

NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION
Lagos , Nigeria

REPORT OF THE INCORPORATED TRUSTEES ,
AUDITED FINANCIAL STATEMENTS
AND
OTHER NATIONAL DISCLOSURES
FOR THE YEAR ENDED 31 DECEMBER 2022

NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION

**REPORT OF THE INCORPORATED TRUSTEES, AUDITED FINANCIAL STATEMENTS AND OTHER
NATIONAL DISCLOSURES**

FOR THE YEAR ENDED 31 DECEMBER 2022

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NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION

CORPORATE INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2022

Registration Number:	CAC / IT /NO/ 143431	
Incorporated Trustees	Mr. Babatunde Raji Fashola, SAN HH Muhammad Sanusi II Prof. Oye Gureje, FAS, FNAMed, NNOM Prof. Emmanuel Oni Idigbe Mrs. Makanjuola Moji, MFR	Chairman Member Member Member
Executive Director	Dr. Olajide Sobande	
Registered Office:	6 Edmund Crescent , Off Murital Mohammed way, Yaba Lagos State	
Auditors:	Adeniyi Bamgboye & Co 7 Onike Road, Off Queens College Road, Sabo Yaba, Lagos, Nigeria.	
Key bankers:	Union Bank 36, Marina Road, Lagos Island, Lagos, Nigeria	
Trust Managers:	UTL Trust Management Service Ltd. 47, Marina (2nd Floor), Lagos	

NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION

REPORT OF THE INCORPORATED TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2022

The Incorporated Trustees have pleasure in presenting to the members of the foundation their report together with the audited financial statements and other national disclosures for the year ended 31

PRINCIPAL ACTIVITIES

NIMR Foundation has the mandate to build and expand capacity for translational research among early career investigators and promote innovation, development and commercialization of home- grown medicines, vaccines and technologies to address the health problems of Nigeria in particular, and Africa at large.

STATE OF AFFAIRS

In the opinion of the Incorporated Trustees, the state of affairs of the foundation is satisfactory and no events have occurred since the reporting date which would affect the financial statements as presented.

RESULTS FOR THE YEAR

	2022	2021
	₦'000	₦'000
Total Income	<u>134,545</u>	<u>264,018</u>
Total expenses	(53,633)	(16,154)
Surplus for the Year	<u>80,912</u>	<u>247,864</u>

NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION

REPORT OF THE INCORPORATED TRUSTEES - Continued

FOR THE YEAR ENDED 31 DECEMBER 2022

INCORPORATED TRUSTEES

The Incorporated Trustees of the foundation at the date of this report and those who held office during the year are

Mr. Babatunde Raji Fashola, SAN	Chairman
HH Muhammad Sanusi II	Member
Prof. Gureje Oyewusi	Member
Prof. Idigbe Emmanuel Oni	Member
Mrs. Makanjuola Moji	Member

INCORPORATED TRUSTEES' INTEREST IN CONTRACTS

None of the Incorporated Trustees has notified the Organization for the purpose of section 277 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 of any direct or indirect interest in contract with which the Organization is involved as at 31 December 2022.

CHARITABLE CONTRIBUTIONS

The foundation made no charitable donation to the host community during the year ended 31 December 2022.

FORMAT OF FINANCIAL STATEMENTS

The financial statements of Nigerian Institute of Medical Research Foundation have been prepared in accordance with the reporting and presentation requirement of International Financial Reporting Standards issued by the International Accounting Standards Board (IASB), Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

EMPLOYMENT AND EMPLOYEES

The foundation employed no disabled person during the year ended 31 December 2022. It is however the foundation's policy to consider disabled persons for employment if academically qualified and medically fit.

EVENT AFTER THE REPORTING DATE

As stated in Note 14, there are no events or transactions that have occurred since the reporting date which would have a material effect on the financial statements as presented.

AUDITORS

Adeniyi Bamgboye & Co have expressed their willingness to continue in office as the foundation's auditors in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.



Dr. Olajide Sobande
Executive Director
Lagos, Nigeria.

NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION
STATEMENT OF INCORPORATED TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

The Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, requires the Incorporated Trustees to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the foundation at the end of the year and of its surplus or deficit. The responsibilities include ensuring that the foundation:

- a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the foundation and comply with the requirements of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004;
- b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Incorporated Trustees accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards issued by the International Accounting Standards Board, Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

The Incorporated Trustees are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the foundation for the year ended 31 December 2022. The Trustees further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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



Mr. Babatunde Raji Fashola, SAN
Chairman



Dr. Olajide Sobande
Executive Director

➡ ASSURANCE

➡ TAX

➡ BUSINESS ADVISORY

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the financial statements of Nigerian Institute of Medical Research Foundation which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, statement of members' fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Nigerian Institute of Medical Research Foundation as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and in compliance with the Financial Reporting Council of Nigeria Act, No. 6, 2011.

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the foundation in accordance with the International Ethics Standard Board of Accountants' Code of Ethics for Professional Accountants (IESBA code) and other independence requirements applicable to performing the audit of Quark Financials Nigeria Limited. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of Nigerian Institute of Medical Research Foundation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Trustees are responsible for the other information. The other information comprises Corporate Information, the Report of the Trustees, Statement of Incorporated Trustees' Responsibilities and Other National Disclosures i.e. Two-Year Financial Summary, as required by the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004 and in compliance with the Financial Reporting Council of Nigeria Act, No. 6, 2011. The other information does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Managing Partner: Bamgboye Adeniyi Emmanuel (FCA, MBA, FCTI, FCCA)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - Continued

Responsibilities of the Incorporated Trustees for the Financial Statements

The Incorporated Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and in compliance with the Financial Reporting Council of Nigeria Act, No. 6, 2011, and for such internal controls as the Incorporated Trustees determines 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 Incorporated Trustees are responsible for assessing the foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the foundation or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 misstatements, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Incorporated Trustees.
- Conclude on the appropriateness of the Incorporated Trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' 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 auditors' report. However, future events or conditions may cause the foundation to cease to continue as a going concern.

Managing Partner: Bamgboye Adeniyi Emmanuel (FCA, MBA, FCTI, FCCA)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - Continued**

Auditors' Responsibilities for the Audit of the Financial Statements - Continued

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, we confirm that:

- i we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii in our opinion proper books of account have been kept by the foundation, so far as appears from our examination of those books ; and
- iii the foundation's statement of financial position and statement of comprehensive income are in agreement with the books of account.

Adeniyi Bamgboye

Adeniyi Bamgboye, FCA
FRC/2016/ICAN/00000015867
For: Adeniyi Bamgboye & Co
Chartered Accountants
Lagos, Nigeria.

18/9/2023



Managing Partner: Bamgboye Adeniyi Emmanuel (FCA, MBA, FCTI, FCCA)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the financial statements of Nigerian Institute of Medical Research Foundation which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, statement of members' fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Nigerian Institute of Medical Research Foundation as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and in compliance with the Financial Reporting Council of Nigeria Act, No. 6, 2011.

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the foundation in accordance with the International Ethics Standard Board of Accountants' Code of Ethics for Professional Accountants (IESBA code) and other independence requirements applicable to performing the audit of Quark Financials Nigeria Limited. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of Nigerian Institute of Medical Research Foundation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Trustees are responsible for the other information. The other information comprises Corporate Information, the Report of the Trustees, Statement of Incorporated Trustees' Responsibilities and Other National Disclosures i.e. Two-Year Financial Summary, as required by the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004 and in compliance with the Financial Reporting Council of Nigeria Act, No. 6, 2011. The other information does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NIGERIAN
INSTITUTE OF MEDICAL RESEARCH FOUNDATION REPORT ON THE
AUDIT OF THE FINANCIAL STATEMENTS - Continued**

Responsibilities of the Incorporated Trustees for the Financial Statements

The Incorporated Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and in compliance with the Financial Reporting Council of Nigeria Act, No. 6, 2011, and for such internal controls as the Incorporated Trustees determines 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 Incorporated Trustees are responsible for assessing the foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the foundation or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 misstatements, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Incorporated Trustees.
- Conclude on the appropriateness of the Incorporated Trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' 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 auditors' report. However, future events or conditions may cause the foundation to cease to continue as a going concern.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NIGERIAN
INSTITUTE OF MEDICAL RESEARCH FOUNDATION REPORT ON THE
AUDIT OF THE FINANCIAL STATEMENTS - Continued**

Auditors' Responsibilities for the Audit of the Financial Statements - Continued

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, we confirm that:

- i we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii in our opinion proper books of account have been kept by the foundation, so far as appears from our examination of those books ; and
- iii the foundation's statement of financial position and statement of comprehensive income are in agreement with the books of account.

Adeniyi Bamgboye, FCA
FRC/2016/ICAN/00000015867
For: Adeniyi Bamgboye & Co
Chartered Accountants Lagos,
Nigeria.

NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Note	₦'000	₦'000
Gross Income	4	122,845	264,018
Direct Cost	5	(26,814)	-
Net Income		96,031	264,018
Administrative expenses	6	(26,819)	(16,154)
Surplus on Operating Activities		69,212	247,864
Other Income	7	11,700	-
Surplus for the Year		80,912	247,864

The accompany notes on pages 15 to 23 form an integral part of the financial statements.

The disclosures on page 23 provide additional information as required by the provisions of Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

ASSETS	Note	2022 ₦'000	2021 ₦'000
Non- Current asset			
Property, Plant & Equipment	8	13,700	15,974
Total Non- Current asset		<u>13,700</u>	<u>15,974</u>
Current asset			
Investment	9	317,700	-
Cash and bank balances	10	632	236,177
Total Current asset		<u>318,332</u>	<u>236,177</u>
Total asset		<u>332,032</u>	<u>252,151</u>
ACCUMULATED FUND & LIABILITIES			
Accumulated Fund		328,776	247,864
Total		<u>328,776</u>	<u>247,864</u>
Current liabilities			
Trade and other payables	11	3,256	4,287
Total liabilities		<u>3,256</u>	<u>4,287</u>
Total Accumulated Funds and Liabilities		<u>332,032</u>	<u>252,151</u>

The financial statements were approved by the Incorporated Trustees on 8th August2023 and signed on its

.....
Mr. Babatunde Raji Fashola, SAN
Chairman

.....
Dr. Olajide Sobande
Executive Director

The accompany notes on pages 15 to 23 form an integral part of the financial statements.

The disclosures on page 23 provide additional information as required by the provisions of Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION

STATEMENT OF CHANGE IN MEMBERS' FUND

FOR THE PERIOD ENDED 31 DECEMBER 2022

	Accumulated Fund ₦'000	Total ₦'000
At 1 January 2022	247,864	247,864
Surplus for the year	80,912	80,912
At 31 December 2022	<u><u>328,776</u></u>	<u><u>328,776</u></u>

	Accumulated Fund ₦'000	Total ₦'000
At 1 August 2021	-	-
Surplus for the year	247,864	247,864
At 31 December 2021	<u><u>247,864</u></u>	<u><u>247,864</u></u>

The accompany notes on pages 15 to 23 form an integral part of the financial statements.

The disclosures on page 23 provide additional information as required by the provisions of Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR PERIOD 31 DECEMBER 2022

	Note	2022 ₦'000	2021 ₦'000
Operating activities			
Surplus on Operating Activities		69,212	247,864
Adjustment to reconcile loss before taxation to net cash flows:			
Depreciation		3,422	285
Working capital adjustment:			
(Decrease)/Increase in Trade and other payables		(307,030)	4,288
Net cash provided by operating activities		<u>(234,396)</u>	<u>252,437</u>
Investing activities			
Acquisition of fixed assets		(1,148)	(16,259)
Net cash used in investing activities		<u>(1,148)</u>	<u>(16,259)</u>
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		(235,544)	236,178
Cash and cash equivalents at the beginning of the year		236,177	-
Cash and cash equivalents at the end of the year	10	<u><u>632</u></u>	<u><u>236,177</u></u>

The accompany notes on pages 15 to 23 form an integral part of the financial statements.

The disclosures on page 23 provide additional information as required by the provisions of Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

1 Corporate Information

Nigerian Institute of Medical Research Foundation was incorporated under the Companies and Allied Matters Act, CAP C20 Law of the Federation of Nigeria 2004 on 4th February 2020 .The registered office is located at 6 Edmund Crescent , Off Murital Mohammed way, Yaba, Lagos. NIMR Foundation has the mandate to build and expand capacity for translational research among early career investigators and promote innovation, development and commercialization of home- grown medicines, vaccines and technologies to address the health problems of Nigeria in particular, and Africa at large.

1.1 Reporting period

These financial statements cover the financial year from 1 January 2022 to 31 December 2022.

2 Basis of preparation

2.1 Statement of compliance

The financial statements of Nigerian Institute of Medical Research Foundation have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), Financial Reporting Council of Nigeria Act NO 6, 2011 and provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

8th August

The financial statements were authorized by the Incorporated Trustees on _____ 2023.

Functional and presentation currency

These financial statements are prepared on a historical cost basis except where otherwise indicated. The financial statements are presented in Nigerian Naira and all values are rounded to the nearest thousand (N'000), except when otherwise indicated.

Composition of financial statements

The financial statements comprise:

- Statement of comprehensive income
- Statement of financial position
- Statement of changes in member's funds
- Statement of cash flows
- Notes to the financial statements

2.2 Summary of significant accounting policies

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS – Continued

2.2 Summary of significant accounting policies

a) Current versus non-current

classification A liability is current when:

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

The foundation classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b) Fair value measurement

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Property, plant and equipment under revaluation model
- Financial instruments (including those carried at amortised cost)

c) Foreign currency transactions

The foundation's financial statements are presented in Nigeria Naira, which is also the foundation's functional currency. Transactions in foreign currencies are translated to the functional currency using the spot exchange rates at the dates the transaction first qualifies for recognition.

e) Transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency using the spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in surplus or deficit.

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

NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS – Continued

f) **Property, plant and equipment**

Property, plant and equipment is initially stated at cost and subsequently carried at fair value, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be revalued at intervals, the foundation recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Asset Classes	Basis %
Computers	25%
Furniture & Fittings	25%
Office Equipments	25%
Motor Vehicle	20%

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognised.

The residual values, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

g) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (a qualifying asset) are capitalised as part of the cost of the respective assets. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

h) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

❖ **Financial assets**

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or as available for sale financial assets. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through surplus or deficit, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market (regular way trades) are recognised on the trade date, that is, the date that the foundation commits to purchase or sell the asset. The foundation's financial assets consist only of loans and receivables.

NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS – Continued

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The foundation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the foundation has transferred substantially all the risks and rewards of the asset, or (b) the foundation has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the foundation has transferred its rights to receive asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the foundation's continuing involvement in the asset. In that case, the foundation also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the foundation has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the foundation could be required to repay.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the foundation first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the foundation determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

❖ **Financial liabilities**

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through surplus or deficit, loans and borrowings or payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. The foundation's financial liabilities include loans and borrowings (including bank overdrafts), trade and other payables.

NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS – Continued

v Offsetting of financial instruments

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

l) Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following note:

- Disclosure of significant accounting judgements, estimates and assumptions

The foundation assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the foundation estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

j) Cash equivalents

Cash and bank balances in the statement of financial position comprise cash at banks and on hand, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and bank balances as defined above, net of outstanding bank overdrafts.

k) Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the foundation expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in surplus or deficit net of any reimbursement.

3 Significant accounting judgments, estimates and assumptions

Estimates and assumptions

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

NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS – Continued

4 Gross Income	2022	2021
	₦'000	₦'000
Donations	115,000	237,000
Fund Support / Grant	7,845	11,018
Gift Donation	-	16,000
	<u>122,845</u>	<u>264,018</u>
 5 Direct Cost	 2022	 2021
	₦'000	₦'000
Grantsmanship Training Program	26,814	-
	<u>26,814</u>	<u>-</u>
 6 Administrative Expenses		
Bank Charges	10	13
Advertising And Marketing	5	-
Fueling	305	54
Gifts and Donations	109	-
Health Insurance	252	-
Insurance	440	440
IT and Internet Expenses	336	317
Loss on Disposal	75	-
Meals and Entertainment	155	-
Office Supplies	421	406
Printing & Stationery	30	137
Salaries & Wages	19,700	13,849
Staff Welfare	337	123
Telephone Expense	3	-
Travel Expense	421	97
Transport Expense	144	233
Depreciation	3,422	285
Audit fee	200	200
Repairs and Maintenance	409	-
Fees & levies	45	-
	<u>26,819</u>	<u>16,154</u>
 7 Other Income	 2022	 2021
	₦'000	₦'000
Investment Income	11,700	-
	<u>11,700</u>	<u>-</u>

NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS – Continued

8 Property, Plant and Equipment

Cost:	Furniture & Office		Motor Vehicle	Computer	Total
	Fittings	Equipments			
	₦'000	₦'000	₦'000	₦'000	₦'000
As at 1 January 2022	-	-	16,000	259	259
Additions	350	397	-	401	1,148
As at 31 December 2022	350	397	16,000	660	17,407
DEPRECIATION					
As at 1 January 2022	-	-	267	18	18
Charge for the year	50	83	3,200	89	3,422
As at 31 December 2022	50	83	3,467	107	3,707
Net book values					
As at 31 December 2022	300	314	12,533	553	13,700
Net book values					
As at 31 December 2021	-	-	15,733	241	15,974

9 Investment

	2022	2021
	₦'000	₦'000
Ren-Money	15,000	-
UTL Trustee	302,700	-
	317,700	-

10 Cash and bank balances

	2022	2021
	₦'000	₦'000
Cash at hand	-	15
Union bank	632	236,162
	632	236,177

11 Trade and Other payables

	2022	2021
	₦'000	₦'000
Audit fee	400	200
NHF	68	47
PAYE	2,489	1,873
Pension Employees	122	963
Pension Employer	152	1,204
VAT	15	-
Others payables	10	-
	3,256	4,287

There were no contingent liabilities as at 31 December 2022

NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS – Continued

12 Information regarding Incorporated Trustees

	2022	2021
	Number	Number
Incorporated Trustees	5	5
	<u>5</u>	<u>5</u>

13 Financial risk management objectives and policies

The foundation's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the foundation's operations on a continuous basis. The foundation's principal financial assets include trade and other receivables and cash and bank balances that is derived directly from its operations.

The Foundation's Incorporated trustees has overall responsibility for the establishment and oversight of the foundation's risk management framework. The Board of trustees has established the Risk Management Committee, which is responsible for developing and monitoring the foundation's risk management policies. The committee reports regularly to the Board of trustees on its activities.

The foundation's risk management policies are established to identify and analyse the risks faced by the foundation, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the foundation's activities. The foundation, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The foundation is exposed to market risk, credit risk and liquidity risk. The Incorporated trustees reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk associated to the foundation comprises three types of risk: interest rate risk, other price risk and operational risk. The foundation does not have Financial instruments such as loans and borrowings that would ordinarily be affected by market risk as at year ended 31 December 2022

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The foundation's exposure to the risk of changes in market interest rates relates primarily to the foundation's long-term debt obligations with floating interest rates. However, the foundation does not have any long-term obligations as at 31 December 2022.

The foundation manages its interest rate risk by relying on fixed rate loans and borrowings. The foundation is not exposed to changes in interest rate as it has fully repaid all its loans and borrowings as at the reporting date.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. To manage this risk, the foundation is required to contract substantial amount of transactions in Naira which is the foundation's functional currency.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the foundation's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the foundation's operations.

The foundation's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the foundation's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS – Continued

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The foundation is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks.

Trade receivables

Customer credit risk is managed by the finance department, based on the foundation's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on credit rating scorecard and individual credit limits are defined in accordance with this assessment.

The foundation assesses the credit quality of the customers, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored to ensure debts are easily collected and within the control of the foundation.

Cash deposits

Credit risk from balances with banks is managed by the foundation's treasury department in accordance with the foundation's

policy. There is no surplus fund due to the huge debt repayment made by the foundation.

Liquidity risk

The foundation monitors its risk of a shortage of funds using a liquidity planning tool. The foundation's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts. The foundation assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The foundation has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the foundation's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the foundation's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio to dilute potential concentration of risks. The foundation also ensures that concentrations of credit risks are identified early enough, controlled and managed accordingly.

The table below summarises the maturity profile of the foundation's financial liabilities based on contractual undiscounted

Less than 3 months	1 to 5 years	Total
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31 December 2021

Other payables *

4,287	-	4,287
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Financial risk management objectives and policies

Capital management

For the purpose of the foundation's capital management, capital includes issued share capital, share premium, accumulated losses and asset revaluation reserves attributable to the equity holders of the foundation. The primary objective of the foundation's capital management is to maximise the shareholder value. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2022.

14 Event after the reporting date

The Incorporated Trustees are of the opinion that there are no events or transaction that has occurred since the reporting date which could have had a material effect on the state of affairs of the foundation as at 31 December 2022 and on the result of the year ended that have not been taken into account in preparation of these financial statements.

NIGERIAN INSTITUTE OF MEDICAL RESEARCH FOUNDATION

TWO YEAR FINANCIAL SUMMARY

AS AT 31 DECEMBER 2022

	2022	2021
Statement of financial position	₦'000	₦'000
Funds employed:		
Accumulated Fund	328,776	247,864
	<u>328,776</u>	<u>247,864</u>
Assets and liabilities		
Net current assets/(liabilities)	328,776	247,864
	<u>328,776</u>	<u>247,864</u>
Surplus or deficit:		
Income	122,845	264,018
Net Income	96,031	264,018
	<u>80,912</u>	<u>264,018</u>
Surplus for the Year	<u>80,912</u>	<u>264,018</u>