent the excess of income over expenditure which have been accumulated over the years.

	31 December 2022 N'000	31 December 2021 N'000
Accumulated fund	(31,385)	(17,677)

8 Related parties' transactions

Relationships

Association of Accounting Technicians Executive Committee Members as office bearers:

Chief DCS Alaribe	- Chairman
Dr. Oluseyi Oladimeji Olanrewaju	- Deputy Chairman
Mr Kuye Taiwo Oluwadare	- Vice Chairman
Mr Moses Oluwasegun Awonaya	- General Secretary
Mr Hammed Kamorudeen Adebayo	- Financial Secretary
Ms Oluchi Anne Kem-Ajieh	- Publicity/Social Secretary
Mr Musa Ayomide Shonde	- Membership Secretary
Mr. Augustine Obiahu Irem	- Council Representative
Mrs. Olaitan Babatunde	- Council Representative
Ms. Joy Mbang Esu	- Council Representative
Dr. Shittu Saheed Akande	- Elected Member
Mr. Emmanuel C Modozie	- Elected Member
Mr Alade Oladapo George	- Elected Member
Mr. Sule Olayiwola Babatunde	- Elected Member
Mr. David Oluwaseun Segun	- Elected Member
Ms Elizabeth Modupe Bashorun	- Elected Member
Ms Afolabi Azeenat Oladoyin	- Elected Member
Mr. Olawale Olajide Ayodele	- Elected Member
Miss Stella-Maris Enyinnia Ngige	- Elected Member
Mrs Folasade Ologunagba	- Council Nominee
Mr Datong Daniel Mathew	- Council Nominee
Miss Iloabueke Lebeuwa Ann	- Council Nominee
Ms Akadi Omolara	- Council Nominee
Dr. Mrs Adewa Kehinde Adebola	- Council Nominee
Miss Catherine Emmanuel Okon	- Council Nominee
Mr. Olusola Adegbite	- Council Nominee
Adegboyegun Jide Opeyemi	- Council Nominee
Toluwalope Omotunde Ola	- Council Nominee
Onichabor Pius Okafor	- Council Nominee
Umelo Ngozi Dorcas	- Council Nominee

No member of the Executive Committee receives payment in respect of services to the Association. In line with the Executive Committee travel and expense policy, the Executive Committee members are reimbursed for any expenses which they directly incur on behalf of the Association as part of their roles as an Executive Committee members. No loans is granted to related parties.

9 Remuneration of key management personnel (KMP)

The General Secretary/Deputy Director, Membership Affairs is the key management personnel of the Association. He has responsibility for implementing the Executive Committee's policies. The KMP has no business relationship with the Association. The remuneration of the key management personnel of the Association is paid by ICAN.

10 Administrative expenses

ICAN recovers all expenses incurred on behalf of the Association. In 2022, N16.923m (2021: N15.80m) was allocated to the Association as shown in the table below:

	31 December 2022 N'000	31 December 2021 N'000
Administrative expenses	16,923	15,849

11 Subsequent events

There was no event after the reporting period which could have had a material effect on the disclosures and financial position of the Company as at 31 December 2022 and on its statement of conprehensive income for the year then ended that have not been disclosed in the financial statements.

12 Contingencies and capital commitments

As at 31 December 2022, the Association had no contingencies and capital commitments (2021: Nil).

Statement of value added

	31 December 2022 N '000	%	31 December 2021 N '000	%
Income	39,064		36,292	
Purchase of services	(43,171)		(53,306)	
Value eroded	(4,107)	**100**	(17,013)	**100**
DISTRIBUTION:				
To pay employees				
Salaries and benefits	10,750	(262)	10,047	(59)
To provide for enhancement of assets and growth				
Deficit for the year	(14,857)	362	(27,061)	159
Value eroded	(4,107)	**100**	(17,013)	**100**

This statement represents the distribution of the wealth created through the use of the Association's assets by its own and employees' efforts.

Five-year financial summary

	31 December 2022 N'000	31 December 2021 N'000	31-Dec 2020 N'000	31 December 2019 N'000	31 December 2018
ASSETS EMPLOYED					
Non-current assets					
AATWA Account balance with ICAN			10,533	19,116	21,420
Fund					
Accumulated fund	(31,385)	(16,528)	10,533	19,116	21,420
Liabilities					
Non-current Liabilities					
AATWA Account balance with ICAN	(32,534)	(16,528)	0	0	0
COMPREHENSIVE INCOME					
Income	39,064	36,292	19,365	43,147	33,052
Operating expenses	(16,923)	(15,849)	(13,521)	(13,871)	(28,315)
Operating surplus	22,141	20,443	5,844	29,276	4,737
Non operational expenditures	36,998	47,504	14,427	31,580	24,961
Defict for the year	(14,857)	(27,061)	(8,583)	(2,304)	(20,224)
Total comprehensive loss for the year	(14,857)	(27,061)	(8,583)	(2,304)	(20,224)