ECONOMIC COMMUNITY OF WEST AFRICAN STATES

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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CORPORATE INFORMATION

Management (with effect from July 2022)	Dr. Omar Alieu Touray - President Mrs. Damtien L. Tchintchibidja - Vice President Prof. Nazifi Abdullahi Darma - Commissioner for Internal Services Dr. Abdel- Fatau Musah - Commissioner for Political Affairs, Peace & Security Mrs. Massandjé Touré-Litse - Commissioner for Economic Affairs and Agriculture M. Sediko Douka - Commissioner for Infrastructure, Energy and Digitalization Mrs. Fatou Sow SARR - Commissioner for Social Affairs and Human Development
Management (up to July 2022)	Dr. Jean-Claude Kassi Brou - President Mrs. Finda E. M. Koroma - Vice President Mrs. Halima Ahmed - Commissioner for Finance Dr. Kofi Konadu Apraku - Commissioner for Macroeconomic Policy and Economic Research Mr. Tei Konzi - Commissioner for Trade, Customs and Free Movement Mr. Sekou Sangare - Commissioner for Agriculture, Environment and Water Resources Mr. Pathe Gueye- Commissioner for Infrastructure Gen. Francis Awagbe Behanzin - Commissioner for Political Affairs, Peace & Security Dr. Siga Fatima Jagne- Commissioner for Social Affairs & Gender Mr. Vafolay Mbandoe Tulay- Commissioner for General Adminstration & Conference Dr. Jeremias Dias Furtado - Commissioner for Human Resources Prof. Leopoldo Amado - Commissioner for Education, Science and Culture Mr. Sediko Douka - Commissioner for Energy and Mines Dr. Zouli Bonkoungou - Commissioner for Telecomunications and Information Technology Mr. Mamadou Traore - Commissioner for Industry and Private Sector
Registered office	114 Yakubu Gowon Crescent Asokoro, Abuja
Independent auditor	Ernst & Young Chartered Accountants 60 Rangoon Lane Cantonments City P. O. Box KA 16009 Accra, Ghana

CORPORATE INFORMATION (CONTINUED)

Bankers	Ecobank Group Plc
	UBA Plc
	Zenith Bank Plc
	Access Bank Plc
	Banque Togolaise pour le Commerce et l'industrie (BTCI)
	Banque International pour l'Afrique Occidentale (BIAO)
	Bank of Africa Plc
	ECOWAS Bank for Investment and Development
	Bank of Ghana
	Banque Centrale des États de l'Afrique de l'Ouest (BCEAO)
	Central Bank of Cape Verde
	Central Bank of Gambia
	Central Bank of Guinea Conakry
	Central bank of Liberia
	BICIS Senegal
	First Bank Nigeria Plc
	Banco Interatlantico
	Standard Chartered Bank Plc

REPORT OF MANAGEMENT

The management of the ECOWAS submits their report together with the audited consolidated financial statements of the Community for the year ended 31 December 2022.

Statement of Management's responsibilities

Management is responsible for the preparation of consolidated financial statements for each financial year which gives a true and fair view of the state of affairs of the Community and of the surplus or deficit and cash flows for that period. In preparing these consolidated financial statements, Management has selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent and followed International Public Sector Accounting Standards (IPSAS) and in the manner required by the Financial Regulations of the ECOWAS Community.

Management is responsible for ensuring that the Community keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Community. Management is also responsible for safeguarding the assets of the Community and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern

Management has made an assessment of the Community's ability to continue as a going concern and have no reason to believe the Community will not be a going concern.

Principal activities

The Economic Community of West African States (ECOWAS) was established on May 28 1975 via the treaty of Lagos. ECOWAS is a 15-member regional group with a mandate of promoting economic integration in all fields of activity of the constituting countries. Member countries making up ECOWAS are Benin, Burkina Faso, Cape Verde, Cote d' Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Sierra Leone, Senegal and Togo.

ECOWAS was set up to foster the ideal of collective self-sufficiency for its member states. As a trading union, it is meant to create a single, large trading bloc through economic cooperation

Financial results

The financial results for the Community are set out on page 9 of the financial statements.

BY ORDER OF MANAGEMENT

H. E. Dr. Omar Alieu TOURAY
CHIEF EXECUTIVE OFFICER

Prof. Nazifi Abdullahi DARMA
CHIEF FINANCIAL OFFICER

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Ernst & Young Chartered Accountants
60 Rangoon Lane, Cantonment City
Airport Residential Area
PO Box KA 16009,
Airport Accra, Ghana

Tel: +233 302 779868 / 4725 / 9223 / 2091
Fax: +234 302 778894 / 2934
ey.com

INDEPENDENT AUDITOR'S REPORT
TO THE COUNCIL OF MINISTERS OF ECONOMIC COMMUNITY OF WEST AFRICAN STATES

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Economic Community of West African States, set out on pages 7 to 51 which comprise the statement of financial position as at 31 December 2022 and the statement of financial performance, the statement of changes in net assets, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Economic Community of West African States, as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) and in the manner required by the Financial Regulations of the ECOWAS Community.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The consolidated financial statements of ECOWAS for the year ended 31 December 2021 were audited by another auditor who expressed unmodified opinion on those statements on 24th August 2022.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. We have determined that there are no key audit matters to communicate in our report.

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Other information

Management is responsible for the other information. The other information comprises the information included in the 51-page document titled "Economic Community of West African States, The Community Annual Report and Financial Statements for the year ended 31 December 2022", other than the financial statements and our Auditor's report thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Public Sector Accounting Standards (IPSAS) and the requirements of the Financial Regulation of the ECOWAS Community, and for such internal control as Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing Economic Community of West African States - The Community'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 management either intend to liquidate Economic Community of West African States or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Economic Community of West African States internal control.

  Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of management' 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 Economic Community of West African States ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause Economic Community of West African States to cease to continue as a going concern.

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

We communicate with Management 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.

We also provide Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with Management, we determine that there are no matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore there are no key audit matters.

The Engagement Partner on the audit resulting in this independent Auditor's report is Emmanuel Adekahlor (ICAG/P/1596).

Ernst & Young

Ernst & Young (ICAG/F/2023/126)
Chartered Accountants
Accra, Ghana

Date: 16 November 2023

STATEMENT OF FINANCIAL POSITION

(All amounts are in Unit of Account unless otherwise stated)

ASSETS	Notes	2022	2021
Current assets			
Cash and cash equivalents	6	**306,325,375**	294,470,170
Short term investments	7	**367,203**	243,633
Accounts receivables and prepayments	8	**43,237,629**	41,918,984
Recoverable from non-exchange	9	**189,397,935**	123,526,913
Inventory	11	**4,829,131**	4,665,276
Total current assets		**544,157,273**	464,824,976
Non-current assets			
Property, plant and equipment	12(a)	**44,288,182**	45,371,376
Intangible assets	13	**55,892**	76,819
Total non-current assets		**44,344,074**	45,448,195
Total assets		588,501,347	510,273,171
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	14	**51,729,619**	31,055,880
Employee benefit obligation	15(a)	**6,292,658**	5,283,825
Total current liabilities		58,022,277	36,339,705
Non-current liabilities			
Employee benefit obligation	15(b)	**20,610,016**	18,906,788
Restricted funds	16	**72,737,721**	64,485,519
Due to Member States	17	**7,641,395**	-
Total non-current liabilities		**100,989,132**	83,392,307
Total liabilities		**159,011,409**	119,732,012
Net assets		**429,489,938**	390,541,159
Accumulated surplus/(deficit)		**366,716,135**	327,728,130
Other reserves		**62,773,803**	62,813,029
Total net assets		**429,489,938**	390,541,159

The financial statements on pages 7 to 51 were approved by Management on 01/11/2023 and signed on their behalf by

H.E. Dr. Omar Alieu TOURAY
CHIEF EXECTIVE OFFICER

Prof. Nazifi Abdullahi DARMA
CHIEF FINANCIAL OFFICER

The notes 1 to 31 are an integral part of these financial statements.

STATEMENT OF FINANCIAL PERFORMANCE

	Notes	2022	2021
REVENUE			
Revenue from non-exchange transactions			
Community Levy allocation and member states contributions	18	305,438,291	256,029,609
Donor contributions	19	23,216,057	45,061,726
Revenue from other non-exchange transactions	20	2,714,011	68,621
		331,368,359	301,159,956
Revenue from exchange transactions			
Revenue from other exchange transactions	21	35,559,150	5,028,175
Total revenue		366,927,509	306,188,131
EXPENSES			
Program expenses	22	(239,230,969)	(170,787,260)
Depreciation & Amortisation expense	23	(4,314,936)	(3,878,754)
Total expenses		(243,545,905)	(174,666,014)
Other losses			
Other losses	24	(84,560,706)	(27,093,396)
(Deficit)/Surplus for the year		38,820,898	104,428,721

The notes 1 to 31 are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS

(All amounts are in Unit of Account unless otherwise stated)

Year ended 31 December 2022

	Accumulated surplus/(deficit)	Other reserves	Total net asset/equity
At 1 January	327,728,130	62,813,029	390,541,159
Surplus of newly consolidated entities	167,107	-	167,107
Surplus for the year	38,820,898	(39,226)	38,781,671
Balance at 31 December	366,716,135	62,773,803	429,489,938

Year ended 31 December 2021

	Accumulated surplus/(deficit)	Other reserves	Total net asset/equity
At 1 January	223,299,409	62,813,029	286,112,438
Surplus for the year	104,428,721	-	104,428,721
Balance at 31 December	327,728,130	62,813,029	390,541,159

The notes 1 to 31 are an integral part of these financial statements.

NOTES
(All amounts in the notes are in Unit of Accounts unless otherwise stated)

STATEMENT OF CASH FLOWS

(All amounts are in Unit of Account unless otherwise stated)

	Notes	2022	2021
Cash flow from operating activities	26	**12,282,718**	104,363,159
Cash from investing activities			
Purchase of property, plant and equipment		**(1,201,947)**	(2,217,136)
Interest received		**1,212**	-
Purchase of intangibles	13	**(48,653)**	-
Proceeds from disposal of property, plant and equipment	12.b	**337,331**	-
Net cash used in investing activities		**(912,057)**	(2,217,136)
Cash generated from financing activities		-	-
Net changes in cash and cash equivalents during the year		**11,370,661**	102,146,023
Adjustment for newly consolidated entities		**484,544**	-
Cash and cash equivalents at beginning of the year		**294,470,170**	192,324,147
Cash and cash equivalents at end of the year		**306,325,375**	294,470,170

The notes 1 to 31 are an integral part of these financial statements.

NOTES
(All amounts in the notes are in Unit of Accounts unless otherwise stated)

1. General information

1.1 Reporting Entity

The Economic Community of West African States (ECOWAS) was established on May 28, 1975, via the treaty of Lagos. ECOWAS is a 15-member regional group with a mandate of promoting economic integration in all fields of activity of the constituting countries.

Member countries making up ECOWAS are Benin, Burkina Faso, Cape Verde, Cote d' Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Sierra Leone, Senegal and Togo.

ECOWAS was set up to foster the ideal of collective self-sufficiency for its member states. As a trading union, it is also meant to create a single, large trading bloc through economic cooperation

1.2 Legal Basis and Scope of the Financial Statements

The consolidated financial statements of the Community have been prepared and presented in accordance with the International Public Sector Accounting Standards (IPSAS) and in line with the Financial Regulations of the ECOWAS Community that were adopted by the Council of Ministers in conformity with Article 74 of the Revised ECOWAS Treaty as amended. The financial statements present the accounts and transactions of the Community.

2. Summary of significant accounting policies

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

2.1 Basis of preparation

The financial statements of the Community have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) and the requirements of the Financial Regulations of the ECOWAS Community. The measurement base applied is historical cost adjusted for revaluations of assets.

In the absence of an International Public Sector Accounting Standard (IPSAS) that specifically applies to a transaction, other event or condition, management uses its judgement in developing and applying an accounting policy that results in information that is relevant to the decision-making needs of users of the Community's financial statements.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

The preparation of financial statements in conformity with IPSAS requires the use of certain critical accounting estimates. It also requires Management to exercise judgement in the process of applying the Community's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 6.

2.2 Adoption of newly published standards and interpretations and revised reporting standards and interpretations

Standards issued but not yet effective

IPSAS 36 (Amended), Long Term interest in Associates and Joint Ventures

Long-term Interests in Associates and Joint Ventures (Amendments to IPSAS 36) was issued in January 2019 by International Public Sector Accounting Standards Board (IPSASB). The objective is to make amendments to IPSAS to converge with the narrow-scope amendments to IAS 28, Investments in Associates and Joint Ventures, made by the IASB in Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) (issued October 2017).

An entity shall apply these amendments retrospectively in accordance with IPSAS 3, Accounting Policies, Changes in Accounting Estimates and Errors, for annual financial statements covering periods beginning on or after 01 January 2023 with an option for earlier adoption and have not been applied by the Community in preparing its IPSAS financial statements for the year ended 31 December 2022.

IPSAS 41, Financial Instruments

IPSAS 41 'Financial Instruments' was issued by the International Public Sector Accounting Standards Board (IPSASB) in August 2018. The standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. This standard is effective for financial statements beginning on or after 01 January 2023 and have not been applied by the Community in preparing its IPSAS financial statements for the year ended 31 December 2022.

IPSAS 42, Social Benefits

IPSAS 42 'Social Benefits' was issued by the International Public Sector Accounting Standards Board (IPSASB) in January 2019. The standard provides guidance on accounting for social benefits expenditure. It defines social benefits as cash transfers paid to specific individuals and/or households to mitigate the effect of social risk. This standard is effective for financial statements beginning on or after 01 January 2023 and have not been applied by the Community in preparing its consolidated financial statements for the year ended 31 December 2022.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.2 Adoption of newly published standards and interpretations and revised reporting standards and interpretations (continued)

Standards issued but not yet effective (continued)

IPSAS 43, Leases

IPSAS 43, 'Leases' was issued by the IPSASB on 31 January 2022. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. This standard is effective for financial statements beginning on or after 01 January 2025 2025 and have not been applied by the Community in preparing its consolidated financial statements for the year ended 31 December 2022.

IPSAS 44, Non-current Assets Held for Sale and Discontinued Operations

IPSAS 44 'Non-current Assets Held for Sale and Discontinued Operations' was issued by the International Public Sector Accounting Standards Board (IPSASB) in May 2022. The standard specifies the accounting treatment for assets held for sale as well as presentation and disclosure requirements for discontinued operations. It includes additional disclosure of the fair value of assets held for sale that are measured at carrying amounts, when their carrying amounts are materially lower than their fair value. This standard is effective for financial statements beginning on or after 01 January 2025 and have not been applied by the Community in preparing its consolidated financial statements for the year ended 31 December 2022.

2.3 Consolidation

Scope of the Consolidation

The consolidated financial statements of the ECOWAS Community comprise of the aggregation of the institutions and agencies of the ECOWAS Community. The complete list of consolidated entities can be found in Note 12. It includes the Commission, 4 other Institutions, 9 Agencies and the Community Levy. There are no associates and joint arrangements in these Consolidated financial statements.

Controlled entities

In order to determine the scope of consolidation the control concept is applied. Controlled entities are entities for which the Community is exposed, or has right, to variable benefits from its involvement and has the ability to affect the nature and amount of those benefits through its power over the other entity. This power must be presently exercisable and must relate to the relevant activities of the entity. Controlled entities are fully consolidated. The consolidation begins at the first date on which control exists and ends when such contract no longer exists.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.3 Consolidation (continued)

The most common indicators of control within the Community are creation of the entity through protocols or treaties, financing of the entity from the Community Levy, governed by the Council of Ministers appointed representatives and audited by an appointed Auditor by the Community. An individual assessment for each entity is made to decide whether one or all of the criteria listed above are sufficient to result in control.

All material inter-entity transactions and balances between the Community controlled entities are eliminated, while unrealised gains and losses on such transactions are not material and have not been eliminated.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Community are measured using the currency of the primary economic environment in which the Community operates ('the functional currency'). The financial statements are presented in Unit of Account which is the Community's functional and presentation currency and is equivalent to the Special Drawing Rights (SOR) of the International Monetary Fund (IMF).

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using an average monthly exchange rate prevailing at the date of the transactions published by the ECOWAS Bank for Investment and Development (EBID). Foreign exchange gains and losses resulting from the settlements of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance. Foreign exchange gains and losses that relate to borrowings are presented in the statement of financial performance within finance costs. All other foreign exchange gains and losses are presented in the statement of financial performance on a net basis within other income or other expenses.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in statement of financial performance.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale are included in the statement of financial performance.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.4 Foreign currency translation (continued)

(b) Transactions and balances (continued)

The year-end exchange rates applied to convert foreign currency to the reporting currency (UA) as published by the ECOWAS Bank for Investment and Development at 31 December 2022 are as follows:

Currency	2022	2021
Canadian Dollar	1.810350	1.798080
CEDIS-GHS	11.413284	8.392081
DALASI-GMD	81.716736	72.563461
ESCUDO-CVE	138.158386	136.456924
EURO	1.252910	1.237480
Franc CFA	821.855085	811.733668
Guinean Franc-GNF	11,383.048830	12,795.148440
LEONE-SLL	25,066.37200	15,753.393550
Liberian Dollar-LRD	205.600739	203.252731
NAIRA-NGN	596.948303	576.911011
Pound Sterling	1.102790	1.041830
US Dollar	1.330840	1.399590

2.5 Revenue Recognition

The Community's revenue consists of both revenue from exchange and non-exchange transactions.

The Community recognizes revenue when the amount of revenue can be reliably measured; it is probable that the economic benefits associated with the transaction will flow to the Community; and specific criteria have been met for each of the Community's activities. Revenue is measured at the fair value of the consideration received or receivable. Revenue of the Community is recognized on an accrual basis in the period in which it accrues.

(a) Revenue from non-exchange transactions

The vast majority of the Community's revenue relates to non-exchange transactions. Revenue from non-exchange transactions consists of Community Levy, voluntary contributions (donations), contributions in-kind and in-service and grants.

(i) Community Levy

The Community Levy is a tax imposed by ECOWAS with the aim of generating revenues for the Community. The levy of 0.5 percent tax imposed on goods from non-ECOWAS Member States, is used in financing the activities of the ECOWAS institutions and agencies.

Revenue from community levy is recognized when the amount of revenue can be reliably measured; it is probable that the economic benefits associated with the transaction will flow to the Community.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

2. Summary of significant accounting policies (continued)

(a) Revenue from non-exchange transactions (continued)

(ii) Voluntary contributions (donations)

Revenue from voluntary contributions is recognized upon the signing of a binding agreement between the Community and the third-party providing the contribution and on obtaining control of the grant or donations. Voluntary contributions without restrictions are treated as non-exchange transactions. Voluntary contributions that include conditions on their use, such that the funds must be returned to the contributor if such conditions are not met, are initially treated as restricted funds and then recognized as revenue to the extent of expenditure incurred. Where management considers that stipulations on the use of contributions are restrictions and do not constitute conditions, an amount equivalent to the fair value of the contribution received is recognized as asset and revenue as defined under IPSAS 23.

(iii) Contribution in-kind and in Service

Contributions in-kind received by the Community are recorded upon receipt from the contributor at an amount equal to their fair market value as determined at the time of acquisition.

Revenue from other non-exchange transactions comprises contributions and donations to the Community in cash or in-kind by organizations and individuals. Cash donations are recognized when received into the Community's bank account while in-kind donations are recognized as revenue and assets when it is probable that future economic benefits or service potential associated with the donation will flow to the Community and the fair value can be measured reliably.

Donations in-kind are recognized as assets when the goods are received, or there is a binding arrangement to receive the goods. If donations in-kind are received without conditions attached, revenue is recognized immediately. If conditions are attached, a liability is recognized, which is reduced, and revenue recognized as the conditions are satisfied. Donated property, plant and equipment are recognized as assets with a corresponding entry to revenue. In-kind service contributions are not recognized as revenue as permitted by paragraph 98 of IPSAS 23.

Services in kind to the Community may include any of the following:

- Technical assistance from other governments or international organizations; and
- Services from volunteers.

(iv) Project grants and contracts

The Community funds some of its projects through support from development partners. The Community recognises projects and contracts as revenue upon receipt of the funds into the specified bank account and upon fulfilment of the requirements agreed on, in writing with the development partners in respect of the inflow. Asset is only recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Community and the fair value of the asset can be measured reliably.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.5 Revenue Recognition (continued)

(iv) Project grants and contracts

Where there are conditions attached that give rise to a liability to repay any unspent amount, restricted fund liability is recognized up to the point where the revenue criterion are met. Costs of projects and grants incurred are recognized as revenue to the extent that these costs reflect services to the statement of financial performance in the year that the eligible cost is incurred. Where the Community receives resources before a transfer arrangement becomes binding, the resources are recognized as an asset when they meet the definition of an asset and satisfy the criteria for recognition as an asset.

The Community also recognize an advance receipt liability if the transfer arrangement is not yet binding. Advance receipts in respect of transfers are not fundamentally different from other advance receipts, so the Community recognizes liability until the event which makes the transfer arrangement binding occurs and all other conditions under the agreement are fulfilled. When that event occurs and all other conditions under the agreement are fulfilled, the liability is discharged and revenue is recognized.

(c) Revenue from exchange transactions

Revenue from the sale of goods/services is recognized when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenue associated with a transaction involving the provision of services is recognized by reference to the stage of completion of the transaction at the reporting date.

(i) Interest income

Interest income is accrued on a time proportion basis using the effective yield method. In this regard interest income is recognized on a time proportion basis that takes into account the effective yield on the asset.

(ii) Other and Miscellaneous Revenue

Revenue from the use of the Community's facilities, sale of forms/publications and others is recognized as revenue when earned.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.6 Expenses

Expenses are decreases in economic benefits or service potential during the financial year in the form of outflows, consumption of assets, or incurrences of liabilities that results in decreases in net assets/equity. Expenses are recognised when the transaction or event causing the expense occurs.

The Community's expenses consist of employee benefits costs, operating expenses, research grants and contract expenses, finance costs, depreciation, and amortisation.

(a) Employee Benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognized for the amount expected to be paid under short-term cash bonus if the Community has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Post-employment benefits

The Community's post-employment benefits comprises defined contribution plan.

Defined contribution plan

Defined contribution plan is a pension plan under which the Community pays fixed contributions to a scheme. The Community's defined contribution plan is administered by ECOWAS Staff Joint Pension Fund (ESJPF). The Community 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. The defined contribution scheme is operated for all permanent staff of the Community. Obligations for contributions to defined contribution plans are recognized as an expense in the statement of financial performance when they are incurred.

(iii) Other employee benefits

The Community has the following other employee benefit schemes;

(a) Gratuity

These are payments made to statutory appointees and contract staff on completion of their contracts. It is computed as 25% and 12.5% of annual basic salary for each full year of service to statutory appointees and contract staff respectively. The annual basic salary of statutory and contract staff do not change during their period of service and therefore no actuarial valuations of the outstanding obligations is done.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.6 Expenses (continued)

(iii) Other employee benefits (continued)

(b) Separation allowances

All permanent staff members of the Community excluding statutory appointees are entitled to a lump sum payment equivalent to one month's salary for every year of service rendered to the Community up to a maximum of 12 years upon separation.

Permanent staff member who is a national of the member state shall be entitled to the following:

i) Staff member under the age of forty-five (45) years at the effective date of separation shall receive payment equivalent to:
   - Three (3) months basic salary and
   - One (1) month remuneration for each year of continuous service up to a maximum of twelve (12) years of service and one (1) month net salary for each three (3) year surplus.

ii) Staff member who is forty-five (45) years or older upon the effective date of separation shall receive payment equivalent to
   - Three (3) months basic salary and
   - One and a quarter months (1.1/4) month basic salary for each year of continuous service up to a maximum of twelve (12) years of service and one (1) month net salary for each three (3) year surplus.

iii) This separation allowance may not exceed the cumulative remuneration for the remaining months up to the date of mandatory retirement.

(iv) Termination benefits

Termination benefits are recognized as an expense when the Community is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognized if the Community has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(c) Operating expenses

Expenses from exchange transactions account for the majority of the Community's expenses. Expenses from exchange transactions arising from the purchase of goods and services are recognized when the supplies are delivered and accepted by the Community. All other expenses are recognized when the transaction or event causing the expense occurs.

Expenses from non-exchange transactions relate to transfers to beneficiaries and can be of three types: entitlements, transfers under agreement and discretionary grants, contributions and donations.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.6 Expenses (continued)

(c) Operating expenses (continued)

Transfers are recognized as expenses in the period during which the events giving rise to the transfer occurred, as long as the nature of the transfer is allowed by or an agreement has been signed authorizing the transfer; any eligibility criteria have been met by the beneficiary; and a reasonable estimate of the amount cn be made. When a request for payment or cost claim is received and meets the recognition criteria, it is recognized as an expense for the eligible amount. At year-end, incurred eligible expenses due to the beneficiaries but not yet reported are estimated and recorded as accrued expenses.

2.7 Property, plant and equipment

On initial recognition, an item of property, plant and equipment that qualifies for recognition as an asset is recognized at cost. Where the asset is acquired through a non-exchange transaction, it is recognized at its fair value determined at the date of acquisition. Work-in-progress is valued on the basis of actual costs incurred on projects as at the reporting date.

After initial recognition, all property, plant and equipment except land are stated at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition, construction or transfer of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the Community and its cost can be measured reliably. All other repairs and maintenance are charged to the statement of financial performance during the financial period in which they are incurred.

Land is not depreciated as it is deemed to have an indefinite useful life. Buildings of the Community are stated at the cost/revalued amount less accumulated depreciation and impairment losses. Revaluations shall be made every year to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Assets in the course of construction are carried at cost less any recognized impairment loss. Cost includes professional fees and other costs directly attributable to the completion of the assets. Assets under construction (Work In Progress) are not depreciated as these assets are not yet available for use.

Depreciation on assets is charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life. The depreciation charge for each period is recognized in statement of financial performance. The estimated useful lives for the current and corresponding periods are as follows:

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.7 Property, plant and equipment (continued)

Asset type	Useful lives (years)
Land	Nil
Buildings	20
Motor vehicles	4
Computers	3
Office furniture and other equipment	5
Household furniture and other equipment	5

The assets' residual values and useful lives are reviewed and adjusted if expectations differ from previous estimates at least at the end of each annual reporting date. An assets carrying amount is written down immediately to its recoverable amount, or recoverable service amount, if the assets carrying amount is greater than its estimated recoverable amount or recoverable service amount.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in statement of financial performance.

Borrowing costs (if any) incurred for the construction of any qualifying assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

The capitalisation policy threshold of the Community for assets acquired through exchange and non-exchange transactions is UA 3,000. However, items costing less than UA 3,000 are considered as Low Value Assets and written off in the year of acquisition.

The Community derecognises items of property, plant and equipment and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset is included in the statement of financial performance.

The Community's property, plant and equipment are primarily non- cash generating assets.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.8 Intangible assets Acquisition of intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and impairment losses.

The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with a finite life are amortized over their useful life. Intangible assets with finite useful life are amortized over a period of 3 to 5 years. Intangible assets with a finite useful life are assessed for impairment whenever there is an indication that the asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on an intangible asset with a finite life is recognized in statement of financial performance.

Where the useful lives of intangible assets are finite, the Community amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Softwares	3 years
Other property rights	3 years

Intangible assets with indefinite useful lives are not amortized. The useful lives of intangible assets with indefinite useful lives are reviewed at each reporting period to determine whether events and circumstances continue to support their indefinite useful life assessment. Where they do not, the change in the useful life assessment from indefinite to finite are treated as changes in accounting estimates.

Acquisition of intangible assets

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of financial performance when the asset is derecognised.

2.9 Related party

The related parties of the Community include ECOWAS Commission and its agencies, Community Court of Justice, Community Parliament, West Africa Health Organisation (WAHO), The Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) as well as key and principal management personnel.

The nature of the related party relationships, balances and transactions with related parties are disclosed in note 12 to the financial statements.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.10 Inventory

Inventory is recognized when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably. Where inventory is acquired through non-exchange transactions (at no cost or at a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

After initial recognition, inventories are measured at the lower of cost and net realizable value except where they are held for distribution or consumption in the production process of goods to be distributed at no charge or for a nominal charge. In this instance, the Community measures inventory at the lower of cost and current replacement cost. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Community.

2.11 Accounts receivables/ recoverables

Receivable from exchange transactions is recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Community will not be able to collect all amounts due according to the original terms of the receivables.

Recoverable from non-exchange transactions comprises levy (and any penalties associated) as well as social benefit receivables that do not arise out of a contract. These recoverables are initially assessed at nominal amount or face value; that is, the receivable reflects the amount of levy owed, fine charged, or social benefit debt payable. These recoverables are subsequently adjusted for penalties as they are charged and tested for impairment. Interest and penalties charged on levy receivable are presented as tax revenue in the statement of financial performance.

2.12 Cash and cash equivalents

Cash and cash equivalents are financial instruments and include cash at hand, deposits held at call or at short notice with banks and other short-term highly liquid investments with original maturities of three months or less. For the purpose of the cash flow statement, cash and cash equivalents includes fixed deposits and placements made by the Community which have a maturity period of three months or less from the date of investing and repayable on demand.

2.13 Accounts payable and accrued liabilities

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Accounts payable are recognized at fair value.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.14 Provisions, contingent liabilities and contingent assets

(a) Provisions

Provisions are recognized when the Community has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as provision is the best estimate of the expenditure required to settle the obligation at the statement of financial position date.

(b) Contingent liabilities

The Community does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

(c) Contingent assets

The Community does not recognise a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Community in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognised in the financial statements of the period in which the change occurs.

2.15 Financial instruments

(a) Financial assets

(i) Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are recognised at fair value and subsequently classified as loans and receivables, held to maturity investments, available for sale financial assets or financial assets at fair value through surplus or deficit.

(ii) Subsequent measurement of financial assets

The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

2. Summary of significant accounting policies (continued)

(ii) Subsequent measurement of financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Community's loans and receivables comprise recoverables from community levy, receivables from staff loans, advance and interest on investments. Loans and receivables are initially recognised at fair value including any direct transaction costs. They are subsequently measured at amortised cost using the effective interest method less provision for impairment. The accounts receivables or recoverable, borrowings and cash and cash equivalents of the Community are classified as loans and receivables.

Held-to-maturity investments

These are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Community has the positive intention and ability to hold to maturity. The Community classifies investment in fixed deposits as held-to-maturity investments. They are initially recognised at fair value plus direct transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Available-for-sale financial assets

They are non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through surplus or deficit. Available-for-sale financial assets comprise of investment in shares and other quoted securities. They are initially measured at fair value including any direct transaction costs and subsequently measured at fair value. Fair value of available for sale investments are determined with reference to quoted prices in an active stock market. The Community does not hold any financial assets classified as Available-for-sale at the reporting date.

Financial assets at fair value through surplus or deficit

These are financial assets held for the purpose of selling in the short term. Financial assets at fair value through surplus or deficit are initially recognised at fair value and changes are recognised in the statement of financial performance. The Community does not hold any financial assets classified as fair value through surplus or deficit at the reporting date.

(iii) Derecognition

The Community derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when: the rights to receive cash flows from the asset have expired or is waived by the Community 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 Community has transferred substantially all the risks and rewards of the asset; or (b) the Community has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.15 Financial instruments (continued)

(b) Financial Liabilities

(i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value. Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or other financial liabilities at amortized cost.

(ii) Subsequent measurement of financial liabilities

Financial liabilities at fair value through surplus or deficit

Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through surplus or deficit. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Community that are not designated as hedging instruments in hedge relationships as defined by IPSAS 29. Gains or losses on liabilities held for trading are recognized in statement of financial performance.

Other financial liabilities at amortized cost

After initial recognition, other financial liabilities at amortized cost are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in statement of financial performance when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in statement of financial performance.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.15 Financial instruments (continued)

(c) Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial instruments is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indicators that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the reporting dates.

The Community uses widely recognised valuation models for determining fair values of non-standardised financial instruments of lower complexity, such as options or interest rate and currency swaps. For these financial instruments, inputs into models are generally market-observable.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Community holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risks, liquidity risk and counterparty credit risk. Based on the established fair value model governance policies, related controls and procedures applied, management believe that these valuation adjustments are necessary and appropriate to fairly state the values of financial instruments carried at fair value. Price data and parameters used in the measurement procedures applied are generally reviewed carefully and adjusted, if necessary - particularly in view of the current market developments.

In cases when the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment. The fair values of contingent liabilities and irrevocable loan commitments correspond to their carrying amounts.

(d) Offsetting financial instruments

Netting, where financial assets and liabilities are offset and the net amount reported in the statement of financial position, occurs if, and only if, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise an asset and settle the liability simultaneously. In many cases, even though master netting agreements are in place, the lack of an intention to settle on a net basis results in the related assets and liabilities being presented gross in the statement of financial position.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

2 Summary of significant accounting policies (continued)

2.15 Financial instruments (continued)

(e) Impairment of financial assets

Assets carried at amortized cost

The Community assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets are impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Where there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in statement of financial performance.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed and the amount of the reversal is recognized in statement of financial performance.

Available-for-sale financial instruments

For available-for-sale financial instruments, the Community assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered objective evidence in determining whether impairment exists. Where such evidence exists, the cumulative net loss that has been previously recognized directly in equity is removed from equity and recognized in the statement of financial performance. Reversals of impairment of equity shares are not recognized in statement of financial performance. Increases in the fair value of equity shares after impairment are recognized directly in equity.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as all other financial assets. Interest continues to be accrued at the original effective interest rate on the reduced carrying amount of the asset and is recorded as part of interest Income. Reversals of impairment of debt securities are recognized in the statement of financial performance if in a subsequent year, the fair value of the debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in statement of financial performance.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

3 Financial risk management

(a) Overview of the Community's risk management

The Community's activities involve taking on risks in a targeted manner and managing them professionally. The core functions of the Community's risk management are to identify all key risks, measure these risks, manage the risk positions and determine capital allocations. The Community regularly reviews its risk management policies and systems to reflect changes in the economies of member states and best practice. The Community's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on its financial performance. The specific risk areas covering financial management which have been identified as requiring adequate monitoring and assessment include:

Funding

- Potential future change in Community funding policy;
- Infrastructure funding requiring commitments and financial inputs from member states and Governments; and
- Funders/Development partners reneging on commitments for projects and developments.

Financial

- Inadequate financial strategy;
- Poorly devolved financial control;
- Investments;
- Fraud and theft; and
- Compliance with legal and governance requirements.

Property and related items

- Crime;
- Maintain backlog
- Service breakdown - electricity and water and
- Insurance adequacy.

Human resources

- Attract and retain employees;
- Labour relations;
- Health and safety and;
- Funding of gratuities and pensions.

Member states and related issues

- Collection of community levy.
- Non-adherence to the Protocol.

Information technology

- Disaster recovery and losses due to changes to the IT environment and
- Over dependence on individuals both internal and external.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

3 Financial risk management (continued)

(b) Risk management structure

The Chief Executive Officer (President of the ECOWAS) with other Commissioners have overall responsibility for the establishment and oversight of the Community's risk management. The Community's risk management policies are established to identify and analyse the risks faced by the Community, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Community aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations. Through its risk management structure, the Community seeks to manage efficiently the core risks which affects its operations as a regional economic bloc.

(i) Credit risk management

Credit risk is the risk of suffering financial loss, should any Member State or market counterparties fail to fulfil their contractual obligations to the Community. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposures to member states including outstanding community levy recoverable and committed transactions. The Community manages its credit risk by ensuring that it only transacts with reputable well-established financial institutions and constantly follows up on its recoverable for payments to be made.

The Community's maximum exposure to credit risk at the end of the reporting date is as follows:

	2022	2021
Cash and cash equivalents (excluding bank overdrafts)	**306,325,374**	294,470,170
Investments	**367,203**	243,633
Due from representation offices	**4,318,518**	3,083,770
Recoverable from non-exchange	**181,756,541**	123,526,913
Accounts receivable (recoverable) excluding prepayments	**34,741,756**	9,007,828
	527,509,392	430,332,314

The Community has no credit risk exposures relating to off balance sheet items.

At 31 December 2022, the Community's credit exposures on accounts receivable/recoverable were categorised as follows:

- Exposures that are neither past due nor impaired;
- Exposures that are past due but not impaired; and
- Individually impaired facilities.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

3 Financial risk management (continued)

(i) Credit risk management (continued)

	2022	2021
Neither past due nor impaired**	20,934,912	135,485,736
Past due but not impaired	15,857,908	-
Individually impaired	18,183,071	135,485,736
Gross	54,975,891	135,485,736
Allowance for impairment	(11,753,062)	-
Net amount	43,222,829	135,485,736

Past due but not impaired

No accounts receivable and recoverable were past due but not impaired at the reporting date

Individually impaired facilities

No accounts receivable was impaired at the reporting date. Other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. No accounts receivable and recoverable were past due but not impaired at the reporting date.

(ii) **Liquidity risk**

Liquidity risk is the risk that the Community will not be able to meet its financial obligations as they fall due. The Community manages liquidity risk by maintaining adequate cash reserves. Prudent liquidity risk management includes maintaining sufficient cash balances for the payment of obligations as they fall due. Management performs cash flow forecasting for the Community's liquidity requirements on monthly basis to ensure it has sufficient cash to meet its operational needs. In addition, the Community's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets required to meet these obligations, monitoring balance sheet liquidity ratios against best practice, internal and external regulatory requirements and maintaining debt financing plans.

The table below presents the amounts payable by the Community under non-derivative financial liabilities and assets held for managing liquidity risk. The amounts disclosed in the table are the contractual undiscounted cash flows.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

3 Financial risk management (continued)

(ii) Liquidity risk (continued)

At 31 December 2022

	0-3 months	03-Jun months	06-Dec months	Over 12 Months	Total
Liabilities					
Accounts payable and accrued liabilities	33,918,346	960,720	2,291,432	10,988,356	48,158,854
Employee benefit obligation	4,194,893	75,333	170,900	18,465,699	22,906,825
Restricted funds	1,141,532	-	156,182	56,474,014	41,721,444
Total Liabilities	39,254,771	1,036,053	2,618,514	85,928,069	128,837,407
Assets					
Cash and cash equivalents	284,812,782	(98,734)	62,180	21,548,438	306,324,666
Total assets held for managing liquidity risk	284,812,782	(98,734)	62,180	21,548,438	306,324,666
Net position	245,558,011	(1,134,787)	(2,556,334)	(64,379,631)	177,487,259

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

3 Financial risk management (continued)

(ii) Liquidity risk (continued)

At 31 December 2021

	0-3 months	03-Jun months	06-Dec months	Over 12 Months	Total
Liabilities					
Accounts payable and accrued liabilities	20,753,570	-	-	10,302,310	31,055,880
Employee benefit obligation	5,283,825	-	-	18,906,788	24,190,613
Restricted funds	-	-	-	64,485,519	64,485,519
Total Liabilities	26,037,395	-	-	93,694,617	119,732,012
Assets					
Cash and cash equivalents	294,470,170	-	-	-	294,470,170
Total assets held for managing liquidity risk	294,470,170	-	-	-	294,470,170
Net position	268,432,775	-	-	(93,694,617)	174,738,158

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

3 Financial risk management (continued)

(ii) Liquidity risk (continued)

Assets held for managing liquidity risk

The Community holds a diversified portfolio of cash to support payment obligations and contingent funding in a stressed market environment. The Community's assets held for managing liquidity risk comprise cash and bank balances and placements (investments).

(iii) Market risk

The Community takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate and currency rates, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates and foreign exchange rates. The objective of market risk measurement is to manage and control market risk exposures within acceptable limits while optimising the return on risk.

Foreign exchange risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The positions of currencies held are monitored on a periodic basis. The objective of monitoring the position in foreign currency is to manage foreign exchange risk due to movements in rates as well as changes in liquidity positions. The Community's policy to manage foreign exchange risk is to hold foreign currency bank accounts for foreign denominated transactions. The Community's exposure results from the following currencies; Canadian Dollar, Cedis, Dalasi, Escudo, Euro, Franc CFA, Guinean Franc, Leones, Liberian Dollar, Naira, Pound Sterling, US Dollar.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

3 Financial risk management (continued)

(iii) Market risk

Foreign exchange risk (continued)

Included in the table below are assets and liabilities at carrying amounts categorised by currency:

At 31 December 2022

	XOF	USD	NGN	EUR	CVE	GNF	SLL	GMD	GHC	UA	Total
Assets											
Cash and cash equivalents	88,918,296	87,497,872	1,758,701,560	44,839,943	59,362	7,947,640	579,705	1,039,712	5,317,366	1,458,627	1,996,360,083
Recoverable from non-exchange	45,415,082	12,069,839	113,060,800	-	7,864,225	9,361,795	354,285	613,740	1,754,154	-	190,493,920
Investments	238,265	-	-	-	-	-	-	-	-	128,938	367,203
Due from related party	2,623,610	8,743,428	114,415	647,914	-	-	-	-	-	(5,913,592)	6,215,775
Accounts receivables and prepayments	18,548,126	26,035,782	1,610,375	1,652,495	8,644	-	-	-	-	4,753,053	52,608,475
Inventory	-	-	213,762	-	-	-	-	-	-	4,591,104	4,804,866
Property, plant & equipment	-	-	-	-	-	-	-	-	-	29,555,436	29,555,436
Intangible assets	-	-	-	-	-	-	-	-	-	58,898	58,898
Total assets	155,743,379	134,346,921	1,873,700,912	47,140,352	7,932,231	17,309,435	933,990	1,653,452	7,071,520	34,632,464	2,280,464,656
Accounts payable and accrued liabilities	3,538,444	36,401,886	2,747,676	2,671,991	16,865	-	38	127,237	427,346	3,809,349	49,740,832
Employee benefits obligations	-	-	-	-	-	-	-	-	-	16,317,585	16,317,585
Restricted funds	23,456,685	59,445,228	4,603	38,911,485	-	-	-	-	-	(48,937,394)	72,880,607
Total liabilities	26,995,129	95,847,114	2,752,279	41,583,476	16,865	-	38	127,237	427,346	(28,810,460)	122,621,439
Net on statement of financial position	128,748,250	38,499,807	1,870,948,633	5,556,876	7,915,366	17,309,435	933,952	1,526,215	6,644,174	63,442,924	2,157,843,217

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

3 Financial risk management (continued)

(iii) Market risk

Foreign exchange risk (continued)

Included in the table below are assets and liabilities at carrying amounts categorised by currency:

At 31 December 2021

	XOF	USD	NGN	EUR	CVE	GNF	SLL	GMD	GHC	UA	Total
Assets											
Cash and cash equivalents	138,875,018	94,336,320	2,978,558	38,378,276	89,311	7,070,521	277,060	1,630,920	8,361,065	2,474,121	294,470,170
Recoverable from non-exchange	-	-	-	-	-	-	-	-	-	123,526,913	123,526,913
Due from representative offices	-	9,333	-	-	-	-	-	-	-	3,074,437	3,083,770
Accounts receivables and prepayments	10,681,354	11,455,039	13,971,945	66,488	8,349	-	-	-	-	2,652,039	38,835,214
Inventory	-	-	155,080	-	-	-	-	-	-	4,510,196	4,665,276
Property, plant & equipment	-	-	-	-	-	-	-	-	-	45,371,376	45,371,376
Intangible assets										76,819	76,819
Investments	243,633	-	-	-	-	-	-	-	-	-	243,633
Total assets	149,800,005	105,799,692	17,105,583	38,444,764	97,660	7,070,521	277,060	1,630,920	8,361,065	181,685,901	510,273,171
Accounts payable and accrued liabilities	4,384,441	248,591	9,499,733	519,449	4,798	-	-	-	170,648	16,228,220	31,273,171
Employee benefits obligations	123,005	374,089	-	-	-	-	-	-	-	23,693,519	24,190,613
Deferred income	4,007,560	36,633,565	2,273,705	20,962,486	23,894	-	-	-	544,246	40,063	64,495,456
Total liabilities	8,515,006	37,256,245	11,773438	21,481,935	28,692	-	-	-	714,894	39,961,802	119,731,012
Net on statement of financial position	141,284,999	68,543,447	5,332,145	16,962,829	68,968	7,070,521	277,060	1,630,920	7,646,171	141,724,099	390,542,159

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

3 Financial risk management (continued)

(iii) Market risk (continued)

Foreign exchange risk (continued)

The Community's principal foreign currency exposures are to the XOF, Cedis, Dalasi, GNF, Leone, LSD, USD, NGN and EUR. The table below illustrates the hypothetical sensitivity of reported surplus to a 15% (2021: 15%) decrease in the value of the Unit of Account against these foreign currencies at the year end, assuming all other variables remain unchanged. The sensitivity rate of 15% represents the Community's assessment of a reasonably possible change, based on historic volatility.

UA weakens by 15%: Impact on statement of financial performance:

	31-Dec-22	31-Dec-21
XOF	19,312,238	21,192,750
USD	5,774,971	10,281,517
NGN	280,607,970	799,822
EUR	639,157	2,544,424
CVE	1,187,305	10,345
GNF	2,596,415	1,060,578
SLL	140,093	41,559
GMD	44,810	244,638
GHC	996,626	1,146,926

Year-end exchange rates applied in the above analysis is disclosed in Note 2.5 (b) above. The strengthening of the Unit of Account will produce symmetrical results.

(iv) Interest rate risk

Interest rate risk arises from possible impact of changes in the interest rates on the value of financial instruments. The Community does not have assets and liabilities that are materially dependent on interest rate levels therefore, management believes that the Community has no exposure to interest rate risk

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

4 Fair value hierarchy

IPSAS 29 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Community's market assumptions. These two types of inputs have created the following fair value hierarchy:

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities (for example, Stock Exchanges).
- **Level 2** - Inputs are quoted prices for the asset or liability, (other than those included in Level 1) that are observable either directly (that is, as prices) or indirectly (that is, derived from prices).
- **Level 3** - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. Property, plants and equipment of the Community were valued using the level 3 fair value hierarchy.

This hierarchy requires the use of observable market data when available. The Community considers relevant and observable market prices in its valuations where possible.

5 Critical accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IPSAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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 disclosed below.

5.1 Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, judgment is required in establishing fair values. Judgment includes the consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

5 Critical accounting judgments, estimates and assumptions (continued)

5.2 Held-to-maturity instruments

In accordance with IPSAS 29, the Community classifies some non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the Community evaluates its intention and ability to hold such investments to maturity. If the Community were to fail to keep these investments to maturity other than for the specific circumstances - for example, selling an insignificant amount close to maturity - the Community is required to reclassify the entire category as available-for- sale. Accordingly, the investments would be measured at fair value instead of amortised cost.

6 Cash and cash equivalents

	2022	2021
Cash in hand	**48,648**	2,414,275
Cash at bank	**297,817,679**	283,173,266
Gratuities investment	**4,819,540**	5,266,999
Short-term investment	**3,639,508**	3,615,630
	306,325,375	2,94,470,170

i. Classification as cash equivalents

Investments are presented as cash equivalents if they have a maturity of three months or less from the date of investing and repayable on demand. See note 2.13 for the Community's other accounting policies on cash and cash equivalents.

ii. Restricted cash

The cash and cash equivalents disclosed above and in the statement of cash flows include UA 72,077,831 (2021: UA 64,485,519) which are held by ECOWAS Institutions and Agencies restricted for specific purposes.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

7 Short term investments

	2022	2021
Other short-term investments	367,203	243,633

8 Account receivables & prepayments

	2022	2021
Advances for meetings/conferences & other activities	9,293,406	8,264,402
Advances to representation offices*	4,535,492	3,083,770
Salary advances	262,467	108,747
Advances to suppliers/contractors	21,787,769	14,814,283
Provisions for advances	29,465	29,465
Donor prefinance	234,797	719,926
Pension prefinance	123,139	123,139
Staff medical prefinance	9,364,102	594,169
Stock Advance to Member States	627,905	8,287,902
Prepayments	4,139,393	2,384,973
Sundry receivables	4,422,808	3,508,208
	54,820,743	41,918,984
Allowance for impairment of advances	(11,583,114)	-
	43,237,629	41,918,984

*Advances to Representation offices represent outstanding advances to representation offices year end. This was presented as a separate line item on the statement of financial position in the prior year but has been added to trade and other receivables in the current year.

9 Recoverable from non-exchange

	2022	2021
Community Levy recoverable	-	272,838
Recoverable from non-Ecowas member states	131,496	-
Member States Community Levy Receivables	550,410,938	484,327,447
Doubtful Debt	(365,541,824)	(365,541,824)
Member States Contributions Receivables	4,397,325	4,468,452
	189,397,935	123,526,913

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

9 Recoverable from non-exchange (continued)

	2022	2021
Benin	29,097,588	18,926,797
Burkina Faso	7,266,034	6,600,959
Carbo Verde	28,364,225	25,547,097
Cote D'Ivoire	2,217,347	2,009,302
Guinea Conakry	29,103,618	13,545,563
Guinea Bissau**	(195,871)	(132,059)
Gambia**	(713,740)	(44,865)
Ghana	1,656,829	1,357,401
Liberia	11,069,839	9,491,201
Mali**	18,817,850	(4,838,998)
Niger	4,046,432	602,701
Nigeria	412,260,800	403,055,449
Senegal	6,604,314	7,724,616
Sierra Leone	254,285	236,109
Togo	561,388	246,174
	550,410,938	484,327,447

**The negative balance of these countries is as a result of overpayment of contribution arrears due.

10 Related party disclosures

10.1 Transactions with related party

The following transactions were carried out with related parties

	2022	2021
ECOWAS Commission	84,067,900	76,240,821
West African Health Organisation	10,111,824	6,511,073
Parliament	16,312,014	13,215,486
Community Court of Justice	12,136,722	14,192,151
GIABA	6,966,005	5,650,067
Water Resource Centre	606,609	206,502
ECOWAS Regional Centre for Renewable Energy & Energy Efficiency	783,251	577,687
ECOWAS Regional Electricity Regulatory Authority	1,397,626	1,459,040
ECOWAS Gender Development Centre	1,053,583	379,694
ECOWAS Project Preparation and Development Unit	742,126	267,575
ECOWAS Regional Agency for Agriculture and Food	1,010,398	310,288
ECOWAS Youth Sports Development Centre	1,557,907	561,581
ECOWAS Regional Competitive Authority	548,023	-
ECOWAS Regional Animal Health Centre	359,968	-

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

10.2 Key management personnel remuneration

Key management personnel are defined as persons having authority and responsibility for planning, directing and controlling the activities of the Community and comprise the President, Vice President and all other Commissioners. Below are consolidated benefits of the key management.

	2022	2021
Emoluments of key management personnel	3,450,550	2,250,904

11 Inventory

	2022	2021
Office Stationery	**142,938**	189,487
Computer related items	**187,979**	109,612
Vehicle Spares	**9,206**	9,206
Conference Supplies	**603**	347
Electrical stocks	**21,595**	6,774
Office Maintenance	**21,992**	10,919
Medical Stocks	**3,984**	3,984
Cereal stocks	**4,440,834**	4,334,947
	4,829,131	4,665,276

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

12 (a) Property, plant and equipment

Year ended 31 December 2022

	Land	Land & Building	Motor Vehicle	Equipment	Computers	Furniture	Household Furniture/ Machines	IT Equipment	Low Value Assets	Asset Under Construction	Total
At 1 January	4,813,060	65,832,319	6,058,492	3,533,484	1,207,797	539,365	517,789	97,174	-	1,978,712	84,578,192
Additions	-	22,853	243,318	568,780	1,964	326,821	30	25,246	13,165	-	1,201,947
Newly consolidated entities			49,101	16,400	4,273	-	-	-	-		69,774
Write on/off	-	-	-	-	-	-	-	-	689,199	-	689,199
Adjustment	-	-	-	-	-	-	-	720	-	-	720
Disposals	-	-	(783,744)	(79,964)	-	-	-	(92)	-	-	(863,800)
At 31 December	4,813,060	65,855,172	5,567,167	4,038,700	1,214,034	866,186	517,819	123,048	702,364	1,978,712	85,676,032
Accumulated depreciation											
At 1 January	-	30,746,255	4,491,828	2,199,240	1,093,643	530,135	114,073	31,639	-	-	39,206,813
Charge for the year	-	1,102,987	671,810	449,565	51,188	14,324	2	17,898	33,705	-	2,341,457
Newly consolidated entities			34,489	12,789	175	-	-	-	-	-	51,453
Write on/off	-	-	-	-	-	-	-	-	651,927	-	651,927
Disposals	-	-	(783,744)	(79,964)	-	-	-	(92)	-	-	(863,800)
At 31 December	-	31,849,242	4,418,383	2,581,630	1,145,006	544,459	114,075	49445	685,632	-	41,387,850
Net Book Amount	4,813,060	34,005,930	1,152,784	1,457,070	69,028	321,727	403,744	73,603	16,732	1,978,712	44,288,182

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

12 (a). Property, plant and equipment (continued)

Year ended 31 December 2021

	Land	Building	Land & Building	Motor Vehicle	Equipment	Computers	Furniture	Household Furniture/ Machines	IT Equipment	Asset Under Construction	Total
Cost/Revaluation											
At 1 January	4,813,060	15,889,787	49,893,483	5,671,245	2,332,572	1,185,285	539,365	38,327	47,867	1,950,065	82,361,056
Additions	-	49,049	-	387,247	1,200,912	22,512	-	479,462	49,307	28,647	2,217,136
At 31 December	4,813,060	15,938,836	49,893,483	6,058,492	3,533,484	1,207,797	539,365	517,789	97,174	1,978,712	84,578,192
Accumulated depreciation											
At 1 January	-	4,834,942	24,776,568	3,776,666	1,931,582	1,045,079	511,699	36,566	21,828	-	36,934,930
Charge for the year	-	788,817	345,928	715,162	267,658	48,564	18,436	77,507	9,811	-	2,271,883
At 31 December	-	5,623,759	25,122,496	4,491,828	2,199,240	1,093,643	530,135	114,073	31,639	-	39,206,813
Net Book Amount	4,813,060	10,315,077	24,770,987	1,566,664	1,334,244	114,154	9,230	403,716	65,535	1,978,712	45,371,379

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

12 (b). Disposal of assets

	2022	2021
Cost	863,800	-
Accumulated depreciation	(863,800)	-
Net book Value	-	-
Disposal proceeds	337,331	-
Gain/loss on disposal	337,331	-

13 Intangible assets

Year ended 31 December 2022

	2022	2021
Cost/Revaluation		
At 1 January	3,899,205	3,899,205
Additions	48,653	-
At 31 December	3,947,858	3,899,205
Accumulated depreciation		
At 1 January	3,823,362	3,743,060
Charge for the year	68,604	79,326
At 31 December	3,891,966	3,822,386
Net book amount at 31 December	55,892	76,819

13.1 Assets pledged as security

No facility is secured over the Community's property, plants and equipment as at the reporting date.

13.2 Valuation of lands and buildings

Lands and buildings controlled by the Community for which cost information was readily not available were valued by independent valuers and used as the deemed cost. The amounts determined by the valuers as deemed cost of assets were credited to the statement of changes in net assets.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

13.3 Fair value hierarchy

The fair value hierarchy note explains the judgements and estimates made in determining the fair values of the lands and buildings that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Community has classified its valuation into the three levels below:

Level 1: valuation based on quoted prices
Level 2: valuation based on observable market data
Level 3: valuation not based on observable market data
The Community's buildings are measured at fair value and are classified under level 3 of the fair value hierarchy

14 Accounts payable and accrued liabilities

	2022	2021
Vendors	11,868,400	9,466,082
Staff payables	12,462,117	2,651,447
Member States Payable	20,741,010	10,284,964
Donor vendors	-	462,748
Other payables	3,820,677	3,396,604
Pension deductions payable	32,557	32,557
Payable to ECOWAS National Units	2,804,858	4,161,154
Payable to ECOWAS Institutions	-	600,324
	51,729,619	31,055,880

15 Employee benefit obligations

(a) Current employee benefit obligation

	2022	2021
Pension deductions payable	1,276,479	1,269,757
Accrued leave obligations	2,580,365	3,503,130
Separation allowance obligations	2,435,814	510,938
	6,292,658	5,283,825

(b) Non-current employee benefit obligation

Pension deductions payable	89,688	747,268
Accrued leave obligations	-	805,796
Separation allowance obligations	20,513,171	17,287,455
Contract staff gratuity payable	7,157	66,269
	20,610,016	18,906,788
	26,902,674	24,190,613

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

16 Restricted funds

Year ended 31 December 2022

Fund type	At 1 January	Inflows during the year	Refunds	Translation gain/loss	Outflows during the year	At 31 December
Restricted funds	64,485,520	35,685,692	(8,085,781)	(79,924)	(19,845,542)	72,159,965
Newly consolidated entities	448,694	716,462	-	-	(587,400)	577,756
Direct payments by donors	-	-	-	-	(2,371,822)	-
	64,934,214	36,402,154	(8,085,781)	(79,924)	(22,804,764)	72,737,721

Year ended 31 December 2021

	At 1 January	Inflows during the year	Refunds	Translation gain/(loss)	Outflows during the year	At 31 December
Restricted funds	56,873,889	44,886,329	(2,148,225)	-	(37,395,572)	62,216,421
Deferred income	2,397,732	27,818	-	(156,452)	-	2,269,098
Deferred capital grant	-	-	-	-	-	-
Total	59,271,621	44,914,147	(2,148,225)	(156,452)	(37,395,572)	64,485,519

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

17 Due to member states

	2022	2021
Payable to Nigeria	7,641,395	-

18 Community Levy and member states contributions

	2022	2021
Community levy	305,438,291	256,029,609

19 Donor contributions

	2022	2021
Contributions from Donors **	23,216,057	41,990,718
Stock donations	-	3,071,008
	23,216,057	45,061,726

**This represents total grant expenses deemed as revenue for the year (Note 16). The difference of 411,293 UA is due to grant of 160,374 from USAID to ERERA which is refunded after expense is incurred and 250,918 to GIABA from other non Ecowas states which were not accounted for as restricted funds.

20 Revenue from other non-exchange transactions

	2022	2021
Amortisation of grant	359,943	-
Office Rent paid by Host Nation	64,484	68,621
Stock received	1,552,835	-
Motor vehicle prefinance	171,131	-
Insurance claim	565,618	-
	2,714,011	68,621

21 Revenue from other exchange transactions

	2022	2021
Interests and Gains	1,400,941	1,784,100
Miscellaneous (sale of publications, gains on assets, other)	34,158,209	3,244,075
	35,559,150	5,028,175

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

22 Program expenses

	2022	2021
Salaries & Allowances	38,825,207	34,753,687
Other Staff Benefits	24,573,586	21,760,881
Staff Development	1,313,467	572,141
Non-Employee Compensation & Allowances	45,615	6,282,980
Consultancies & Fees	21,078,585	14,027,804
Language services	2,861,761	1,748,428
Travels, Meetings & Conferences	49,559,579	27,347,136
Communication	1,668,287	1,424,721
Maintenance	7,061,123	5,381,260
Other Operating Expenses	7,157,465	4,837,687
Finance Costs	1,027,882	884,074
Peace Operations Logistics	439,835	406,101
Office rent	64,484	68,621
Doubtful debt expense	84,974	-
Troop Allowances	61,851,330	16,256,026
Subventions and assistance to member states	21,617,789	34,573,917
Comm levy transfers to other agencies	-	461,796
	239,230,969	170,787,260

23 Depreciation & Amortization Expense

	2022	2021
Depreciation & amortization expense	2,410,061	2,351,210
Non-capital assets expensed	1,904,875	1,527,544
	4,314,936	3,878,754

24 Other (losses)/gains

	2022	2021
Revaluation gains	3,170,896	-
Exchange losses	(30,675,641)	(27,093,396)
Other finance costs	(57,055,961)	-
	(84,560,706)	(27,093,396)

This amount is significantly made up of translation of foreign currency receivables and payables at year end. Majority of the other gains/losses is mainly from the translation of Community Levy receivables from Member States at year end.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

25 Cash flow generated from operations

	2022	2021
Surplus/(Deficit) for the year	**38,820,898**	104,428,721
Adjustments for:		
Depreciation and amortisation	**2,410,061**	2,351,210
Investment Interest accrued	**(124,782)**	(18,334)
Gain on disposal	**(337,331)**	-
Provision for bad debts	**84,974**	-
Reclassification to depreciation expense	**(720)**	-
Changes in working capital:		
Increase in accounts receivables and prepayments	**(1,708,528)**	(3,881,825)
(Increase)/decrease in recoverable from non-exchange	**(58,886,708)**	4,316,445
(Increase)/decrease in Due from representation offices	**-**	(418,947)
Increase in inventory	**(163,855)**	(1,945,963)
Increase/(decrease) in accounts payable and accrued liabilities	**21,288,899**	(6,976,343)
Increase in employee benefit obligation	**2,712,060**	1,294,297
Increase in restricted funds	**7,803,507**	5,213,898
Increase in due from Member States	**384,243**	-
	12,282,718	104,363,159

26. Newly consolidated entities

Two agencies of the commission; Regional Animal Health Centre (RAHC) and ECOWAS Regional Competition Authority (ERCA) were not included in the consolidation in prior year. Balances of the entities were included in the current year and in the notes where required as newly consolidated entities.

27. Statement of comparison of budgeted and actual amounts

As permitted by IPSAS 24, the Community has not made its approved budget publicly available and therefore no statement of comparison of budget and actual has been presented.

28. Capital commitments

There were no commitments for capital expenditure at 31 December 2022 (2021: Nil).

29. Contingent liabilities

There are certain pending legal suits against the Community as at the reporting date. Management is of the opinion that the cases when finally determined will not result in any material financial impact on the Community.

30. Comparative information

Where necessary, comparative financial information have been reclassified to provide information consistent with the current year's presentation.

NOTES (CONTINUED)
(All amounts in the notes are in Unit of Account unless otherwise stated)

31. Events after the reporting date

Events after the reporting date are reflected on the financial statements only to the extent that they relate to the year under consideration and the effect is material.