

**LEGAL STATUS**

Nigerian Institute of Management (Chartered) was registered under the Nigerian law as a private Not-for-profit organization limited by guarantee in 1964. In June 2003, Act No.14 of the National Assembly granted the Institute a charter to become the regulator of the management profession in Nigeria.

The Institute's activities in support of its mandate in 2003 include undertaking management training and education programs, corporate services, provision of professional services to its members and developing its framework for regulation and control.

**THE PRINCIPAL OFFICERS, PROFESSIONAL ADVISERS, ETC**

<b>PRESIDENT AND CHAIRMAN OF THE COUNCIL:</b>	Prof. Olukunle Iyanda, FNIM
<b>DEPUTY PRESIDENT:</b>	Mrs. Patience E. Anabor, FNIM
<b>NATIONAL TREASURER:</b>	Major General Abdullahi Iyanda Muraina, rtd, FNIM
<b>REGISTRAR AND COUNCIL SECRETARY:</b>	Mr. Anthony Fadaka, FNIM
<b>CORPORATE ADDRESS:</b>	Management House Plot 22 Idowu Taylor Street Victoria Island Lagos, Nigeria.
<b>AUDITORS:</b>	Sola Oyetayo & Co. 33, Ogunlowo Street Off Obafemi Awolowo Way Ikeja, Lagos.
<b>BANKERS:</b>	Guaranty Trust Bank Plc First Bank of Nigeria Limited Zenith International Bank Plc Diamond Bank Plc United Bank for Africa Plc Standard Chartered Bank Limited Skye Bank Plc

**FINANCIAL HIGHLIGHTS**

	<b>2017</b>	<b>2016</b>	<b>% Change</b>
	<b>₦</b>	<b>₦</b>	
Total Assets	2,291,682,529	2,057,881,238	11%
General Fund	907,124,119	815,629,322	11%
Development Fund	861,149,957	804,538,402	7%
Investment Fund	260,976,763	243,393,780	7%
Capital Expenditure	62,840,994	43,913,089	43%
Total Income	535,870,769	518,467,526	3%
Total Expenditure	481,004,655	445,196,821	8%
Surplus for the Year	71,491,094	110,404,655	-35%

**REPORT OF THE INDEPENDENT AUDITORS  
TO THE MEMBERS OF NIGERIAN INSTITUTE OF MANAGEMENT (CHARTERED)**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of NIGERIAN INSTITUTE OF MANAGEMENT (CHARTERED) which comprise statement of financial position as at 31 December 2017, statement of comprehensive income, statement of changes in members' funds and statement of cash flows for the year ended 31 December 2017, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements *give a true and fair view* of the financial position of the Institute as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by Financial Reporting Council Act 2011.

**Basis for Opinion**

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

We are independent of the Institute in accordance with the ethical requirements applicable that are relevant to our audit of the financial statements in Nigeria which are in substance consistent with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirement 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 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 Council is responsible for the other information. The other information comprises the President's statement and the report of the Governing Council of the Institute included in the annual report but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

## REPORT OF THE INDEPENDENT AUDITORS (Cont'd)

### **Responsibilities of the Council and Management for the Financial Statements**

The Council and Management are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs), the Financial Reporting Council Act 2011 and the NIGERIAN INSTITUTE OF MANAGEMENT (CHARTERED) Act and for such internal control as management 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 Council is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intends to liquidate and/or to cease operations, or has no realistic alternative but to do so.

The Council is responsible for overseeing the Institute'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 International Standards on Auditing 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 based on these financial statements

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

- (i) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to obtain audit evidence that is sufficient and appropriate to provide a basis for the auditor's 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.
- (ii) 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 expressing an opinion on the effectiveness of the entity's internal control.
- (iii) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) conclude on the appropriateness of management'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 entity's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause an entity to cease to continue as a going concern.



**REPORT OF THE INDEPENDENT AUDITORS (Cont'd)**

- (i) evaluate the overall presentation, structure and content of the financial statements, including the disclosures in accordance with the International Financial Reporting Standards, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (ii) Obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial statements. We remain solely responsible for our audit opinion.

Furthermore, we communicated to Council and management regarding, among other matters, our planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that were identified during our audit.

We informed the Council that we complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**Sola Oyetayo, FCA**  
FRC/2013/CAN/00000000642  
For: **Sola Oyetayo & Co.**  
27 July 2018  
Lagos, Nigeria.



**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	NOTE	2017 ₦	2016 ₦
<b>Income</b>			
Members and Students	5	117,998,644	110,773,290
Investment Income	6	83,710,541	41,392,962
Self Financing Projects	7	300,827,187	334,238,878
Others	8	33,334,397	32,062,396
<b>Total Income</b>		<u>535,870,769</u>	<u>518,467,526</u>
<b>Expenditure</b>			
Personnel Cost	9	260,494,685	244,060,590
General Expenses	10	43,362,460	47,467,715
Depreciation and Amortization	11	74,436,460	57,979,986
Impairment	12	(17,142,970)	(30,016,448)
Administrative Expenses	13	119,854,020	125,704,978
<b>Total Expenditure</b>		<u>481,004,655</u>	<u>445,196,821</u>
Operating Surplus before Foreign Exchange Gain		54,866,114	73,270,705
Foreign Exchange Gain	8	16,624,980	37,133,950
Surplus for the Year		<u>71,491,094</u>	<u>110,404,655</u>
Other Comprehensive Income		-	-
<b>Other Comprehensive Income</b>		<u>-</u>	<u>-</u>
<b>Total Comprehensive Income</b>		<u>71,491,094</u>	<u>110,404,655</u>

The accompanying notes form an integral part of these financial statements

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017**

<b>Assets</b>	<b>NOTE</b>	<b>2017</b>	<b>2016</b>
		<b>₦</b>	<b>₦</b>
<b>Non Current Assets</b>			
Property, Plant and Equipment	14	862,800,670	868,091,175
Investment Properties	15	615,272,223	611,223,717
Intangible Assets	16	1,135,694	1,987,361
Financial Asset Held to Maturity	17	54,189,737	25,865,000
		<u>1,533,398,324</u>	<u>1,507,167,253</u>
<b>Current Assets</b>			
Inventories	18	21,047,860	23,749,968
Receivables	19	34,395,599	9,682,422
Prepayments	20	26,974,292	2,314,650
Financial Asset Held to Maturity	17	460,443,224	219,532,087
Cash and Cash Equivalents	21	215,423,230	295,434,858
		<u>758,284,205</u>	<u>550,713,985</u>
<b>Total Assets</b>		<u><u>2,291,682,529</u></u>	<u><u>2,057,881,238</u></u>
<b>Funds and Liabilities</b>			
<b>Funds &amp; Reserves</b>			
General Funds	22	907,124,119	815,629,322
Restricted Funds	23	1,122,126,720	1,047,932,182
		<u>2,029,250,839</u>	<u>1,863,561,504</u>
<b>Current Liabilities</b>			
Deferred Income	24	135,109,571	76,293,502
Payables	25	60,100,892	27,139,358
Other Payables	26	67,221,227	90,886,874
Total Current Liabilities		<u>262,431,690</u>	<u>194,319,734</u>
<b>Total Liabilities</b>		<u>262,431,690</u>	<u>194,319,734</u>
<b>Total Funds and Liabilities</b>		<u><u>2,291,682,529</u></u>	<u><u>2,057,881,238</u></u>

These financial statements were approved by the Council on 31<sup>st</sup> May, 2018.

Signed on its behalf by:

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**Prof. Olukunle Iyanda, FNIM**  
President and Chairman of Council  
FRC/2018/NIM/00000018305

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**Major General Abdullahi Iyanda Muraina rtd, FNIM**  
National Treasurer  
FRC/2017/ANAN/00000017194

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**Mr. Anthony Fadaka, FNIM**  
Registrar/Chief Executive  
FRC/2016/NIM/00000015064

\_\_\_\_\_  
**Mr. Wasiu Sikiru, FNIM**  
AG. Director of Finance  
FRC/2018/ANAN/00000018264

The accompanying notes form an integral part of these financial statements

**STATEMENT OF CHANGES IN MEMBERS' FUND  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	General Fund	Restricted Development Funds	Restricted for Investment	Grand Total
	N	N	N	N
Balance at 1 January 2016	705,224,667	756,294,999	237,543,606	1,699,063,272
Transaction for the Year				
Receipts for the Year	-	52,753,732	-	52,753,732
Reclassification	-	(4,510,329)	-	(4,510,329)
Allocation of Interest Income	-	-	5,850,174	5,850,174
Comprehensive Income:				
Surplus for the Year	110,404,655	-	-	110,404,655
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	<u>110,404,655</u>	<u>48,243,403</u>	<u>5,850,174</u>	<u>164,498,232</u>
Balance at 31 December 2016	<u>815,629,322</u>	<u>804,538,402</u>	<u>243,393,780</u>	<u>1,863,561,504</u>
Translation Difference on Bank of China	<u>20,003,703</u>	-	-	<u>20,003,703</u>
<b>Transaction for the Year:</b>				
Receipts for the Year	-	60,332,194	6,000,000	66,332,194
Reclassification	-	(3,720,639)	-	(3,720,639)
Allocation of Interest Income	-	-	11,582,983	11,582,983
Comprehensive Income:	-	-	-	-
Surplus for the Year	<u>71,491,094</u>	-	-	<u>71,491,094</u>
Total Comprehensive Income	<u>71,491,094</u>	<u>56,611,555</u>	<u>17,582,983</u>	<u>145,685,632</u>
Balance at 31 December 2017	<u><u>907,124,119</u></u>	<u><u>861,149,957</u></u>	<u><u>260,976,763</u></u>	<u><u>2,029,250,839</u></u>

The accompanying notes form an integral part of these financial statements



**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

		<b>2017</b>	<b>2016</b>
		<b>₦</b>	<b>₦</b>
<b>Cash Flow From Operating Activities</b>	<b>NOTE</b>		
Surplus for the Year		71,491,094	110,404,655
<b>Adjustments for Non-Cash Items:</b>			
Depreciation and Amortization	11 &	74,436,460	57,979,986
Translation Difference on Bank of China		(8,321,034)	-
Rental Income	6	(10,128,333)	(8,328,333)
Interest Income	6	(73,582,208)	(33,064,629)
Profit on Disposal of Items of Property, Plant & Equipment	8	(300,000)	(1,450,000)
		<u>53,595,979</u>	<u>125,541,679</u>
<b>Changes in Working Capital:</b>			
Decrease/(Increase) in Inventories		2,702,108	1,855,521
Decrease in Receivables		(24,713,177)	20,032,789
Decrease in Prepayments		(24,659,642)	1,090,069
(Decrease) in Payables		32,961,534	(47,494,750)
(Decrease)/Increase in Other Payables		(23,665,647)	(2,979,859)
Increase/ (Decrease) in Income Received in Advance		58,816,069	13,777,842
<b>Net Cash Flow from Operating Activities</b>		<u>75,037,224</u>	<u>111,823,291</u>
<b>Cash Flow from Investing Activities</b>			
Acquisition of Property, Plant and Equipment	14.2	(62,840,994)	(43,913,089)
Acquisition of Investment Property	15.2	(10,232,175)	-
Rental Income	6	10,128,333	8,328,333
Interest Income	6	73,582,208	33,064,629
Acquisition of Intangible Assets	16	-	(2,350,000)
Proceeds from Sale of Property, Plant and Equipment	8.1	1,030,375	1,450,000
Increase in Restricted Fund-Investment Fund	23.2	17,582,983	5,850,174
Investment in Treasury Bills	17	(240,911,137)	(245,397,087)
<b>Net Cash Flow from Investing Activities</b>		<u>(211,660,407)</u>	<u>(242,967,040)</u>
<b>Cash Flows from Financing Activities</b>			
Development Funds Generated	23.1	56,611,555	48,243,403
<b>Net Cash Flow from Financing Activities</b>		<u>56,611,555</u>	<u>48,243,403</u>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		(80,011,628)	(82,900,346)
<b>Cash and Cash Equivalents at 1 January</b>		295,434,859	378,335,205
<b>Cash and Cash Equivalents at 31 December</b>	21	<u>215,423,230</u>	<u>295,434,859</u>

The accompanying notes form an integral part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS****1.0 REPORTING ENTITY**

Nigerian Institute of Management (Chartered) was registered under the Nigerian law as a private Not-for-profit organization limited by guarantee in 1964. In June 2003 by an Act of the National Assembly, the Institute was granted a charter to become the regulator of the management profession in Nigeria.

The Institute's activities in support of its mandate in 2003 include undertaking management training and education programs, corporate services, provision of professional services to its members and developing its framework for regulation and control.

**1.1 Tax Status**

No provision is made for Institute income tax in these financial statements as the Institute's result is not liable to tax in accordance with the provision of Sections 22(i) and (ii) of the Act 14 of 2003 of the Institute and Section 19 of CITA, CAP 60, LFN 2004.

**2.0 BASIS OF PREPARATION**

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"). The financial statements are also prepared in the manner required by the Financial Reporting Council of Nigeria Act.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

These financial statements comprise:

- Statement of comprehensive income
- Statement of financial position
- Statement of changes in members' fund
- Statement of cash flows
- Notes to the financial statements

Items included in the financial statements of the company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Institute (the "functional currency"). This financial statement is presented in Nigerian Naira ("₦"), which is the Institute's functional currency.

The financial statements were authorised for issue by the Council on 31 May, 2018

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)****2.1 Significant Estimates and Management's Judgment**

The preparation of the Institute's financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the reporting date and the reported amount of income and expenses during the period ended. Management evaluates its estimates and judgments on an on-going basis. Management based its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances.

**2.2 Comparative Figures**

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

**3.0 ADOPTION OF NEW AND REVISED IFRS STANDARDS****3.1 New and Revised Accounting Standards and Interpretations in Issue But Not Yet Effective**

The following revisions to accounting standards and pronouncements that are applicable to the Institute were issued but are not yet effective. Where IFRSs listed below permit early adoption, the Institute has elected not to apply them in the preparation of these financial statements.

The Institute will apply relevant Standards when they become effective.

<b>Standard</b>	<b>Content</b>	<b>Effective year</b>
IAS 7	Disclosure Initiative (Statement of Cash Flows)	01-Jan-18
IAS 40	Investment Property	01-Jan-18
IFRS 9	Financial Instruments	01-Jan-18

Commentaries on these new standards/amendments are provided below:

**IAS 7 Disclosure Initiative (Statement of Cash Flows)**

This require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The amendments are intended to provide information to help investors better understand changes in a Institute's debt.

**IAS 40 Amendment in Investment Property**

The amendment provides further guidance on the transfers into or of investment property.

Such a transfer is possible only when there is a change in use of the property and that happens only when that property meets or ceases to meet the definition of investment property.

Consequently, a mere change in management's intentions is not sufficient evidence of change in use.

**IFRS 9 - Financial Instruments**

The issue of IFRS 9 completed the process of IAS 39 Financial Instruments: Recognition and Measurement. This standard provides full guidance for the classification, recognition and measurement, impairment, hedge accounting and de-recognition of financial instruments.

This standard introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics. The standard allows financial assets to be categorised as "fair value through other comprehensive" in certain circumstance which is irrevocable. The requirements for financial liabilities were largely carried forward unchanged from IAS 39.

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

The standard introduces a single impairment model to all financial instruments, based on “expected loss” instead of “incurred losses under IAS 39, for the measurement of impairment loss on financial assets.

The standard also provides requirements for hedging accounting that aligns the accounting treatment with the risk management activities of an entity, in addition to enhance disclosures which will provide better information about risk management and the effect if hedging accounting on the financial statement.

IFRS 9 carries forward the de-recognition requirements of financial assets and liabilities from IAS 39. The standard will affect the manner with which the Institute calculates and recognise impairment loss including its timing and the classification of its financial assets. However, it is yet to assess the impact on the financial statement and do not intend to apply it earlier than the mandatory effective date.

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)****4.0 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied to the period presented in the financial statements.

**4.1 Revenue****4.1.1 Income**

Subscription from members is recognized as income when it is due and receivable as at 1 January annually and full provision is made for subscription not yet received in the following year.

Examination fee is accounted for as an income in the period in which examination is conducted, while exemption fee is accounted for as income in the period in which it is received.

Income from book sales is recognized upon delivery and is recognized in the year to which it relates. Income from training courses, seminar and educational programmes is recognized upon the rendering of the service.

Members subscription and student examination fees received in advance of the year the examination is taken are carried forward as deferred income at the year-end.

Revenue on self-financing programmes are accounted for as the services are rendered.

**4.1.2 Investment, Interest and Other Income**

Investment income comprises realized and interest income and dividend income.

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective market rate applicable.

**4.2 Employee Benefits****4.2.1 Short-term Employee Benefits**

The cost of short-term employee benefits (those payable within 12 months after service is rendered) such as paid vacation, leave pay and bonuses are recognised in the period in which the service is rendered and is not discounted. The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

**4.2.2 Defined Contribution Plan**

A defined contribution plan is a pension plan under which the Institute pays fixed contributions (8% and 10% of monthly emoluments for employee & employer respectively into a separate entity. The Institute has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.



**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

**4.3 Property, Plant and Equipment**

Property, Plant and Equipment and other tangible assets are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values on a systematic basis over their estimated useful lives.

The Institute uses the following annual rates in calculating depreciation:

	Years
Land	Nil
Building	50
Office Furniture & Equipment	5
Motor Vehicles	4
Computer Equipment	3
Plant and Machinery	5
Library Books	8

Each part of an item of office equipment, furniture and other tangible assets with a cost that is significant in relation to the total cost of the item is depreciated separately.

The asset's residual values, useful lives and depreciation method are reviewed on an annual basis and are adjusted if appropriate.

The carrying amount of an asset is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income under other operating expenses.

**4.4 Investment Property**

Investment property, which is property held to earn rentals and/or for capital appreciation (including property whose purpose of use have not been decided), is measured initially at costs, including transaction costs.

After initial recognition, the Institute reports investment property at cost.

Depreciation on investment properties is calculated using the straight-line method to allocate their cost to their residual values on a systematic basis over their estimated useful lives.

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

The Institute uses the following annual rates in calculating depreciation on investment property:

Land	Nil
Luxury Flats	50 years

The asset's residual values, useful lives and depreciation method are reviewed on an annual basis and are adjusted prospectively.

The carrying amount of an asset is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. Gains are reported in the income statement while losses are reported in other operating expenses.

An Investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in statement of profit or loss in the period in which the property is derecognised.

**4.5 Intangible Assets****4.5.1 Purchased Intangible Assets – Computer Software and Web Portal**

Intangible assets are measured initially at cost and are amortised on a straight-line basis over their useful lives.

The intangible assets comprise QuickBooks pro software, payroll software, software office, web portal etc.

After initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses.

The average amortization period for computer software is 3 Years

The residual value of intangible assets is assumed to be zero.

The asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**4.5.2 De-recognition of Intangible Assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, gain or loss are recognised in the statement of comprehensive income when the asset is derecognised.

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)****4.5.3. Impairment of Tangible and Intangible Assets**

Intangible assets which are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using the Institute's effective cost of borrowing that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in comprehensive income statement.

**4.6 Inventory**

Inventories are stated at the lower of cost (using first-in first out basis) and net realizable value. Cost comprises of supplier's invoice price and other directly related cost incurred to bring inventories to its present location and condition. Using available information, the Institute makes judgments based on experience in providing for potential unsaleable and/or unusable inventories.

**4.7 Financial Instruments**

Financial instruments recognized in the statement of financial position include cash and cash equivalents, certificates of fixed deposit, receivables and payables. Financial assets and financial liabilities are recognized in the statement of financial position when the Institute becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognized at their fair value. Purchases and sales of financial instruments are measured on a trade-date basis.

Financial assets are derecognized when and only when:

- The contractual rights to the cash flows from the financial assets expire; or
- The Institute transfers the financial asset, including substantially all the risks and rewards of ownership of the assets.

A financial liability is derecognized when and only when the liability is extinguished, that is, when the obligation specified in the contract is discharged, cancelled or has expired. The difference between the carrying amount of a financial liability (or part thereof) extinguished or transferred to another party and consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in income and expenditure.

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)****4.7.1 Financial Assets****4.7.1.1 Receivables**

Receivables are stated at amortised cost based on the original invoice amount, less an allowance for any irrecoverable amounts. Provisions are made when there is objective evidence that Institute will not be able to collect certain debts. Irrecoverable debts are written off when identified.

**4.7.2 Financial Liabilities****4.7.2.1 Payables and Other Payables**

These are recognized at amortized cost.

**4.7.3 Offsetting of Financial Instruments**

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

**4.7.4 Impairment of Financial Instruments**

Institute assesses at each reporting period whether a financial asset is impaired. Where a financial asset shows an indication of impairment, it is tested to assess whether it should be specifically written down. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to estimate recoverable amount of individual asset, Institute estimates recoverable amount of cash generating unit to which the asset belongs. An impairment loss is charged to the statement of comprehensive income immediately, unless the asset is carried at its revalued amount.

Financial assets are grouped on the basis of similar credit characteristics that are indicative of the debtor's ability to pay all amounts due according to the contractual terms and the collective impairment provision is estimated for any such group, where credit risk characteristics of the group of financial assets has deteriorated. Factors such as any deterioration in country risk, technological obsolescence, as well as identified structural weaknesses or deterioration in cash flows are taken into consideration and the amount of the provision is based on historical loss pattern within each group.

**4.7.5 De-recognition of Financial Instruments**

Financial assets are derecognized when the contractual rights to receive cash flows from the investments have expired or on trade date when they have been transferred and the Institute have also transferred substantially all risks and rewards of ownership. Non-cash financial assets pledged, where the counter party has the right to sell or re-pledge the assets to a third party, are classified as pledged assets.

Financial liabilities are derecognized when they are extinguished, that is when the obligation is discharged, cancelled or expires.

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)****4.8 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand, bank balances and term deposit that are convertible to a known amount of cash which are subject to insignificant risk of changes in value, all of which are available for use by the Institute unless otherwise stated in the statement of financial position, bank overdrafts are categorized as current liabilities.

**4.9 Funds**

To ensure observance of limitations and restrictions placed on the use of resources available, the Institute's accounts are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes.

Separate ledgers are therefore maintained for each fund with respective restrictions and limitations approved by the Council embedded in the respective uses thereon. In the accompanying financial statements, funds that have similar characteristics have been recorded and reported by fund group.

**a) Development Fund**

This represents levy received from members and set aside for investment in non-current assets.

**b) Prize Fund**

This represents funds donated by individuals and or organization. Prizes paid are set off directly to the fund.

**c) Investment Fund**

This represents fund set aside from operation and invested in cash and cash equivalents.

**4.10 Foreign Currencies**

In preparing the financial statements, transactions in currencies other than the Institute's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions.

Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

**4.11 Financial Risk Management**

The Group is exposed through its operations to the following financial risks:

- Credit Risk
- Liquidity Risk, and
- Currency Risk

The Registrar directly controls day to day operations of the Institute and the Council members are regularly updated on any significant issues relating to financial risk management. The main financial risks the Institute is involved in are Credit risk, Liquidity risk and Currency risk which are summarised below.

**4.11.1 Credit Risk**

Credit risk arises from cash and cash equivalents with banks. Banks with good reputation are accepted by the Institute for business transactions.

The Institute's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of the financial assets.

The maximum credit exposures of financial assets held by the Institute are their carrying amounts, which are disclosed as follows:

	<b>2017</b>	<b>2016</b>
	<b>₦</b>	<b>₦</b>
Cash & Bank Balance	75,853,658	109,921,400
Fixed Deposits	139,569,572	185,513,458
	<u>215,423,230</u>	<u>295,434,858</u>
Financial Assets Held to Maturity	514,632,961	245,397,087
	<u>730,056,191</u>	<u>540,831,945</u>

**4.11.2 Liquidity Risk**

Liquidity risk arises from the Institute's management of working capital. It is the risk that the Institute will encounter difficulty in meeting its financial obligations as they fall due.

The Institute's policy ensures that there is sufficient cash to meet its liabilities when they become due. To achieve this aim, it ensures that commitments are made according to cash inflow, low level of liabilities are maintained and keeps enough cash balance in bank to meet expected requirements.

**4.11.3 Currency Risk**

Most Institute transactions are carried out in Nigeria Naira and hold minimum balance in other currency to hedge against any currency exposures.



**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)****4.12 Use of Estimates and Judgments**

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Below are the estimate or assumption which may have significant risk of causing material adjustment to the carrying amount of assets and liabilities.

**4.12.1 Impairment of Members' Subscriptions**

The Institute deemed that uncollected subscriptions as at balance sheet past due and impaired and thus should be fully provided for in the financial statements.

**4.12.2 Member records**

The subscriptions from members is recognized based on the number of members with consistent payment records for three years. The actual subscriptions income does not necessarily equate the subscription income recognized in each year. This is because some members (who are not included in the estimated members applied for recognition of subscriptions at the start of the year) are likely to make payment for the current and outstanding dues during the year.

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

	<b>2017</b>	<b>2016</b>
	<b>-N</b>	<b>-N</b>
<b>5 MEMBERS' &amp; STUDENTS' INCOME</b>		
Application Fees	8,654,800	13,256,240
Upgrade Fees	7,076,900	7,742,050
Individual Subscription	101,046,944	88,165,000
Corporate Subscription	1,220,000	1,610,000
	<u>117,998,644</u>	<u>110,773,290</u>
Individual Subscription includes the sum of N479,063.50 which represents the amortised portion of permanent membership fee for the current year		
<b>6 INVESTMENT INCOME</b>		
Investment Properties- Rental Income	10,128,333	8,328,333
Interest Income (Note 6.1)	73,582,208	33,064,629
	<u>83,710,541</u>	<u>41,392,962</u>
<b>6.1 Interest Income</b>		
Treasury Bills	57,758,697	21,299,702
Bank Balance	9,702	1,738,886
Money Market Funds	13,985,639	8,071,901
Bond	1,828,170	1,954,140
	<u>73,582,208</u>	<u>33,064,629</u>

Total interest income earned from the investible funds during the year is N85,165,191 allocated to operations and investment fund as N73,582,208 and N11,582,983 respectively. The unearned portion of the investment income which the Institute has the right to receive in subsequent year (2018) has been deferred (see note 24.2).

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

**7 SELF-FINANCING PROJECTS**

	2017		2016	
	Income	Expenditure	Net	Net
	N	N	N	N
Membership Induction	46,543,500	12,188,128	34,355,372	65,099,372
Fellows Upgrade/Luncheon	35,002,900	6,651,617	28,351,283	30,844,982
Annual National Management Conference	85,743,300	51,151,569	34,591,731	33,660,542
NYSC Induction	50,471,000	16,730,932	33,740,068	45,323,272
NYSC Exams	77,480,210	65,844,690	11,635,520	25,451,789
Training Courses	62,145,545	15,720,496	46,425,049	38,710,795
MCPEP	28,071,000	9,218,984	18,852,016	27,473,464
Top Executive Programme	29,600,000	20,525,702	9,074,298	99,673
WIM Conference/Seminar	8,961,000	7,139,591	1,821,409	1,189,040
Management Professional Exam	20,240,335	9,726,635	10,513,700	15,184,891
Professional Diploma in Management	172,000	19,980	152,020	(54,860)
Postgraduate Diploma in Management	5,560,500	4,134,603	1,425,897	504,000
Academy of Corporate Management	-	318,900	(318,900)	(569,650)
Young Managers' Competition	520,000	2,456,571	(1,936,571)	(64,600)
Regulations & Control	265,000	25,200	239,800	529,250
CV Writing Workshop	4,835,000	566,984	4,268,016	-
Continous Learning & Development	10,513,100	1,715,145	8,797,955	-
Student's Scheme	7,159,925	1,691,635	5,468,290	5,776,112
Special Programs	77,979,843	24,609,609	53,370,234	45,080,806
	<u>551,264,158</u>	<u>250,436,971</u>	<u>300,827,187</u>	<u>334,238,878</u>

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

	<b>2017</b>	<b>2016</b>
	<b>N</b>	<b>N</b>
<b>8 OTHER INCOME</b>		
Transcripts & Statements of Result	315,000	356,000
Contractor Registration Fees	455,000	150,000
10% Branch Levy	609,355	944,715
10% Development Levy	3,690,639	4,510,329
Gain on Plant, Property & Equipment	300,000	1,450,000
Sales of Souvenirs & Journals	246,000	1,092,422
Rental Income-Management House & Abuja Auditorium	24,800,100	20,821,900
Library	153,150	91,280
Recertification Fee	280,000	420,000
Donation	1,090,000	-
Sundry Income	1,395,153	2,225,750
	<u>33,334,397</u>	<u>32,062,396</u>
Exchange Difference	<u>16,624,980</u>	<u>37,133,950</u>
	<u><u>49,959,377</u></u>	<u><u>69,196,346</u></u>
<b>9 PERSONNEL COST</b>		
Salaries and Allowances	218,984,224	217,778,097
Employer's Contributory Pension	20,142,257	19,423,887
Relocation Allowance	3,420,000	759,938
	<u>242,546,481</u>	<u>237,961,922</u>
<b>Other costs</b>		
General Staff Welfare	2,868,916	2,143,760
Industrial Training Funds (ITF) & NSITF	15,079,288	3,954,908
	<u>17,948,204</u>	<u>6,098,668</u>
Included in ITF and NSITF was the additional ITF levy amounting to N10,900,979 raised by Industrial Training Fund in respect of past years up to 2016		
	<u>260,494,685</u>	<u>244,060,590</u>
<b>10 GENERAL EXPENSES</b>		
Year End Party and Long Service Award Expenses	2,937,929	3,600,464
Council Allowances	17,685,927	14,720,681
Committee Allowances	11,058,180	12,183,707
Council Retreat	-	5,328,480
Management Retreat	1,046,008	572,449
Union Activities	230,000	125,000
Presidential/Zonal/Branch Visitation Expenses	410,000	3,057,409
Zonal Offices Expenses	9,520,701	7,390,560
Annual General Meeting	473,715	488,965
	<u>43,362,460</u>	<u>47,467,715</u>
<b>11 DEPRECIATION AND AMORTIZATION</b>		
Depreciation	73,584,793	56,474,273
Amortization	851,667	1,505,713
	<u>74,436,460</u>	<u>57,979,986</u>
<b>12 IMPAIRMENT CHARGE/ (REVERSAL)</b>		
Individual Subscription	30,219,440	11,689,323
Corporate Subscription	-	-
Reversal of impairment-Individual subscription	<u>(47,362,410)</u>	<u>(41,705,771)</u>
	<u><u>(17,142,970)</u></u>	<u><u>(30,016,448)</u></u>

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

	<b>2017</b>	<b>2016</b>
	<b>N</b>	<b>N</b>
<b>13 ADMINISTRATIVE EXPENSES</b>		
Printing & Stationery	10,615,644	9,286,163
Postage & Telephone	4,449,823	5,955,694
Transport & Travelling	6,106,491	8,516,786
Repair and Maintenance	12,447,535	12,004,556
Vehicle Fueling	8,793,215	7,888,284
Newspapers & Periodical	1,404,930	1,286,120
Entertainment	865,918	622,267
DSTV Subscription	316,440	315,890
Distinguished MGT Lecture & MGT. Day Expense	2,035,012	2,031,541
Computer & Internet Expense	486,275	357,410
President's Investiture	4,340,822	-
Rent & Rates	2,789,751	2,350,314
Electricity	751,882	952,781
Cleaning & Sanitation	489,446	18,730
Insurance	8,747,225	7,830,250
Legal & Professional Fees	4,044,712	2,504,600
Advertisement & Publicity/Public Relations Expenses	3,704,087	3,464,924
Bank Charges	6,596,374	7,143,271
Service Charge	27,189,927	25,397,586
Audit Fee	3,675,000	3,675,000
Professional Subscription	2,466,350	1,528,923
Recruitment & Training	535,182	928,150
Website Management Expenses	6,713,979	7,420,547
Donation	288,000	100,000
Bad debts	-	14,125,191
	<u>119,854,020</u>	<u>125,704,978</u>

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

**14 PROPERTY, PLANT AND EQUIPMENT**

**14.1 Carrying Amounts**

	<b>2017</b>	<b>2016</b>
	<b>N</b>	<b>N</b>
Land	77,680,000	77,680,000
Building	686,157,906	715,138,076
Plant & Machinery	26,385,099	11,913,830
Motor Vehicles	44,314,197	38,858,906
Computer Equipment	4,678,955	5,427,994
Office Furniture &	14,257,473	18,141,577
Library Books	730,314	930,792
Asset Work in Progress	8,596,726	-
	<u>862,800,670</u>	<u>868,091,175</u>

**14.2 Reconciliation of Carrying Amounts of Property, Plant and Equipment**

	<b>Land</b>	<b>Building</b>	<b>Plant &amp; Machinery</b>	<b>Motor Vehicles</b>	<b>Computer Equipment</b>	<b>Office Furniture &amp; Books</b>	<b>Library Books</b>	<b>Work in Progress</b>	<b>Total</b>
	<b>N</b>	<b>N</b>	<b>N</b>	<b>N</b>	<b>N</b>	<b>N</b>	<b>N</b>	<b>N</b>	<b>N</b>
<b>Cost</b>									
At 1 January	77,680,000	812,887,516	37,860,749	108,079,400	27,031,949	41,667,285	1,785,075	-	1,106,991,974
Additions	-	-	22,322,169	24,877,300	3,119,709	3,900,090	25,000	8,596,726	62,840,994
Disposal	-	-	-	(6,632,250)	-	-	-	-	(6,632,250)
At 31 December	<u>77,680,000</u>	<u>812,887,516</u>	<u>60,182,918</u>	<u>126,324,450</u>	<u>30,151,658</u>	<u>45,567,375</u>	<u>1,810,075</u>	<u>8,596,726</u>	<u>1,163,200,718</u>
<b>Accumulated Depreciation</b>									
At 1 January	-	97,749,440	25,946,919	69,220,494	21,603,955	23,525,708	854,283	-	238,900,799
Charge for the Year	-	28,980,170	7,850,900	18,691,634	3,868,748	7,784,194	225,478	-	67,401,124
Disposal	-	-	-	(5,901,875)	-	-	-	-	(5,901,875)
At 31 December	<u>-</u>	<u>126,729,610</u>	<u>33,797,819</u>	<u>82,010,253</u>	<u>25,472,703</u>	<u>31,309,902</u>	<u>1,079,761</u>	<u>-</u>	<u>300,400,048</u>
<b>Carrying Amounts</b>									
At 31 December 2017	<u>77,680,000</u>	<u>686,157,906</u>	<u>26,385,099</u>	<u>44,314,197</u>	<u>4,678,955</u>	<u>14,257,473</u>	<u>730,314</u>	<u>8,596,726</u>	<u>862,800,670</u>
At 31 December 2016	<u>77,680,000</u>	<u>715,138,076</u>	<u>11,913,830</u>	<u>38,858,906</u>	<u>5,427,994</u>	<u>18,141,577</u>	<u>930,792</u>	<u>-</u>	<u>868,091,175</u>

This represents approved payment for the consultancy fee on renovation of the roof for N8,596,726.04



**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

**15 INVESTMENT PROPERTIES**

**15.1 Carrying Amounts:**

	<b>2017</b>	<b>2016</b>
Luxury Flats	272,081,436	278,265,105
Lands	<u>343,190,787</u>	<u>332,958,612</u>
	<u>615,272,223</u>	<u>611,223,717</u>

**15.2 Reconciliation of Carrying Amounts of Investment Properties**

	<b>Luxury Flat</b>	<b>Land</b>	<b>Total</b>
<b>Cost</b>	<b>N</b>	<b>N</b>	<b>N</b>
At 1 January	309,183,450	332,958,612	642,142,062
Additions	-	10,232,175	10,232,175
At 31 December	<u>309,183,450</u>	<u>343,190,787</u>	<u>652,374,237</u>
<b>Accumulated Depreciation</b>			
At 1 January	30,918,345	-	30,918,345
Charge for the Year	6,183,669	-	6,183,669
At 31 December	<u>37,102,014</u>	<u>-</u>	<u>37,102,014</u>
<b>Carrying Amounts:</b>			
At 31 December 2017	<u>272,081,436</u>	<u>343,190,787</u>	<u>615,272,223</u>
At 31 December 2016	<u>278,265,105</u>	<u>332,958,612</u>	<u>611,223,717</u>

15.3 Luxury flats comprise of blocks of flat at Lekki, while land is situated at Ikeja and Ikorodu. Included in the repairs and maintenance during the year is N1,958,502 (2016: N 1,858,052) in respect of

**16 INTANGIBLE ASSETS**

	<b>Software</b>	<b>Web Portal</b>	<b>Total</b>
<b>Cost</b>	<b>N</b>	<b>N</b>	<b>N</b>
At 1 January	4,274,819	9,812,396	14,087,215
Additions	-	-	-
At 31 December	<u>4,274,819</u>	<u>9,812,396</u>	<u>14,087,215</u>
<b>Accumulated Amortization</b>			
At 1 January	3,262,458	8,837,396	12,099,854
Charge for the Year	-	851,667	851,667
At 31 December	<u>3,262,458</u>	<u>9,689,063</u>	<u>12,951,521</u>
<b>Carrying Amounts:</b>			
At 31 December 2017	<u>1,012,361</u>	<u>123,333</u>	<u>1,135,694</u>
At 31 December 2016	<u>1,012,361</u>	<u>975,000</u>	<u>1,987,361</u>

Intangible assets comprises quick pro software, payroll software, software office, web portal, e-bulletin etc.

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

	2017	2016
	N	N
<b>17 FINANCIAL ASSET HELD TO MATURITY</b>		
<b>Current Portion</b>		
Investment in Treasury Bills (Note 17.1)	460,443,224	219,532,087
<b>Non-current Portion</b>		
Investment in Bond- Bank of China (Note 17.2)	54,189,737	25,865,000
	<u>514,632,961</u>	<u>245,397,087</u>
17.1 These are investments in treasury bills with maturity of more than 90 days from the date of acquiring the investments		
17.2 The Institute holds bond invested in Bank of China, HongKong with par value of US\$150,389.19 with coupon rate of 5.55% payable semi-annually. The bond will be redeemed on February 11, 2020. This increase in value was due to increase in foreign exchange rate (resulting to exchange gain) between the date it was acquired and the reporting		
<b>18 INVENTORIES</b>		
General Stationery	19,025,963	18,297,030
Study Packs	620,531	1,375,605
Answer Scripts	1,362,466	4,052,943
Other Consumables	38,900	24,390
	<u>21,047,860</u>	<u>23,749,968</u>
<b>19 RECEIVABLES</b>		
Subscription in Arrears ( Note 19.1)	-	-
ANMC, Course and Seminar Debtors	29,885,541	-
Staff Advances	1,533,664	6,167,004
Sundry Debtors	238,694	-
Rent Debtors	2,737,700	3,515,418
	<u>34,395,599</u>	<u>9,682,422</u>
19.1 <b>Subscription in Arrears</b>		
At 1 January	1,700,084,001	1,730,100,449
Due for the Year	30,219,440	88,165,000
	<u>1,730,303,441</u>	<u>1,818,265,449</u>
Receipt During the Year	(47,362,410)	(118,181,448)
	<u>1,682,941,031</u>	<u>1,700,084,001</u>
Allowance for Impairment on Subscription (Note 19.2)	(1,682,941,031)	(1,700,084,001)
At 31 December	<u>-</u>	<u>-</u>
19.2 <b>Allowance for Impairment on Subscription</b>		
At 1 January	1,700,084,001	1,730,100,449
Reversal of impairment	(47,362,410)	(41,705,771)
Impairment Charges	30,219,440	11,689,323
At 31 December	<u>1,682,941,031</u>	<u>1,700,084,001</u>
<b>20 PREPAYMENT</b>		
Prepaid Expenses	26,974,292	2,314,650
	<u>26,974,292</u>	<u>2,314,650</u>
This is an advance payment to Kresta Laurel Limited N22,512,866.05 for the purchase and installation of new elevator		
<b>21 CASH AND CASH EQUIVALENTS</b>		
Cash in Hand	1,664,724	1,642,085
Cash at Bank	74,188,934	108,279,315
Short term Investments (Note 21.1)	139,569,572	185,513,458
	<u>215,423,230</u>	<u>295,434,858</u>
21.1 <b>Short term Investments</b>		
Fixed Deposit	-	50,426,459
Money Market Funds	139,569,572	135,086,999
	<u>139,569,572</u>	<u>185,513,458</u>

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

	<b>2017</b>	<b>2016</b>
	<b>N</b>	<b>N</b>
<b>22 UNRESTRICTED: GENERAL FUND</b>		
At 1 January	815,629,322	705,224,667
Prior Year Adjustments	20,003,703	-
Surplus from Operation	71,491,094	110,404,655
At 31 December	<u>907,124,119</u>	<u>815,629,322</u>
<b>23 RESTRICTED FUND</b>		
Development Fund (Note 23.1)	861,149,957	804,538,402
Investment Fund (Note 23.2)	260,976,763	243,393,780
	<u>1,122,126,720</u>	<u>1,047,932,182</u>
<b>23.1 Development Fund</b>		
At 1 January	804,538,402	756,294,999
Abuja Mgt. House Levy	1,795,600	1,795,600
Ikeja Development Levy	32,201,850	5,960,000
Receipts for the Year	26,334,744	44,998,132
Reclassification	(3,720,639)	(4,510,329)
	<u>56,611,555</u>	<u>48,243,403</u>
At 31 December	<u>861,149,957</u>	<u>804,538,402</u>
<b>23.2 Investment Fund</b>		
At 1 January	243,393,780	237,543,606
Interest Income Allocation	11,582,983	5,850,174
Receipts for the Year	6,000,000	-
At 31 December	<u>260,976,763</u>	<u>243,393,780</u>
<b>24 DEFERRED INCOME</b>		
Top Executive Leadership Programme (Note 24.1)	55,793,322	58,230,072
Other Income in Advance (Note 24.2)	38,770,992	10,137,625
Rental Income Received in Advance	12,382,389	6,125,000
Subscription in Advance (Note 24.3)	5,995,926	1,800,805
Course and Seminar in Advance	22,166,942	-
	<u>135,109,571</u>	<u>76,293,502</u>
<b>24.1 Top Executive Leadership Program</b>		
At 1 January	58,230,072	58,630,072
Receipts	1,200,000	3,000,000
Release to Income Statement	(3,636,750)	(3,400,000)
At 31 December	<u>55,793,322</u>	<u>58,230,072</u>
<b>24.2 Other Income in Advance</b>		
MPE-Induction	2,131,450	1,860,814
MPE-Examinations	115,300	405,000
NYSC-Examinations	-	60,000
PGD University of Ibadan	3,402,750	829,850
Money market Income	18,321,420	5,647,961
Students Scheme Examinations	1,014,300	546,500
Other Income (Note 24.2.1)	13,785,772	787,500
	<u>38,770,992</u>	<u>10,137,625</u>
<b>24.2.1</b> This includes payment in respect of ANMC N3,714,000; Courses N3,680,000 and Young Managers Competition N 2,235,000 (2016: Kano Management Centre Course N 362,500.00)		
<b>24.3 Subscription in Advance</b>		
Permanent Membership (Note 24.3.1)	1,924,432	1,332,645
Other subscription in Advance	4,071,494	468,160
	<u>5,995,926</u>	<u>1,800,805</u>
<b>24.3.1 Permanent Membership</b>		
At 1 January	1,332,645	1,054,495
Receipts	1,070,851	278,150
Release to Income Statement	(479,064)	-
At 31 December	<u>1,924,432</u>	<u>1,332,645</u>

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

	<b>2017</b>	<b>2016</b>
	<b>N</b>	<b>N</b>
<b>25 PAYABLES</b>	<u>60,100,892</u>	<u>27,139,358</u>
Included in payable are additional assessment of N15,013,176.04		
<b>26 OTHER PAYABLES</b>		
NIM Service Charge	20,826,573	14,386,348
WHT Payable - FIRS	1,899,792	21,984,760
WHT Payable - LIRS	562,969	7,437,192
Employer's Contributory Pension	1,180,652	1,179,625
Staff Float	1	58,640
Due to Internal Revenue Service	165,707	5,094,225
Union Dues	127,410	73,525
Payable to Branch Office	-	-
Branch Levy (Note 26.1)	39,268,281	33,784,086
Staff Insurance Claim	1,000,000	500,000
Industrial Training Fund	2,189,842	6,388,473
	<u>67,221,227</u>	<u>90,886,874</u>
<b>26.1 Branch Levy</b>		
At 1 January	33,784,086	29,052,075
Receipts	6,093,550	9,561,146
Release to Income	(609,355)	(944,715)
Payments to NIM Chapters	-	(3,884,420)
At 31 December	<u>39,268,281</u>	<u>33,784,086</u>
<b>27 PRIOR YEAR ADJUSTMENTS</b>		
<b>27.1. GENERAL FUND</b>		
		<b>2016</b>
		<b>N</b>
<b>As Reported</b>		815,629,322
Translation Difference of Bank of China (Note 27.1.1)		20,003,703
Restated		<u>835,633,025</u>
<b>Notes to the Restatements</b>		
<b>27.1.1 Foreign Exchange Gain</b>		
This represents the exchange gain of US\$ denominated investment in bond issued by Bank of China, Hongkong as acquired by the Institute in 2014. The par value of the investment has been translated to naira using the closing rate at the balance sheet date.		

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

**28 RELATED PARTY TRANSACTIONS**

No member of the council received payment in respect of services to the Institute. In line with Council travel and expense policy, Council members are reimbursed for any expenses which they directly incur on behalf of the Institute as part of their role as council members; No loan is granted to related parties.

**28 Remuneration of Key Management Personnel (KMP)**

The registrar/Chief Executive is the key management personnel of the Institute. He has responsibility for implementing Council's policies and drives the secretariat in promoting the Institute's brand. The KMP has no business relationship with the Institute. The remuneration of the key management personnel of the Institute is set out below in the aggregate for each of the categories.

	<b>2017</b>	<b>2016</b>
	<b>N</b>	<b>N</b>
<b>Short-term Employee Benefits</b>		
Registrar/Chief Executive	10,580,356	9,799,428
Directors	20,758,619	18,932,651
	<u>31,338,975</u>	<u>28,732,079</u>

**29 ACTIVITIES RESULT**

The activities result include the following:

**a Staff and Related Costs**

The costs of employing staff during the year were as follows:

Personnel Cost	218,984,224	217,778,097
Employer's Contributory Pension	20,142,257	19,423,887
Other Benefits	3,420,000	759,938
	<u>242,546,481</u>	<u>237,961,922</u>

**b Analysis of Staff Cost**

Range of Salaries	<b>No of Staff</b>	<b>No of Staff</b>
=N= 500,000-999,999	9	1
=N=1,000,000-1,999,999	14	15
=N=2,000,000-2,999,999	8	11
=N=3,000,000-3,999,999	12	10
=N=4,000,000-4,999,999	8	11
=N=5,000,000-5,999,999	4	3
=N=6,000,000-6,999,999	3	2
=N=7,000,000-7,999,999	1	1
=N=8,000,000-9,999,999	1	3
=N=10,000,000 and above	1	-
	<u>61</u>	<u>57</u>
<b>Auditors' Remuneration</b>		
Audit Fee	<u>3,675,000</u>	<u>3,675,000</u>

**OTHER NATIONAL DISCLOSURES**

**VALUE ADDED STATEMENT**

	<b>2017</b>	<b>%</b>	<b>2016</b>	<b>%</b>
	<b>N</b>		<b>N</b>	
<b>INCOME</b>				
Members, Students and Training Income	418,825,831		445,012,170	
Value of Services Bought-Local	(81,421,470)		(43,470,433)	
-Foreign	(5,643,070)		(15,896,800)	
Value Added from Operation	331,761,291		385,644,937	
Investment and Other Income	117,044,938		73,455,358	
Value Added Available for Distribution	<u>448,806,229</u>	<u>100</u>	<u>459,100,295</u>	<u>100</u>

**Applied as Follows:**

**Payment to Employee**

Salaries & Benefits	242,546,481	54	237,961,922	52
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**Retained for Replacement of Assets**

Depreciation & Amortization	74,436,460	17	57,979,986	13
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**Retained in Operation for Expansion & Development**

Surplus for the Year	71,491,094	16	110,404,655	24
Development Fund Receipts	60,332,194	13	52,753,732	11
	<u>448,806,229</u>	<u>100</u>	<u>459,100,295</u>	<u>100</u>

**OTHER NATIONAL DISCLOSURES (Cont'd)**

**FINANCIAL SUMMARY  
STATEMENT OF FINANCIAL POSITION**

	2017	2016	2015	2014	2013
	N	N	N	N	N
<b>ASSETS</b>					
<b>Non-Current Assets:</b>					
Property, Plant and Equipment	862,800,670	868,091,175	874,468,690	858,465,366	657,737,066
Investment Properties	615,272,223	611,223,717	617,407,386	622,741,055	608,231,876
Intangible Assets	1,135,694	1,987,361	1,143,074	1,933,213	2,321,562
Financial Assets Held to Maturity	54,189,737	25,865,000	-	-	-
	<u>1,533,398,324</u>	<u>1,507,167,253</u>	<u>1,493,019,150</u>	<u>1,483,139,634</u>	<u>1,268,290,504</u>
<b>Current Assets</b>					
Inventories	21,047,860	23,749,968	25,605,489	16,084,649	17,958,940
Receivables	34,395,599	9,682,422	29,715,211	53,510,407	22,847,522
Prepayments	26,974,292	2,314,650	3,404,719	8,851,694	991,667
Financial Assets Held to Maturity	460,443,224	219,532,087	-	-	-
Cash and Cash Equivalents	215,423,230	295,434,858	378,335,204	315,142,867	467,754,940
	<u>758,284,205</u>	<u>550,713,985</u>	<u>437,060,623</u>	<u>393,589,617</u>	<u>509,553,069</u>
Total Assets	<u>2,291,682,529</u>	<u>2,057,881,238</u>	<u>1,930,079,773</u>	<u>1,876,729,251</u>	<u>1,777,843,573</u>
<b>Current Liabilities</b>					
Payables	60,100,892	27,139,358	74,634,108	110,856,255	100,023,762
Other Payables	67,221,227	90,886,874	93,866,733	56,088,447	32,694,750
Deferred Income	135,109,571	76,293,502	62,515,660	66,203,793	53,473,815
Total Current Liabilities	<u>262,431,690</u>	<u>194,319,734</u>	<u>231,016,501</u>	<u>233,148,495</u>	<u>186,192,327</u>
<b>Non-Current Liabilities</b>					
Retirement Benefit Obligations	-	-	-	12,216,914	46,340,854
Total Liabilities	<u>262,431,690</u>	<u>194,319,734</u>	<u>231,016,501</u>	<u>245,365,409</u>	<u>232,533,181</u>
<b>Funds &amp; Reserves</b>					
General Funds	907,124,119	815,629,322	705,224,667	695,251,311	665,154,188
Restricted Funds	1,122,126,720	1,047,932,182	993,838,605	927,083,660	876,952,339
Retirement Obligation Reserves.	-	-	-	9,028,871	3,203,865
	<u>2,029,250,839</u>	<u>1,863,561,504</u>	<u>1,699,063,272</u>	<u>1,631,363,842</u>	<u>1,545,310,392</u>
<b>Total Funds &amp; Liabilities</b>	<u>2,291,682,529</u>	<u>2,057,881,238</u>	<u>1,930,079,773</u>	<u>1,876,729,251</u>	<u>1,777,843,573</u>

**OTHER NATIONAL DISCLOSURES (Cont'd)**

**STATEMENT OF COMPREHENSIVE INCOME**

	2017	2016	2015	2014	2013
	N	N	N	N	N
<b>INCOME</b>					
Members and Students	117,998,644	110,773,290	164,524,020	151,352,893	834,104,756
Investment Income	83,710,541	41,392,962	29,882,620	38,073,821	43,846,591
Self Financing Projects	300,827,187	334,238,878	371,547,654	338,210,410	489,640,198
Others	33,334,397	32,062,396	37,992,590	71,329,834	47,910,578
	<u>535,870,769</u>	<u>518,467,526</u>	<u>603,946,884</u>	<u>598,966,958</u>	<u>1,415,502,123</u>
<b>EXPENDITURE</b>					
Personnel Cost	260,494,685	244,060,590	316,334,741	271,350,144	268,632,456
General Expenses	43,362,460	47,467,715	40,038,444	58,273,881	43,379,614
Depreciation and Amortization	74,436,460	57,979,986	65,084,728	65,382,857	69,712,745
Impairment	(17,142,970)	(30,016,448)	18,501,192	13,648,870	707,549,317
Finance Cost	-	-	-	22,269,003	27,797,832
Administrative Expenses	119,854,020	125,704,978	156,018,123	145,707,902	166,626,097
	<u>481,004,655</u>	<u>445,196,821</u>	<u>595,977,229</u>	<u>576,632,657</u>	<u>1,283,698,061</u>
Operating Surplus before Exchange Gain	54,866,114	73,270,705	7,969,655	22,334,301	131,804,062
Exchange Gain	16,624,980	37,133,950	-	-	-
<b>Operating Surplus</b>	<u>71,491,094</u>	<u>110,404,655</u>	<u>7,969,655</u>	<u>22,334,301</u>	<u>131,804,062</u>
<b>Other Comprehensive Income</b>					
Re-measurement of post employment benefit obligation	-	-	5,825,007	(23,956,136)	(23,956,136)
<b>Total Comprehensive Income/(Loss)</b>	<u>71,491,094</u>	<u>110,404,655</u>	<u>13,794,662</u>	<u>(1,621,835)</u>	<u>107,847,926</u>