

**NIGERIAN INVESTMENT PROMOTION
COMMISSION
(NIPC)**

**FINANCIAL STATEMENT
FOR THE YEAR ENDED
31ST DECEMBER, 2017**

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, 2017.

- | | | |
|----|--------------------------|--------------------------------------|
| 1. | Ms. Yewande T. Sadiku | Executive Secretary/CEO |
| 2. | Ms. Ladi S. Katagum | Director, States Co-ordination |
| 3. | Mr. Reuben I. Kifasi | Director, Policy Advocacy |
| 4. | Mr. Isaac A. Idowu | Director, Finance and Administration |
| 5. | Mr. Emeka R. Offor | Director, Strategic Communications |
| 6. | Mr. Adeshina A. Emmanuel | Director, Investment Promotion |
| 7. | Mr. Bala Y. Bello | Director, Investor Relations |
| 8. | Mr. John O. Oseji | Ag. Director, Human Resources |

BANKERS

Central Bank of Nigeria (CBN)

EXTERNAL AUDITORS

SAMUEL ANKO & CO.

Certified National Accountants

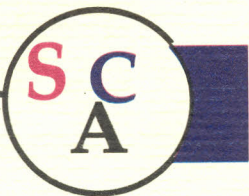
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SAMUEL ANKO & CO.

CERTIFIED NATIONAL ACCOUNTANTS

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

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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.

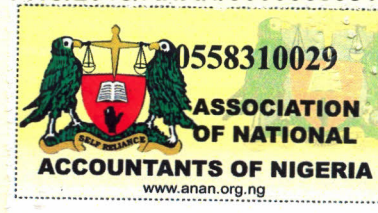
OPINION

In our opinion, the Financial Statements give a true and fair view of the state of affairs of the Commission as at 31st December, 2017 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/00000003169



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, 2017

	Notes	2017 N	2016 N
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and Cash Equivalents	1	366,067,246	763,338,484
Inventories	2	18,520,750	8,972,130
TOTAL CURRENT ASSETS		384,587,996	772,310,614
NON-CURRENT ASSETS			
Fixed Assets – Property, Plant & Equipment	3	<u>2,235,328,129</u>	<u>2,152,054,752</u>
NET ASSETS		<u>2,619,916,125</u>	<u>2,924,365,366</u>
LIABILITIES:			
Current Liabilities			
Accrued Expenses	4	<u>2,250,000</u>	<u>2,250,000</u>
TOTAL LIABILITIES		<u>2,617,666,125</u>	<u>2,922,115,366</u>
NET ASSETS/EQUITY			
Reserves	5	925,216,273	799,742,768
Accumulated Fund	6	<u>1,692,449,852</u>	<u>2,122,372,598</u>
		<u>2,617,666,125</u>	<u>2,922,115,366</u>

Yewande Sadiku

YEWANDE SADIKU

Executive Secretary

Isaac Idowu

Director, Finance & Admin.

ISAAC IDOWU

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

NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC)
STATEMENT OF COMPREHENSIVE FINANCIAL PERFORMANCE
INCOME & EXPENDITURE FOR THE YEAR ENDED, 31ST DECEMBER, 2017

	Notes	2017 N	2016 N
Revenue, Grants and Others			
Recurrent Grants	5 (A)	716,566,081	730,167,554
Capital Grant	5 (B)	208,650,192	69,575,214
Internally Generated Revenue	7	29,299,850	296,925,262
Other Income	8	-	-
		954,516,123	1,096,668,030
Expenses and Losses			
Administrative Costs	9	<u>990,274,852</u>	<u>2,017,444,533</u>
Excess of Income over Expenditure		<u>(35,758,729)</u>	<u>(920,776,503)</u>
Actual Remittance of IGR to CRF		-	1,000,000,000
Expected Remittance of IGR to CRF		-	-
Expected Remittance to CFR		<u>-</u>	<u>1,000,000,000</u>

COMPUTATION OF OPERATING SURPLUS/DEFICIT 2017

	N	N
Internally Generated Revenue (IGR)		29,299,850
Overhead Expenditure (IGR)		<u>(508,858,350)</u>
Operating surplus/(deficit) as per account (unadjusted)		(479,285,500)
Add: Non-Allowable Expenditure		
1. General Expenses	1,216,000	
2. Medical Expenses	5,252,178	
3. Staff Welfare	7,444,279	
4. Depreciation	<u>125,376,815</u>	<u>139,289,272</u>
		(339,996,228)
Deduct		
1 Approved Expenses Omitted	-	-
Operating Surplus Adjusted		<u>(339,996,228)</u>
Appropriation:		
Consolidated Revenue Fund (CRF) 80%		-
General Reserve Fund 20%		-
		<u>-</u>

NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC)
CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2017

	2017	2016
	N	N
CASH FLOW FROM OPERATING ACTIVITIES:		
Surplus in the year	(35,758,729)	(920,776,503)
Adjustment for non-cash items		
Depreciation of Fixed Assets	<u>125,376,815</u>	<u>141,799,738</u>
Operational (Deficit) Surplus before		
Changes in Working Capital	89,618,086	(778,976,765)
Increase/(Decrease) in inventories	9,548,620	(1,790,828)
Increase/(Decrease) in Account Receivables	-	-
Increase/(Decrease) in Account Payables	<u>(2,250,000)</u>	<u>-</u>
Cash Generated from Operations	<u>96,916,706</u>	<u>(780,767,593)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Capital Grants	264,250,000	69,575,214
Fixed Assets Additions	<u>(208,650,192)</u>	<u>(69,575,214)</u>
	<u>55,599,808</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Net Decrease/(Increase) in cash and cash equivalents	(397,271,238)	(1,272,990,325)
Cash and cash equivalent as at 1 st January	<u>763,338,484</u>	<u>2,036,328,809</u>
Cash and cash equivalent as at 31 st December	<u>366,067,246</u>	<u>763,338,484</u>

NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC)
STATEMENT OF CHANGE IN NET ASSETS/EQUITY
FOR THE YEAR ENDED 31ST DECEMBER, 2017

	Unrestricted Accumulated Fund	Temporary Restricted Fund	Permanently Restricted Fund	Total N
Unrestricted Revenue, Grants and other support	954,516,123	-	-	954,516,123
Total Revenue, grants and other support	954,516,123	-	-	954,516,123
Expenses and Loses	(990,274,852)	-	-	(990,274,852)
Change in Net Assets	(35,758,729)	-	-	(35,758,729)
Balance at 31 st December, 2017	<u>2,122,372,598</u>	<u>(35,758,729)</u>	<u>(394,164,017)</u>	<u>1,692,449,852</u>

NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC)
NOTES TO THE ACCOUNTS

	2017	2016
	N	N
1. <u>CASH AND CASH</u>		
<u>EQUIVALENTS</u>		
<u>BANK BALANCES</u>		
Central Bank of Nigeria (CBN)	<u>366,067,246</u>	<u>763,338,484</u>
2. <u>INVENTORIES</u>		
Stationery	<u>18,520,750</u>	<u>8,972,130</u>
	-	-

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2017

	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 1/1/17	2,466,835,574	1,859,722,017	326,881,528	66,380,779	163,551,814	13,898,261	36,303,230	97,945
Additions	208,650,192	10,475,719	36,511,223	-	161,663,250	-	-	-
Disposal at 31/12/17	-	-	-	-	-	-	-	-
	<u>2,675,485,766</u>	<u>1,870,197,736</u>	<u>363,392,751</u>	<u>66,380,779</u>	<u>325,215,064</u>	<u>13,898,261</u>	<u>36,303,230</u>	<u>97,945</u>
<u>DEPRECIATION</u>								
At 1 st Jan 2017	314,780,822	109,366,532	97,561,474	17,637,689	85,046,943	4,509,651	644,565	13,968
For the year	<u>125,376,815</u>	<u>35,007,110</u>	<u>57,330,014</u>	<u>9,748,618</u>	<u>19,626,218</u>	<u>1,877,722</u>	<u>1,782,934</u>	<u>4,199</u>
At 31 st Dec. 2017	<u>440,157,637</u>	<u>144,373,642</u>	<u>154,891,488</u>	<u>27,386,307</u>	<u>104,673,161</u>	<u>6,387,373</u>	<u>2,427,499</u>	<u>18,167</u>
<u>NET BOOK VALUE</u>								
At 31 st Dec. 2017	<u>2,235,328,129</u>	<u>1,725,824,094</u>	<u>208,501,263</u>	<u>38,994,472</u>	<u>220,541,903</u>	<u>7,510,888</u>	<u>33,875,731</u>	<u>79,778</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>

NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC)
NOTES TO THE ACCOUNTS CONT'D
FOR THE YEAR ENDED 31ST DECEMBER, 2017

	2017	2016
	N	N
4. <u>ACCRUED EXPENSES</u>		
Audit Fees	<u>2,250,000</u>	<u>2,250,000</u>
<u>STATUTORY GRANTS</u>		
5A Recurrent Grants		
Personnel Allocation	663,861,599	663,861,597
Overhead Allocation	<u>52,704,482</u>	<u>66,305,955</u>
	<u>716,566,081</u>	<u>730,167,554</u>
5B Capital Grants		
Capital Allocation	<u>208,650,192</u>	<u>69,575,214</u>
	<u>925,216,273</u>	<u>799,742,768</u>
6. <u>ACCUMULATED FUND</u>		
Balance Brought Forward	2,122,372,598	3,459,991,832
Adjustment: Asset Valuation	-	-
Overstated Assets Adjustment	-	(416,842,731)
Excess of Income Over Expenditure	(35,758,729)	(920,776,503)
Overstated Accumulated Fund Journalized	<u>(394,164,017)</u>	-
Balance Carried Forward	<u>1,692,449,852</u>	<u>2,122,372,598</u>

NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC)
NOTES TO THE ACCOUNTS CONT'D
FOR THE YEAR ENDED 31ST DECEMBER, 2017

	2017	2016
	N	N
7. INTERNALLY GENERATED REVENUE		
Business Registration	4,130,000	4,860,000
Pioneer Status Fee	1,740,000	3,420,000
Pioneer Status Processing Fee	3,000,000	5,900,000
NIPC Form II (Pioneer Status Form)	1,080,000	2,320,000
Charged on Issuance of Pioneer Status	19,349,850	280,425,262
Extension of Pioneer Status	-	-
	<u>29,299,850</u>	<u>296,925,262</u>
8. OTHER INCOME		
Refunds	-	-

NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC)
DETAILED INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31ST DECEMBER, 2017

10. INCOME	2017	2016
	N	N
Capital Grants	208,650,192	69,575,214
Recurrent Grants	716,566,081	730,167,554
Internally Generated Revenue	29,299,850	296,925,262
Other Income	-	-
	<u>954,516,123</u>	<u>1,096,668,030</u>
<u>LESS EXPENDITURES</u>		
Staff Salaries and Allowances	550,299,245	545,841,759
Transport & Travels	52,562,241	43,347,148
Office Expenses	14,434,837	11,095,972
Printing & Stationery	9,161,520	3,738,833
Advert. Media & Publicity	4,035,030	9,574,593
Motor Vehicles Maintenance	25,453,757	36,272,103
Office Equipment Maintenance	2,608,909	10,574,433
Entertainment	8,534,606	3,821,240
Transfer/Leave Allowances	15,228,679	18,960,416
Postage & Telephones	1,234,850	4,266,810
Depreciation of Fixed Asset	125,376,815	141,799,738
Electricity & Water	20,424,850	16,246,340
Newspaper & Periodicals	995,612	2,960,136
Security Expenses	3,054,275	6,890,125
Audit Fee	2,250,000	2,250,000
Consultancy/Professional Services	11,729,646	14,687,000
Fuel & Lubricant, Diesel	22,635,391	23,912,480
Internet Expenses	3,618,299	10,464,173
Zonal Office Expenses	9,712,227	7,500,212
Office Buildings Repairs & Maintenance	10,796,308	7,720,100
Computer Consumables	7,609,416	3,896,411
HIIC Expenses & Annual Fee	3,618,298	-
OSIC Expenses	7,517,842	27,320,916
Inter-Ministerial Committees (Sitting Allow.)	-	-
Staff Welfare	7,444,279	1,640,513
General Expenses	1,216,000	988,450
Medical Expenses	5,252,178	1,300,216
Office Rent	4,873,393	4,416,520
Office Furniture Repair & Maintenance	2,475,000	3,860,110
Cleaning Services	8,890,098	14,384,000
Bank Charges	-	1,236,209
Accommodation & Hospitality	10,194,053	9,770,200
Staff Training & Workshop Retreat	37,037,198	26,410,517
Servicing of Fire Extinguisher	-	296,860
Sub-Total	<u>990,274,852</u>	<u>1,017,444,533</u>
Remittance of IGR to CRF (80%)	-	1,000,000,000
	<u>990,274,852</u>	<u>(2,017,444,533)</u>
Surplus Transferred to Accumulated Fund	<u>(35,758,729)</u>	<u>(920,776,503)</u>

ADDITIONAL DISCLOSURES

NIPC was added to the Schedule to the Fiscal Responsibility Act, 2007 by a Finance Circular dated 2 November 2016. Accordingly, the following additional disclosures are made in line with extant Government policies.

- Expenditures incurred on behalf of Supervising Ministry, Federal Ministry of Industry, Trade and Investment (FMITI) and any other organ of Government involved in oversight or regulatory function amounted to N8,245,826.90.

S/N	AGENCY	COST TYPE	COST (N)
1	FMITI	Contribution to 2017 Retreat of CEOs of parastatals under FMITI	1,000,000.00
2	FCSC	Honorarium for support during promotion exercise	450,000.00
3	FMITI	Honorarium for support during promotion exercise	150,000.00
4	OAGF	Local Travels	570,000.00
5	FMITI	Local Travels	185,200.00
6	FMITI	Foreign Travels	5,890,626.90
	Total		8,245,826.90

*FCSC – Federal Civil Service Commission; *OAGF – Office of the Accountant General of the Federation.

- IPC had no Governing Council during the year 2017. Accordingly there were no salaries and allowances paid to members of the Governing Council above the amounts approved by Revenue Mobilization, allocation, and Fiscal Commission (RMAFC) and National Salaries, Income, and Wages Commission (NSIWC).
- Expenses incurred on overseas training, overseas medicals, welfare, local travels and training:

OVERSEA TRAINING	OVERSEA MEDICALS	WELFARE	LOCAL TRAVELS	TRAINING
955,597.50	NIL	65,367,714.70	45,981,051.00	13,062,262.50

- The distribution of management and other staff on payroll are as follows

Management	63
Senior	134
Junior	<u>27</u>
Total	<u>224</u>

- Details of donations, sponsorship, gifts during the year. **NIL**
- No cost was incurred in collection of revenue by third parties on payment of fees.
- No loan was granted to staff.
- No asset was sold to staff or Governing Council members during the year.