



FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER, 2021

ICAG

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CORPORATE INFORMATION

MEMBERS OF THE COUNCIL

Prof. Williams A. Atuilik	President
Ms. Sena Dake	Vice-President
Mr. Augustine Addo	Member
Dr. Abdulai Alhassan	Member
Rev. Michael Asiedu–Antwi	Member
Mrs. Agnes Otoo Yeboah	Member
Mr. Kwasi Kwaning Bosompem	Member
Dr. Cynthia A. Sallah	Member
Mr. Redeemer D. Krah	Member
Mr. Anthony K. Sarpong	Member
Mrs Maame Yaa Tiwaa Addo-Danquah	Member

PRINCIPAL PLACE OF BUSINESS

Accountancy House
Okponglo, East Legon
GA-416-9898
P. O. Box GP 4268, Accra

Telephone:

0544336701/2; 0277801422 – 5

Email:

info@icagh.com

Website:

www.icagh.org

BANKERS

Ecobank Ghana Ltd.
Absa Bank Ghana Ltd
Republic Bank Ltd
Standard Chartered Bank Ghana Ltd
GCB Bank Ghana Ltd
Fidelity Bank Ghana Limited
UMB Bank Limited

AUDITOR

The Auditor General
Ghana Audit Service

Accra

REPORT OF THE COUNCIL

The Council is pleased to submit its annual report together with the audited financial statements of the Institute for the year ended 31st December, 2021 showing Accumulated Fund of **GHS 41,229,334** made up as follows:

	2021	2020
	GHS	GHS
Balance as at 1st January	35,095,241	28,875,963
Add Surplus For the year	6,134,093	6,219,278
Balance as at 31st December	41,229,334	35,095,241

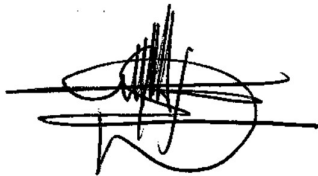
Results

The Statement of Financial Performance for the year ended 31st December, 2021 is set out on page 7.

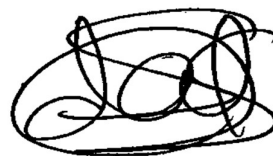
Activities of the Institute

The Institute carried out its main functions as enshrined in the Chartered Accountants Act 2020 (Act 1058).

By Order of the Council



President



Vice President

Date: April 07, 2022



INSTITUTE OF CHARTERED ACCOUNTANTS, GHANA

Independent Auditor's Report to the Members of the Institute

Report on the Audit of Institute of Chartered Accountants, Ghana's Financial Statements

Opinion

We have audited the financial statements of the Institute of Chartered Accountants, Ghana, which comprise the Statement of Financial Position as at 31 December, 2021, and the Statement of Financial Performance, Statement of Changes in Net Assets and Cash-Flow Statement for the year then ended, and the notes to the financial statements, set out on pages 11 to 26, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Institute as at 31 December, 2021 and of its financial performance and cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (IPSAS) and in manner required by the Chartered Accountants Act 2020 (Act 1058) and the Companies Act 2019 (Act 992).

Basis for Opinion

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

We are independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to the audit of the financial statements in Ghana and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Council is responsible for the other information.

The other information comprises the President's Statement and reports of standing committees included in the 2021 annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance thereon.

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

Responsibilities of the Council for the Financial Statements

The Council is responsible for the preparation of the financial statements in accordance with IPSAS and in the manner required by the Chartered Accountants Act 2020 (Act 1058), and for setting such internal controls as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, Council is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting. Council is responsible for overseeing the Institute's financial reporting process.

Auditor's responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards for Supreme Audit Institutions, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if, individually or in an aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards for Supreme Audit Institutions, we exercise professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, and designed and performed audit procedures responsive to those risks, while obtaining audit evidence sufficient and appropriate to provide enough basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for

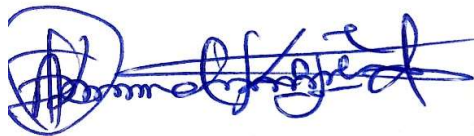
purposes of expressing an opinion on the effectiveness of the entity's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Council.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubts on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the 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 the report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Institute to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Institute's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during the audit.

We also provide those charged with governance 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, related safeguards.

This independent auditor's report is issued by:



JOHN GODFRED KOJO ADDISON
DEPUTY AUDITOR-GENERAL/CAD
for: AUDITOR-GENERAL

Accra – Ghana

Dated April 07, 2022

INSTITUTE OF CHARTERED ACCOUNTANTS, GHANA
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER, 2021

		2021	2020
	Notes	GH¢	GH¢
REVENUE			
Members Subscription and Fees	4.1	9,709,712	9,083,401
Students Subscription and Fees	4.2	4,731,089	4,216,591
Revenue from Non-Exchange Transactions		14,440,801	13,299,992
Revenue from Exchange Transactions:			
Examinations & Other Students Activities	5.1	9,581,606	8,330,147
Continuing Professional Development	5.2	1,531,580	1,217,643
Professional Body Activities	5.3	3,306,080	1,053,000
Revenue from other exchange transactions	5.4	54,843	12,897
Interest Income	9	5,366,241	4,799,040
		19,840,350	15,412,727
Total Revenue		34,281,151	28,712,719
EXPENSES			
Examinations & Other Student Activities	5.1	4,919,746	4,504,239
Continuing Professional Development	5.2	783,362	542,540
Professional Body Activities	5.3	5,037,218	2,806,103
Council and Committee Meetings	6	1,339,782	505,004
Employment Cost	7	13,124,084	11,333,880
General Administrative Expenses	8(a)	2,893,211	2,752,494
Impairment Charges	14(b)	49,655	49,181
Total Expenses		28,147,058	22,493,441
Surplus for the year		6,134,093	6,219,278

INSTITUTE OF CHARTERED ACCOUNTANTS, GHANA
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2021

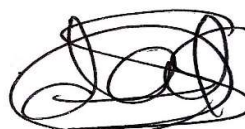
		2021	2020
	Notes	GH¢	GH¢
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	10	5,528,249	5,786,818
Intangible Assets	11	116,200	565,005
investments	12	15,208,669	-
Total Non-Current Assets		20,853,118	6,351,823
Current Assets			
Inventories	13	1,118,653	799,531
Accounts Receivable	14	2,982,955	3,112,122
Cash & Cash Equivalents	15	24,881,438	33,555,300
Total Current Assets		28,983,046	37,466,953
TOTAL ASSETS		49,836,164	43,818,776
Current Liabilities			
Subscription and other Income in Advance	16	388,663	801,779
Accounts Payable	17	1,662,026	1,931,855
Total current Liabilities		2,050,689	2,733,634
TOTAL LIABILITIES		2,050,689	2,733,634
NET ASSETS		47,785,475	41,085,142
MEMBERS' FUND			
Accumulated Fund	18	41,229,334	35,095,241
ICAEW Bursary	19	-	-
Building Fund	20	6,556,141	5,989,901
TOTAL MEMBERS' FUND		47,785,475	41,085,142

The Council approved the 2021 Financial Statements set out on pages 7 to 26 on April 07, 2022.

PRESIDENT



VICE PRESIDENT



INSTITUTE OF CHARTERED ACCOUNTANTS, GHANA
CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2021

	Notes	2021 GH¢	2020 GH¢
Operating Activities			
Net cash inflow from operations	21	6,582,185	6,297,828
Investing Activities			
Purchase of Property and Equipment	11	(660,068)	(475,550)
Investments in government bonds	12	(15,208,669)	-
Purchase of Intangible Assets	11a	-	(294,492)
Proceeds from disposal	22	46,450	1,500
Net cash used in Investing Activities		(15,822,287)	(768,542)
Financing Activities			
Movement in ICAEW fund	19	-	(165,090)
Movement in building fund	20	566,240	474,650
Net cash generated from Financing Activities		566,240	309,560
(Decrease)/Increase in Cash and Cash equivalents		(8,673,862)	5,838,846
Movement in cash and cash equivalents			
At the start of the year		33,555,300	27,716,454
(Decrease)/Increase		(8,673,862)	5,838,846
At the end of the year	15	24,881,438	33,555,300

INSTITUTE OF CHARTERED ACCOUNTANTS, GHANA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 DECEMBER, 2021

2021	Accumulated Fund	Building Fund	ICAEW	Total
	GH¢	GH¢	GH¢	GH¢
Balance at 1 Jan	35,095,241	5,989,901	-	41,085,142
Surplus for the Year	6,134,093	-	-	6,134,093
Additions during the Year	-	566,240	66,495	632,735
Awards/ Disbursement	-	-	(66,495)	(66,495)
Balance at 31 Dec	41,229,334	6,556,141	-	47,785,475
2020				
Balance at 1 Jan	28,875,963	5,515,251	165,090	34,556,304
Surplus for the year	6,219,278	-	-	6,219,278
Additions during year	-	474,650	-	474,650
Awards/ Disbursement	-	-	(165,090)	(165,090)
Balance at 31 December	35,095,241	5,989,901	-	41,085,142

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

1. REPORTING ENTITY

Institute of Chartered Accountants, Ghana is a statutory body established under the Institute of Chartered Accountants Act, 2020 (Act 1058) to promote the study of accountancy; to regulate the accountancy profession and practice and to provide for other related matters in Ghana. The Institute is an approved non-profit organization operating under the Ministry of Education.

The address of the Institute is Accountancy House, Okponglo, East Legon, Accra. On the Ghana post GPS GA-416-9898.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies have changed from International Financial Reporting standards (IFRS) to International Public Sector Accounting Standards (IPSAS) for the preparation of this financial statements. Below are the policies:

2.1. Basis of preparation

The financial statements have been prepared in compliance with International Public Sector Accounting Standards (IPSASs) issued by the International Public Sector Accounting Standards Board (IPSASB) in line with the accrual basis spelt out by IPSAS 33. The measurement basis applied is historical cost convention except for certain financial instruments measured at fair value.

2.1.1 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IPSAS 3 require the use of certain critical accounting estimates. It also require the Council to exercise its judgement in the process of applying the Institute's accounting policies. All estimates and underlying assumptions are based on historical experience and various other factors that Council believes are reasonable under the circumstances. The results of these estimates form the basis of judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and any affected future periods.

Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements are:

- Useful life of Property, Plant and Equipment
- Net realizable value of inventories
- Recoverability of receivables
- Classification of financial assets

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2021**

2.2 Foreign Currency Translation

2.2.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Institute operates ('the functional currency'). The financial statements are presented in Ghana Cedis which is the Institute's functional and presentation currency.

2.2.2 Transactions and balances

Foreign currency transactions are translated into Ghana Cedis using the exchange rates prevailing at the dates of the transactions. 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.

2.3 Property, Plant and Equipment

Property, Plant and Equipment is stated at cost less accumulated depreciation and any accumulated impairment losses in accordance with IPSAS 17. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The annual rates in use are as follows:

Buildings	Over 30years
Motor Vehicles	20%
Furniture and equipment	20%
Fittings	20%
Library Books	20%

A full year's depreciation provision is made irrespective of the date of purchase. Normal repairs and maintenance expenses are charged to operating expenses during the financial period in which they are incurred.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'other gains/ (losses)' in the statement of financial performance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

2.4 Intangible Assets-Computer Software

IPSAS 31 require that, acquired computer software licenses and intellectual property are capitalized on the basis of the cost incurred to acquire and bring to use the specific software. These costs are amortized on the straight-line basis over the estimated useful lives of the assets (usually three years).

Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software program controlled by the Institute and which will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets.

Computer software development costs recognized as assets are amortized over their estimated useful lives (usually three years).

2.5 Impairment of non-financial assets

The Institute assesses at each reporting date whether there is an indication that an asset may be impaired as prescribed in IPSAS 21 & 26. If any such indication exists, or when annual impairment testing for an asset is required, the Institute makes an estimate of the asset's recoverable amount. The recoverable amount is the higher of the fair value less cost to sell and value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market conditions of the time value of money and the risk specific to the asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. Other than for goodwill, a previously recognized impairment loss is reversed if there has been a change in the estimate used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of financial performance. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2021**

2.6 Inventories

Stock of publications and souvenirs held for sale is stated at lower of cost and net realizable value in accordance with IPSAS 12. Cost is determined on first-in-first-out basis. Cost incurred in producing members' journals is expensed in the year the journals are produced.

Net realizable value represents estimated selling price less expenses incidental to make the sale.

2.7 Accounts Receivable

Accounts receivable are recognized initially at fair value. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the Institute will not be able to collect all amounts due according to the original terms of the receivables.

2.8 Cash and Cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. Cash and cash equivalents comprise cash on hand, balances with banks and other short-term highly liquid investments with original maturities of six months or less.

2.9 Accounts Payable

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 recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.10 Provisions

Provisions are recognized when the Institute has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.11 Employee benefits obligations

The Institute has a defined contribution plan for its employees in respect of which the institute pays contributions to publicly and privately administered pension insurance plans on a mandatory or contractual basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

The contributions are recognized as employee benefit expense when they are due. Under the plan the Institute pays fixed contributions into a separate entity and has no legal or

constructive obligation 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 as required by IPSAS 25.

2.12 Revenue recognition

Members and Students fees and subscriptions are accounted for as income in the period to which they relate. Subscriptions and fees received in advance represent amounts paid to the Institute in the current year that relate to the annual subscriptions and fees for the ensuing periods, and are deferred and recognized as income, in the period to which they relate.

Fees from examinations and exemptions are recorded as income in the period in which a student registers for the examination or applies for the exemption.

Members' and students' subscriptions are accounted for under IPSAS 23 which is a non-exchange transaction whereas other revenue streams are recognized under IPSAS 9 due to their exchange nature.

2.13 Taxation

The Institute is not a taxable entity. No provision is therefore made in the financial statements.

2.14 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IPSAS 13 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents lease transactions.

2.15 Financial Assets

The Institute's policy of recognising financial assets is in conformity with IPSASs 28, 29 and 30 as follows:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2021**

2.15.1 Classification

The Institute classifies its financial assets as 'financial assets measured at amortized cost'. A financial instrument is classified as 'financial asset at amortized cost' when both criteria outlined below are met:

- ❖ the asset is held within a business model whose objective is to collect the contractual cash flows; and
- ❖ the contractual terms give rise to cash flows that are solely payments of principal and interest.

2.15.2 Recognition and Derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Institute commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Institute has transferred substantially all the risks and rewards of ownership.

2.15.3 Measurement

At initial recognition, the Institute measures its financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Subsequent to initial recognition, these assets are measured at amortized cost using the effective interest rate method. Interest income from these financial assets is included in finance income using the effective rate method. Any gain or loss arising on recognition is recognized directly in the statement of financial performance and presented in other gains/ (losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of financial performance.

2.15.4 Impairment

The Institute assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost.

The Institute applies the IPSAS 29 & 41 approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates based on the payment profiles of counter parties and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors (where data is available and is obtained without undue effort or cost) affecting the ability of the counter parties to settle the receivables.

2.16 Financial liabilities

Financial liabilities, are carried at amortized cost using the effective interest method. Financial liabilities are derecognized when they are redeemed or otherwise extinguished.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2021**

2.17 Building Fund

Building fund is in respect of amounts contributed by members of the Institute to support the construction of the Accountancy Village. Contributions to the building fund are recognized separately in reserves when received from members. Interest earned from investing members' contributions is included in the fund balance in the Statement of financial position.

3 FINANCIAL RISK MANAGEMENT

3.1 Liquidity Risk Management

The Institute evaluates its ability to meet its obligations on an ongoing basis. Based on these evaluations, the Council of the Institute devises strategies to manage liquidity risk.

Prudent liquidity risk management implies that sufficient cash is maintained and that sufficient funding is available through an adequate amount of committed credit facilities.

Cash of the Institute is placed in interest bearing current accounts to provide sufficient funding to meet its operating expenditure. At the reporting date cash and cash equivalents amounted to **GH¢24,881,438** (2020: GH¢33,555,300). This is expected to readily generate cash inflows for managing liquidity risk.

3.2 Credit Risk

Credit risk arises from cash and cash equivalents as well as credit exposures to members and students, including outstanding receivables and committed transactions. Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Institute.

Credit risk is managed by the Finance and Administration Committee. The Institute does not have any significant concentrations of credit risk. The Finance and Administration Committee exercises strict credit control through monitoring of cash received from counterparties and, when necessary, provision is made for specific doubtful accounts. As at December 31, 2021, the Council was unaware of any significant un-provided credit risk.

3.3 Fair value of financial instruments

Management considers that the carrying amount of all financial assets and financial liabilities in the financial statements approximate their fair values as the impact of discounting is considered not significant. Fair value, which is determined for disclosure purposes is calculated based on the present value of future principal and interest cash flows discounted at the market rate of interest at the statement of financial position date. There are no financial assets and/ or liabilities recognized at fair value through the statement of financial performance.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2021**

3.4 Capital Risk Management

The Institute's objective when managing capital is to safeguard the Institute's ability to continue as a going concern in order to carry out its mandate as enshrined in the Institute of Chartered Accountant's Act 2020, (Act 1058). The capital structure of the Institute consists of the members' fund. In order to maintain or adjust the capital structure, the Institute from time to time reviews the subscription payable by members and students and may request members to pay special levies as appropriate.

4	Revenue	2021	2020
		GH¢	GH¢
4.1	Members Subscription and Fees		
	Subscription	5,026,862	4,735,776
	Fees from Practising Firms	3,196,900	3,199,900
	Entrance Fees	1,123,980	802,437
	Practice Licence	361,970	345,288
		9,709,712	9,083,401
4.2	Student Subscription and Fees		
	Registration	387,930	274,749
	Subscriptions	1,618,583	1,557,473
	Exemptions	2,724,576	2,384,369
		4,731,089	4,216,591

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2021**

5	Other Operating Activities	2021	2020	2021	2020
		INCOME		EXPENDITURE	
5.1	Examination and students activities				
	Examinations	7,160,222	6,748,483	3,263,882	2,806,121
	Students activities	616,639	623,961	713,135	1,061,936
	Manuals and Souvenirs	1,804,745	957,703	942,729	636,182
		<u>9,581,606</u>	<u>8,330,147</u>	<u>4,919,746</u>	<u>4,504,239</u>
5.2	Continuing Professional Dev.				
	CPD Activities	705,826	174,859	346,029	130,208
	Practice Orientation	210,400	154,500	60,733	10,000
	Chartered Diploma	615,354	888,284	376,600	402,332
		<u>1,531,580</u>	<u>1,217,643</u>	<u>783,362</u>	<u>542,540</u>
5.3	Professional Body Activities				
	Accountants Week Conference	1,635,095	-	1,766,032	103,046
	ABWA Expenses	-	-	32,433	152,782
	PAFA Expenses	-	-	283,439	74,502
	ACOA Expenses	-	-	477,749	-
	Quality Assurance Expenses	-	-	188,749	289,674
	Journal/Technical Expenses	-	-	173,050	721,561
	Members' Costs	-	-	546,121	266,515
	Subscription Affiliate	-	-	480,117	586,930
	ICAEW Twinning	-	-	-	625
	Presidential Luncheon	294,085	-	484,875	-
	Induction/Graduation	1,376,900	1,053,000	604,653	610,468
		<u>3,306,080</u>	<u>1,053,000</u>	<u>5,037,218</u>	<u>2,806,103</u>
		2021	2020		
5.4	Revenue from other exchange transaction	GH¢	GH¢		
	Exchange Difference	8,393	1,581		
	Miscellaneous Income	-	9,816		
	Disposal of Asset	<u>46,450</u>	<u>1,500</u>		
		<u>54,843</u>	<u>12,897</u>		
6	Council and Committee Expenses				
	Council and Committee Expenses	1,339,782	505,004		
		<u>-</u>	<u>-</u>		
		<u>1,339,782</u>	<u>505,004</u>		
7	Employment Costs				
	Employee Benefits	11,352,771	9,794,731		
	Other Employment Costs	<u>1,771,313</u>	<u>1,539,149</u>		
		<u>13,124,084</u>	<u>11,333,880</u>		

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2021**

8(a)	General Administrative Expenses	2021	2020
		GH¢	GH¢
	Bank Charges	30,697	24,008
	Cleaning and Sanitation	185,725	187,402
	Audit Expenses	1,439	2,717
	Computer Accessories	17,252	27,363
	Consultancy	45,000	67,200
	Depreciation Expenses (Note 8b)	961,340	829,705
	Donation	-	36,894
	Electricity & Water	232,998	193,565
	Fuel - Plant & Vehicles	39,415	30,440
	General Expenses	13,495	21,171
	Insurance	169,171	146,191
	Legal Charges	46,758	26,270
	Motor Vehicle Running Expenses	71,478	57,641
	Newspaper & Periodicals	14,172	23,145
	Postage & Courier	28,269	16,683
	Printing & Stationery	39,204	29,439
	Rent & Rates	178,769	264,136
	Repairs and Maintenance-Equipme	27,959	22,834
	Repairs & Maintenance - Buildings	6,351	36,209
	Security Expenses	56,347	55,991
	Staff Admin. Cost	145,959	99,057
	Telecommunication Cost	455,626	519,976
	Vehicles Tracking Cost	8,137	12,417
	Adverts and Marketing	90,300	10,640
	Sponsorship and Awards Cost	27,350	11,400
		<u>2,893,211</u>	<u>2,752,494</u>
8(b)	ANALYSIS OF DEPRECIATION		
	Property, Plant & Equipment	918,637	735,920
	Intangible assets:	448,805	499,887
	Transfer to Study Manual Cost of		
	Sales (Amortisation of Study	(406,102)	(406,102)
		<u>42,703</u>	<u>93,785</u>
	Gen. Admin. Expense	<u>961,340</u>	<u>829,705</u>
9	Interest Income		
	Interest on Investments	5,219,326	4,665,193
	Call Interest Income	110,398	101,497
	Interest on staff loans	36,517	32,350
		<u>5,366,241</u>	<u>4,799,040</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

10. Property, Plant and Equipment

	Leasehold Land and Buildings	Construction Work in Progress	Motor Vehicle	Equipment Furniture/ fittings	Library Books	Total
2021						
Cost	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance at 1 January 2021	4,244,607	2,121,662	2,351,334	3,754,026	103,826	12,575,455
Additions	41,979		348,913	269,176	-	660,068
Disposal/Reversal	-		(198,212)	-	-	(198,212)
Balance at 31 Dec 2021	4,286,586	2,121,662	2,502,035	4,023,202	103,826	13,037,311
Depreciation						
Balance at 1 January 2021	1,415,753	-	1,870,624	3,452,957	49,303	6,788,637
Charge for the year	147,373	-	480,447	274,351	16,466	918,637
Disposal/Reversal	-	-	(198,212)	-	-	(198,212)
Balance at 31 Dec 2021	1,563,126	-	2,152,859	3,727,308	65,769	7,509,062
Net book value at 31 Dec 2021	2,723,460	2,121,662	349,176	295,894	38,057	5,528,249
2020						
Cost						
Balance at 1 January 2020	4,195,195	1,952,031	2,351,334	3,539,202	78,203	12,115,965
Additions	49,412	169,631	-	230,884	25,623	475,550
Disposal/(Reversal)	-	-	-	(16,060)	-	(16,060)
Balance at 31 December 2020	4,244,607	2,121,662	2,351,334	3,754,026	103,826	12,575,455
Depreciation						
Balance at 1 January 2020	1,254,596	-	1,570,939	3,210,405	32,837	6,068,777
Charge for the year	161,157	-	299,685	258,612	16,466	735,920
Disposals	-	-	-	(16,060)	-	(16,060)
Balance at 31 December 2020	1,415,753	-	1,870,624	3,452,957	49,303	6,788,637
Net book value as at 31 Dec 2020	2,828,854	2,121,662	480,710	301,069	54,523	5,786,818

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2021**

11 Intangible Assets

	2021	2020
	GH¢	GH¢
<u>Cost</u>		
Balance at 1 January 2021	2,849,599	2,555,107
Additions	-	294,492
Balance at 31 Dec 2021	2,849,599	2,849,599
<u>Amortisation</u>		
Balance at 1 January 2021	2,284,594	1,784,707
Charge for the period	448,805	499,887
Disposals	-	-
Balance at 31 Dec 2021	2,733,399	2,284,594
Net book value as at 31 Dec 2021	116,200	565,005

12 Investment in Long-term Bonds

	2021	2020
	GH¢	GH¢
GoG Bonds	15,208,669	-
	15,208,669	-

Due to the delay in commencement of the Phase 3 project, council decided to invest part of the available funds in medium to long term government bonds to reduce interest rate risk.

13 Inventories

	2021	2020
	GH¢	GH¢
ICAG Souvenir items	773,131	299,918
Study Manuals	345,522	499,613
	1,118,653	799,531

14 (a) Account Receivable

	2021	2020
	GH¢	GH¢
Subscriptions and Fees Receivables		
Gross	2,248,314	2,459,860
Less : Allowance for impairment	(124,573)	(74,918)
Net	2,123,741	2,384,942
Staff Debtors	480,427	398,431
Sundry Receivables	154,417	216,161
Prepayments	224,370	112,588
	859,214	727,180
Total Accounts Receivables	2,982,955	3,112,122

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2021**

	2021	2020
	GH¢	GH¢
14(b) Impairment Allowance		
Opening Balance	74,918	25,737
Increase during the year	49,655	49,181
Closing Balance	124,573	74,918

	2021	2020
	GH¢	GH¢
15 Cash and Cash Equivalents		
Cash and Bank balances	983,883	997,476
Short term investments	23,897,555	32,557,824
	24,881,438	33,555,300

	2021	2020
	GH¢	GH¢
16 Subscription/Other Income in Advance		
Subscriptions paid in advance	388,663	801,779
	388,663	801,779

	2021	2020
	GH¢	GH¢
17 Accounts payable		
Trade Creditors	678,725	880,349
Statutory Expenses Payable	658,587	702,382
Accrued Expenses	324,714	349,124
	1,662,026	1,931,855

	2021	2020
	GH¢	GH¢
18 Accumulated Fund		
Balance at 1 January	35,095,241	28,875,963
Surplus for the year	6,134,093	6,219,278
Balance at 31 Dec	41,229,334	35,095,241

19 ICAEW Charitable Bursary

The fund was set up through the collaboration between the ICAEW Charitable Trust and the Institute of Chartered Accountants, Ghana to offer a needs-based bursary to support 11 (eleven) students of ICAG for a two year period.

	2021	2020
	GH¢	GH¢
Balance at 1 January	-	165,090
Additions	66,495	-
Withdrawals	(66,495)	(165,090)
Balance at 31 Dec	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2021**

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Building Fund

	2021	2020
	GH¢	GH¢
Balance at 1 January	5,989,901	5,515,251
Additions	<u>566,240</u>	474,650
Balance at 31 Dec	<u>6,556,141</u>	<u>5,989,901</u>
Receivable from members at 1 January	2,089,072	2,212,072
Debit notes issued during the year	423,740	351,650
Receipts from members	<u>(566,240)</u>	(474,650)
Receivable from members at 31 December	<u>1,946,572</u>	<u>2,089,072</u>

21

Cash Generated from Operations

	2021	2020
	GH¢	GH¢
Net Surplus for the year	6,134,093	6,219,278
Depreciation - Property, Plant & Equipment	918,637	735,920
Depreciation - Intangibles	448,805	499,887
Profit on Disposal	<u>(46,450)</u>	(1,500)
	<u>7,455,085</u>	<u>7,453,585</u>

Working Capital Movement

Increase in Inventories	(319,122)	(219,039)
Decrease/(Increase) in Account Receivable	129,167	(641,770)
Decrease in Accounts Payables	(269,829)	(662,792)
(Decrease)/Increase in Advance Receipts	<u>(413,116)</u>	367,844
	<u>(872,900)</u>	<u>(1,155,757)</u>
Net Cash Inflow from Operating Activities	<u>6,582,185</u>	<u>6,297,828</u>

22

Disposal of Asset

	2021	2020
Cost of Asset	198,212	16,060
Less Accumulated Depreciation	(198,212)	(16,060)
Proceeds on Disposal	<u>46,450</u>	1,500
Profit on Disposal (Note 5.4)	<u>46,450</u>	<u>1,500</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

23

Statement of Reconciliation of Net Assets as at 31 December, 2020

	Notes	IFRS GH¢	Effect of adoption of IPSAS GH¢	IPSAS GH¢
ASSETS				
Non-Current Assets				
Property, Plant and Equipment		5,786,818	-	5,786,818
Right of Use (RoU) Assets		1,316,525	(1,316,525)	-
Intangible Assets		565,005		565,005
Investments		-		-
Total Non-Current Assets		7,668,348	(1,316,525)	6,351,823
Current Assets				
Inventories		799,531		799,531
Accounts Receivable		3,112,122		3,112,122
Cash & Cash Equivalents		33,555,300		33,555,300
Total Current Assets		37,466,953	-	37,466,953
TOTAL ASSETS		45,135,301	(1,316,525)	43,818,776
LIABILITIES				
Non-Current Liabilities				
Lease Liability		1,280,972	(1,280,972)	-
Total non-current Liabilities		1,280,972	(1,280,972)	-
Current Liabilities				
Subscription and other Income in Advance		801,779		801,779
Accounts Payable		1,758,329	173,526	1,931,855
Lease Liability		56,059	(56,059)	-
Total current Liabilities		2,616,167	117,467	2,733,634
TOTAL LIABILITIES		3,897,139	(1,163,505)	2,733,634
NET ASSETS		41,238,162	(153,020)	41,085,142
MEMBERS' FUND				
Accumulated Fund		35,248,261	(153,020)	35,095,241
ICAEW Bursary		-		-
Building Fund		5,989,901		5,989,901
TOTAL MEMBERS' FUND		41,238,162	(153,020)	41,085,142

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2021**

**24. Statement of Reconciliation of Surplus
as at 31 December, 2020**

	IFRS	Effect of adoption of IPSAS	IPSAS
	GH¢	GH¢	GH¢
Balance as at 1 Jan	28,951,936	(75,973)	28,875,963
Addition during the year	6,296,325	(77,047)	6,219,278
Balance as at 31 Dec	35,248,261	(153,020)	35,095,241

25. Contingent Liability

There were contingent liabilities in respect of a pending legal suit against the Institute amounting to **GH¢900,000** as at the reporting date (2020: GH¢900,000).

26. Capital Commitments

There were no capital commitments at the reporting date (2020: Nil)