

**NIGERIAN INVESTMENT PROMOTION
COMMISSION
(NIPC)**

**FINANCIAL STATEMENT
FOR THE YEAR ENDED
31ST DECEMBER, 2016**

EXTERNAL AUDITORS

SAMUEL ANKO & CO.

Certified National Accountants

No.4 Secretariat Road,

NICON Insurance Building,

Jos – Plateau State.

Abuja Office: Nyanya Plaza

Abuja FCT.

08060389093, 08023731304

NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC)

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NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC)

LEGAL FORM: Nigerian Investment Promotion Commission (NIPC) was established by the NIPC Act 1995 to encourage, promote and coordinate investments in Nigeria. It is supervised by the Federal Ministry of Industry, Trade and Investment.

PRINCIPAL OFFICERS OF THE COMMISSION:

As at 31st December, 2016.

- | | | |
|----|--------------------------|--|
| 1. | Ms. Yewande T. Sadiku | Executive Secretary/CEO (with effect from 8 th November 2016) |
| 2. | Ms. Ladi S. Katagum | Director, Overseas & Domestic Operations |
| 3. | Mr. Reuben I. Kifasi | Director, Real Sector |
| 4. | Mr. Isaac A. Idowu | Director, Infrastructure and Services Sector |
| 5. | Mr. Emeka R. Offor | Director, Investment Facilitation and Incentives
Administration |
| 6. | Mr. Adeshina A. Emmanuel | Deputy Director/Head, Policy Advocacy |
| 7. | Mr. Bala Y. Bello | Deputy Director/Head, Finance & Administration |
| 8. | Mr. Ahmad Manzo | Deputy Director/Head, Human Resources |

BANKERS

Central Bank of Nigeria (CBN)

EXTERNAL AUDITORS

SAMUEL ANKO & CO.

Certified National Accountants

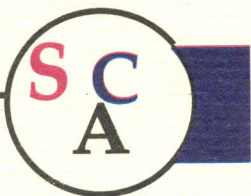
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SAMUEL ANKO & CO.

CERTIFIED NATIONAL ACCOUNTANTS

No. 4, Secretariate Road, NICON Insurance Building Jos, Plateau State.

TEL: 0802 373 1304, 0806 038 9093 | E-mail: samuelanko69@gmail.com

REPORT OF THE AUDITORS TO THE MEMBERS OF NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC)

We have audited the Financial Statements set out on pages 4 to 13, which have been prepared on the basis of the accounting policies set out on page 3. The accounts are prepared based on IPSAS Nigerian Investment Promotion Commission (NIPC) adopted International Public Sector Accounting Standard (IPSAS) in 2016 in line with Government policies.

RESPECTIVE RESPONSIBILITIES OF MANAGEMENT AND AUDITORS

The Commission is responsible for the preparation of the Financial Statements. It is our responsibility to form an independent opinion, based on our audit, on the Financial Statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Generally Accepted Auditing Standard issued by the Financial Reporting Council of Nigeria. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgments made by the management in the preparation of the Financial Statements and of whether the accounting policies are appropriate to the Commission's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with significant evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud, other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the Financial Statements. The Financial Statements are in agreement with the books of Accounts, which have been properly kept and we have obtained all the necessary information and explanation we required for the audit.

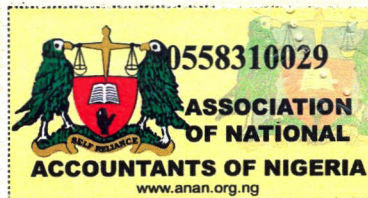
OPINION

In our opinion, the Financial Statements give a true and fair view of the state of affairs of the Commission as at 31st December, 2016 and of the Surplus and Cash Flow for the year ended on that date, and have been properly prepared in accordance with the provisions of the Commission's enabling Act with its relevant amendments and the Federal Government of Nigeria's Financial Regulations.

Date: 14th Dec 2018
Abuja – Nigeria

MESSRS SAMUEL ANKO & CO.
(Certified National Accountants)
Membership No: 7417
Abuja. Nigeria

Certified National Accountants
FRC/2015/ANAN/000000003169



NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC)
STATEMENT OF ACCOUNTING POLICIES

The following are the accounting policies adopted by the Commission in the preparation of its Financial Statements.

1. **BASIS**

The Accounts of the Commission are prepared under the historical cost convention.

2. **FIXED ASSETS**

Depreciation of fixed assets is provided on the straight line basis at the following annual rates:

	%
Land & Buildings	2
Office Equipment	25
Furniture & Fittings	20
Motor Vehicles	25
Plant & Machinery	20
Library Books	5
Loose Tools	5

3. **STOCKS**

Stocks are valued at lower of cost and net realizable value.

4. **REVENUE**

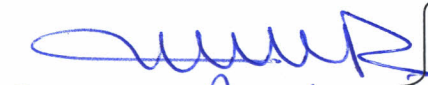
Income of the Commission is made up of the value of services rendered to clients and allocations received from the Federal Government of Nigeria (Statutory Grants).

NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC)
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2016

	Notes	2016 N	2015 N
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and Cash Equivalents	1	763,338,484	2,036,328,809
Inventories	2	<u>8,972,130</u>	<u>10,762,958</u>
TOTAL CURRENT ASSETS		772,310,614	2,047,091,767
NON-CURRENT ASSETS			
Fixed Assets – Property, Plant & Equipment 3		<u>2,152,054,752</u>	<u>2,224,279,276</u>
NET ASSETS		<u>2,924,365,366</u>	<u>4,271,371,043</u>
LIABILITIES:			
Current Liabilities			
Accrued Expenses	4	<u>2,250,000</u>	<u>4,500,000</u>
TOTAL LIABILITIES		<u>2,922,115,366</u>	<u>4,266,871,043</u>
NET ASSETS/EQUITY			
Reserves	5	799,742,768	806,879,211
Accumulated Fund	6	<u>2,122,372,598</u>	<u>3,459,991,832</u>
		<u>2,922,115,366</u>	<u>4,266,871,043</u>


YEWANDE SADIKU

Executive Secretary


BAA BABELO

Director, Finance & Admin.

To be read in conjunction with the notes to the Financial Statements.

NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC)
STATEMENT OF COMPREHENSIVE FINANCIAL PERFORMANCE OF
INCOME & EXPENDITURE FOR THE YEAR ENDED, 31ST DECEMBER, 2016

	Notes	2016 N	2015 N
Revenue, Grants and Others			
Recurrent Grants	5 (A)	730,167,554	796,937,075
Capital Grant	5 (B)	69,575,214	9,942,136
Internally Generated Revenue	7	296,925,262	302,287,781
Other Income	8	-	42,595,689
		1,096,668,030	1,151,762,681
Expenses and Losses			
Administrative Costs	9	2,017,444,533	1,293,295,531
Excess of Income over Expenditure		<u>(920,776,503)</u>	<u>(141,532,850)</u>
Actual Remittance of IGR to CRF		1,000,000,000	75,584,759
Expected Remittance of IGR to CRF		-	(75,584,445)
Over Remittance to CRF		<u>1,000,000,000</u>	<u>314</u>

COMPUTATION OF OPERATING SURPLUS/DEFICIT 2016

	N	N
Internaly Generated Revenue (IGR)		296,925,262
Overhead Expenditure(IGR)		<u>(456,883,310)</u>
Operating surplus/(deficit) as per account (unadjusted)		(159,958,040)
Add: Non-Allowable Expenditure		
1. General Expenses	988,450	
2. Medical Expenses	1,300,216	
3. Staff Welfare	1,640,513	
4. Depreciation	<u>141,799,738</u>	<u>145,728,917</u>
		(14,229,131)
Deduct		
1 Approved Expenses Omitted		<u>-</u>
Operating Surplus/(deficit) Adjusted		<u><u>(14,229,917)</u></u>
Appropriation:		
Consolidated Revenue Fund (CRF) 80%		-
General Reserve Fund 20%		<u>-</u>
		<u><u>-</u></u>

NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC)
CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2016

	2016 ₦	2015 ₦
CASH FLOW FROM OPERATING ACTIVITIES:		
Deficit in the year	(920,776,503)	(141,532,850)
Adjustment for non-cash items:		
Depreciation of Fixed Assets	<u>141,799,738</u>	<u>82,172,445</u>
Operating (Deficit)/Surplus before Changes in Working Capital	(778,976,765)	(59,360,405)
Increase/(Decrease) in Inventories	(1,790,828)	412,558
Increase/Decrease in Accounts Receivables	-	-
Increase/(Decrease) in Accounts Payables	<u>-</u>	<u>(4,500,000)</u>
Cash Generated from Operations	<u>(780,767,593)</u>	<u>(54,447,847)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Capital Grants	69,575,214	9,942,136
Fixed Assets Additions	<u>(69,575,214)</u>	<u>(16,917,982)</u>
	<u>-</u>	<u>(6,975,846)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Net Decrease/(Increase) in cash and cash equivalents	(1,272,990,325)	(399,991,770)
Cash and cash equivalents as at 1 st January	<u>2,036,328,809</u>	<u>2,436,320,579</u>
Cash and cash equivalent as at 31 st December	<u>763,338,484</u>	<u>2,036,328,809</u>

NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC)
STATEMENT OF CHANGE IN NET ASSETS/EQUITY
FOR THE YEAR ENDED 31ST DECEMBER, 2016

	Unrestricted Accumulated Fund	Temporary Restricted Fund	Permanently Restricted Fund	Total N
Unrestricted Revenue, Grants and other support	1,096,668,030	-	-	1,096,668,030
Total Revenue, grants and other support	1,096,668,030	-	-	1,096,668,030
Expenses and Loses	(1,017,444,533)	-	-	(1,017,444,533)
Change in Net Assets	(920,776,503)	-	-	(920,776,503)
Over Remittance to CRF	-	-	1,000,000,000	1,000,000,000
Balance at 31 st December, 2016	<u>3,459,991,832</u>	<u>(920,776,503)</u>	<u>(416,842,731)</u>	<u>2,122,372,598</u>

NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC)
NOTES TO THE ACCOUNTS

	2016	2015
	N	N
1. <u>CASH AND CASH</u>		
<u>EQUIVALENTS</u>		
<u>BANK BALANCES</u>		
Central Bank of Nigeria (CBN)	<u>763,338,484</u>	<u>2,036,328,809</u>
2. <u>INVENTORIES</u>		
Stationery	<u>8,972,130</u>	<u>10,762,958</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2016

	Total N	Land & Building N	Office Equipment N	Furniture & Fittings N	Motor Vehicle N	Plants & Machinery N	Library Book N	Loose Tools N
3. Fixed Assets								
COST at 1/1/16	2,397,260,360	1,859,722,017	304,998,786	51,558,979	163,551,814	12,811,511	4,519,308	97,945
Additions	69,575,214	-	21,882,742	14,821,800	-	1,086,750	31,783,922	-
Disposal at 31/12/16	-	-	-	-	-	-	-	-
	<u>2,466,835,574</u>	<u>1,859,722,017</u>	<u>326,881,528</u>	<u>66,380,779</u>	<u>163,551,814</u>	<u>13,898,261</u>	<u>36,303,230</u>	<u>97,945</u>
<u>DEPRECIATION</u>								
At 1 st Jan 2016	172,981,084	73,644,992	28,415,704	9,157,367	58,878,653	2,434,187	440,632	9,549
For the year	<u>141,799,738</u>	<u>35,721,540</u>	<u>69,145,770</u>	<u>8,480,322</u>	<u>26,168,290</u>	<u>2,075,464</u>	<u>203,933</u>	<u>4,419</u>
At 31 st Dec. 2016	<u>314,780,822</u>	<u>109,366,532</u>	<u>97,561,474</u>	<u>17,637,689</u>	<u>85,046,943</u>	<u>4,509,651</u>	<u>644,565</u>	<u>13,9168</u>
<u>NET BOOK VALUE</u>								
At 31 st Dec. 2016	<u>2,152,054,752</u>	<u>1,750,355,485</u>	<u>229,320,054</u>	<u>48,743,090</u>	<u>78,504,871</u>	<u>9,388,610</u>	<u>35,658,665</u>	<u>83,977</u>
At 31 st Dec. 2015	<u>2,224,279,276</u>	<u>1,786,077,025</u>	<u>276,583,082</u>	<u>42,401,612</u>	<u>104,673,161</u>	<u>10,377,324</u>	<u>4,078,676</u>	<u>88,396</u>

NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC)
NOTES TO THE ACCOUNTS CONT'D
FOR THE YEAR ENDED 31ST DECEMBER, 2016

	2016	2015
	N	N
4. <u>ACCRUED EXPENSES</u>		
Audit Fees	<u>2,250,000</u>	<u>4,500,000</u>
 <u>STATUTORY GRANTS</u>		
5A Recurrent Grants		
Personnel Allocation	663,861,599	710,012,400
Overhead Allocation	<u>66,305,955</u>	<u>86,924,675</u>
	<u>730,167,554</u>	<u>796,937,075</u>
 5B Capital Grants		
Capital Allocation	<u>69,575,214</u>	<u>9,942,136</u>
	<u>799,742,768</u>	<u>806,879,211</u>
 6. <u>ACCUMULATED FUND</u>		
Balance Brought Forward	3,459,991,832	3,976,424,400
Adjustment: Asset Valuation		-
Overstated Assets Journalized	(416,842,731)	-
Excess of Income Over Expenditure	(920,776,503)	(141,532,850)
Prior Adjustment for Overstated Accumulated Fund	<u>-</u>	<u>(374,899,718)</u>
Balance Carried Forward	<u>2,122,372,598</u>	<u>3,459,991,832</u>

NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC)
NOTES TO THE ACCOUNTS CONT'D
FOR THE YEAR ENDED 31ST DECEMBER, 2016

	2016	2015
	N	N
7. INTERNALLY GENERATED REVENUE		
Business Registration	4,860,000	3,150,000
Pioneer Status Fee	3,420,000	6,400,000
Pioneer Status Processing Fee	5,900,000	5,160,000
NIPC Form II (Pioneer Status Form)	2,320,000	2,920,000
Charged on Issuance of Pioneer Status	280,425,262	284,657,781
Extension of Pioneer Status	<u>-</u>	<u>50,000</u>
	<u>296,925,262</u>	<u>302,287,781</u>
8. OTHER INCOME		
Refunds	-	<u>42,595,689</u>

NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC)
DETAILED INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31ST DECEMBER, 2016

9. INCOME	2016	2015
	N	N
Capital Grants	69,575,214	9,942,136
Recurrent Grants	730,167,554	796,937,075
Internally Generated Revenue	296,925,262	302,287,781
Other Income	-	42,595,689
	<u>1,096,668,030</u>	<u>1,151,762,681</u>
<u>LESS EXPENDITURES</u>		
Staff Salaries and Allowances	545,841,759	582,685,944
Transport & Travels	43,347,148	72,358,662
Office Expenses	11,095,972	41,768,100
Printing & Stationery	3,738,833	36,950,000
Advert. Media & Publicity	9,574,593	17,300,755
Motor Vehicles Maintenance	36,272,103	50,519,181
Office Equipment Maintenance	10,574,433	21,125,205
Entertainment	3,821,240	7,464,645
Transfer/Leave Allowances	18,960,416	15,939,442
Postage & Telephones	4,266,810	3,292,909
Depreciation of Fixed Asset	141,799,738	82,172,445
Electricity & Water	16,246,340	14,696,305
Newspaper & Periodicals	2,960,136	4,964,520
Security Expenses	6,890,125	6,789,878
Audit Fee	2,250,000	2,250,000
Consultancy/Professional Services	14,687,000	24,050,406
Fuel & Lubricant, Diesel	23,912,480	40,388,575
Internet Expenses	10,464,173	10,985,263
Zonal Office Expenses	7,500,212	6,021,400
Office Buildings Repairs & Maintenance	7,720,100	41,147,704
Computer Consumables	3,896,411	4,968,722
HIIC Expenses & Annual Fee	-	5,458,290
OSIC Expenses	27,320,916	30,629,134
Sanitation Expenses	-	7,256,920
Inter-Ministerial Committees (Sitting Allowance)	-	4,064,224
Staff Welfare	1,640,513	1,327,988
General Expenses	988,450	853,024
Medical Expenses	1,300,216	2,953,000
Office Rent	4,416,520	4,416,520
Office Furniture Repair & Maintenance	3,860,110	2,431,560
Cleaning Services	14,384,000	-
Bank Charges	1,236,209	118,482
Accommodation & Hospitality	9,770,200	18,926,130
Staff Training & Workshop Retreat	26,410,517	50,847,587
Servicing of Fire Extinguisher	296,860	588,164
Sub-Total	1,017,444,533	1,217,711,085
Remittance of 80% IGR to CRF	1,000,000,000	75,584,446
	<u>(2,017,444,533)</u>	<u>(1,293,295,531)</u>
Deficit Transferred to Accumulated Fund	<u>(920,776,503)</u>	<u>(141,532,850)</u>

ADDITIONAL DISCLOSURES

NIPC was added to the Schedule to the Fiscal Responsibility Act, 2007 by a Finance Circular dated 02 November 2016. Accordingly, the following additional disclosures are made in line with extant government policies.

1. Expenditure incurred on behalf of the supervising Ministry, Federal Ministry of Industry, Trade and Investment (FMITI) and other organs of Government involved in oversight or regulatory functions totalled **N18,418,063.30** and comprised of travel costs:

S/N	AGENCY	COST TYPE	COST
1	FMITI	International travels	17,299,063.30
2	Office of the Vice President	Local Travels	939,000.00
3	FMITI	Local Travels	180,000.00
	Total		<u>18,418,063.30</u>

2. NIPC had no Governing Council throughout the year. Accordingly, there were no salaries and allowances paid to any member of NIPC Governing Council above the amounts approved in circulars issued by Revenue Mobilization Allocation and Fiscal Commission and National Salaries and Wages Commission.
3. Expenses incurred on overseas training, overseas medicals, welfare, local travels and training:

OVERSEAS TRAINING	OVERSEAS MEDICALS	WELFARE	LOCAL TRAVELS	TRAINING
NIL	NIL	19,276,352.51	45,981,051.00	1,175,000.00

4. The distribution of management and other staff on NIPC's payroll:

Management	46
Senior	164
Junior	<u>24</u>
Total	<u>234</u>
5. No donations, sponsorship, gifts etc. were paid during the year.
6. No costs of collection or fees were paid for revenue collection by third parties.
7. No loan was granted to staff during the year, and no outstanding staff loan exists.
8. No assets were sold or transferred to any staff or Council member during the year.
9. Staff Severance Package of N100,000,000.00 treated as expense in 2014 Income and Expenditure Accounts has been reversed. The amount was not spends for Staff Severance Package, rather it was transferred from ECOBANK account of the commission to CBN, TSA on the 22nd September, 2015. The Suspense account has been debited accordingly to reflect the correction.