

NATIONAL IDENTITY MANAGEMENT COMMISSION

FINANCIAL STATEMENT FOR THE YEAR ENDED, 31ST DECEMBER, 2015.



PETER OSALOR & CO.

(Chartered Accountants)

Abuja, Nigeria.

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THE NATIONAL IDENTITY MANAGEMENT COMMISSION

ANNUAL FINANCIAL STATEMENTS AND AUDITORS REPORT FOR THE YEAR ENDED DECEMBER 31, 2015

The Governing Board of the Commission has the pleasure to present its Annual Report on the affairs of National Identity Management Commission (the Commission) together with the Financial Statements and Audited Report for the year ended 31 December 2015.

1. LEGAL FORM, PRINCIPAL ACTIVITIES AND OPERATIONS REVIEW

The Commission is a public sector entity established pursuant to the NIMC (Establishment) Act No. 23 of 2007 of Nigeria's National Assembly. The principal activities of the Commission since inception and pursuant to the 2007 Act have centred on the following three (3) major action tracks:

- 1.1 Establishing the National Identity Management Commission as the primary, legal, regulatory and institutional mechanism for implementing Government reforms in the Identity Sector.
- 1.2 Winding-up and taking over the assets and liabilities of the former DNCR – including the associated human capital all over the country.
- 1.3 Establishing, operating and managing the National Identity Management Systems (NIMS) as well as fostering the orderly development of the Identity sector in Nigeria. From inception, the Commission has been undergoing transition and institutional strengthening in readiness to begin full operation as appropriate.

The Commission's Principal Activities have begun to focus on enrolling Nigerian citizens and legal residents on to the National Identity database of the National Identity Management System (NIMS) as well as on the development of the Identity sector in Nigeria on a sustainable basis.

In April 2015, the Commission's NIMS was internationally certified as an Information Security Management Systems ISO/CEC 27001:2005 with the receipt of the Certificate of Registration N.IS612316 after a thorough Information Systems Certification Audit by bsi from the UK. Effective from August 2015, the Commission began the personalisation and issuance of the National e-ID Cards with the issuance of the e-ID Card to President Goodluck Ebele Jonathan GCFR, – the President of the Federal Republic of Nigeria. In October 2014 the Commission's card personalisation facility was certified under the Global Payment Certification Programme (GVCP) of the MasterCard for the Plastic Cards Industry Document Security Standard (PCIDSS).

2. POST BALANCE SHEET EVENTS

In the opinion of the Board, there have been no events of material significance that may impact negatively on the state of affairs of the Commission.

3. RESPONSIBILITY FOR ANNUAL FINANCIAL STATEMENTS

Sections 12 and 13 of the NIMC Act, require the Commission to prepare Financial Statements that give a true and fair view of the state of affairs of the Commission at the end of preceding Calendar year. These responsibilities include:

- 3.1 "Keep proper accounts and proper records in a form that conforms to accepted accounting standards". These require that the financial statements are prepared using "suitable accounting policies and supported by reasonable and prudent judgements and estimations that are consistently applied.

The Governing Board of the Commission accepts responsibilities for the Annual Financial Statements which have been prepared using appropriate accounting policies, supported by reasonable and prudent judgment, and estimations in conformity with:

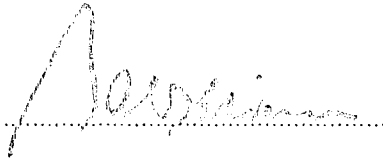
- International Public Sector Accounting Standards, and
- Requirements of the NIMC Act No.23 of 2007.

The Board affirms that the Financial Statements give a true and fair view of the state of the financial affairs of the Commission and the cash and bank balance for the year. The Board further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of Financial Statements as well as adequate systems of the Internal Control.

Nothing has come to the attention of the Board to indicate that the Commission will not remain a going concern for at least 12 months from the date of this statement.

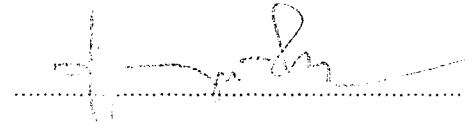
4. AUDITORS RE-APPOINTMENT

Messers Peter Osalor & Co. being eligible, offer themselves willingly to be re-appointed as the External Auditors to the Commission by the Board.



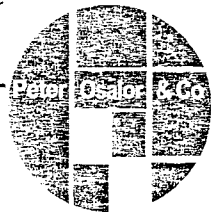
Bello Ibrahim Gwandu, MFR

Ag. Chairman of the Board



Engineer Aliyu A. Aziz

Director-General/CEO



REPORT OF THE INDEPENDENT AUDITORS TO THE GOVERNING BOARD OF NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

REPORT ON THE FINANCIAL STATEMENTS

Since 1992

- Chartered Accountants
- Tax Consultants
- Management Consultants

We have audited the accompanying Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets and Statement of Cashflows, related records and supporting documentations of the National Identity Management Commission (the Commission) for the year ended 31 December, 2015.

THE GOVERNING BOARD'S (BOARD) RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS) and the requirements of the National Identity Management Commission (NIMC) Act 2007. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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AUDITOR'S RESPONSIBILITY

Our responsibility is to express an independent opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Commission, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

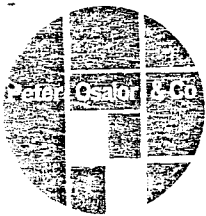
In our opinion, the accompanying Statement of Financial Position give a true and fair view of the state of the financial affairs of the Commission as at 31st December, 2015 and the Statement of Financial Performance, Statement of Changes in Net Assets and Statement of Cashflows of the Commission for the year then ended in accordance with the NIMC's Act 2007.

REPORT ON OTHER LEGAL REQUIREMENTS

The NIMC's Act, 2007 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

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Since 1992

- Chartered Accountants
- Tax Consultants
- Management Consultants

- We have obtained moderate level of information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit;
- In our opinion proper books of account have been kept by the Commission so far as appears from our examination of those books; and
- The Commission's Statement of Financial Position and Statement of Performance are in agreement with the books of account.

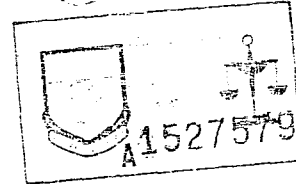
Signed By:

Peter O. Osalor

RC/2014/ICAN/00000006324

For and on behalf of: Peter Osalor & Co.

(Chartered Accountants), Abuja, Nigeria.



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Harry Koranteng, FCCA, FCMA (Consultant)

Managing Partner: Peter O Osalor, FCA, ACTI

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31, DECEMBER 2015

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2015

<u>ASSET</u>	NOTES	31st Dec, 2015	31st Dec, 2014
Non-Current Assets:		N	N
Plants, Property & Equipment	2	8,612,586,464	11,642,261,944
Intangible Assets			
software at valuation	3	-	5,700,000,000
Total Non-Current Assets		<u>8,612,586,464</u>	<u>17,342,261,944</u>
Current Assets:			
Other receivables and Prepayments	4	546,500	381,970,882
Expendable Inventory	16	60,063,482	56,965,663
E-I.D Cards (Blank card and Chips)	17	1,764,326,075	2,197,402,910
Cash in bank	5	123,256,122	134,178,624
Total Current Assets		<u>1,948,192,179</u>	<u>2,770,518,079</u>
Total Assets		<u>10,560,778,643</u>	<u>20,112,780,023</u>
<u>LIABILITIES AND FUNDS BALANCES</u>			
Current Liabilities			
Due to SAGEM	6	-	452,479,000
Accruals and Other liabilities	7	4,026,786,686	4,666,290,083
Total current liabilities		<u>4,026,786,686</u>	<u>5,118,769,083</u>
Accumulated Fund	8	6,533,991,957	14,994,010,940
Total liabilities and Funds Balances		<u>10,560,778,643</u>	<u>20,112,780,023</u>

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

STATEMENT OF FINANCIAL PERFORMANCE AS AT 31st DECEMBER, 2015

	NOTES	31st Dec, 2015	31st Dec, 2014
CASH RECEIPTS		N	N
FGN Grants	9	5,549,305,115	7,762,431,907
Sundry Receipts	10	1,423,515,603	167,931,751
Proceeds from Disposal of Assets	12	21,998,570	24,751,400
Extra-Ordinary Income	15	96,134,363	-
Total receipts		7,090,953,651	7,955,115,058
PAYMENTS:			
Operations/Administration Expenses	14	5,918,141,955	7,313,630,697
Cost of E-I.D card consumed	17	441,475,582	
Purchase of PPE & E-Card	2	485,147,847	4,561,986,418
Total payments		6,844,765,384	11,875,617,115
Excess/(Deficit) of Cash Receipts during For the period		246,188,267	(3,920,592,057)
Depreciation Charge for the year	2	(3,977,341,019)	(6,280,776,945)
Intangible Assets written-off	3	(5,700,000,000)	-
NET OPERATING DEFICIT		(9,431,152,742)	(10,201,369,001)
Reconciliation Adjustment with Net Cash Returned to Treasury		(699,424,423)	3,814,388,755
Prior Year Adjustment		(8,298,984)	(175,688,925)
		(2,623,514)	3,216,046
Cash and Bank Balance as at 31 Dec 2014		134,178,623	412,854,804
Cash Equivalents Balance as at 31st Dec		123,256,112	134,178,623

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

	NOTE	31st Dec, 2015 Accumulated Fund N	31st Dec, 2014 Accumulated Fund N
Balance at January 1, 2014	8	25,195,379,942	27,419,301,893
(Deficit) For the year		<u>(10,201,369,001)</u>	<u>(6,613,435,490)</u>
Balance at 31 December 2014		14,994,010,940	20,805,866,403
Changes in equity		<u>971,133,765</u>	<u>4,389,513,539</u>
		15,965,010,705	25,195,379,942
(Deficit) for the period		(9,431,152,748)	(10,201,369,001)
Balance at 31 December, 2015		6,533,991,957	14,994,010,940

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

STATEMENT OF CASHFLOW 31st DECEMBER, 2015

CASHFLOW FROM OPERATING ACTIVITIES	31/12/2015	31/12/2014
	N	N
Deficits of Receipts Over Payments	(9,431,152,748)	(10,201,369,001)
Add back: Depreciation	3,977,341,019	6,280,776,944
E-card depletion	441,475,582	-
Intangible Assets Written-off	5,700,000,000	-
	<u>687,663,853</u>	<u>(3,920,592,057)</u>
ADJUSTMENTS TO RECONCILE EXCESS RECEIPTS WITH NET CASH		
(Increase)/Decrease in Receivables and Advances	381,424,382	(25,601,250)
(Increase)/decrease in Accounts stocks/inventory	(3,097,819)	31,089,546
Increase/(Decrease in Account payables	(1,077,750,988)	3,808,900,459
	<u>(699,424,425)</u>	<u>3,814,388,755</u>
CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of PPE (See Statement of Cash Receipts and Payments)	(485,147,847)	-
	<u>(485,147,847)</u>	<u>-</u>
CASHFLOW FROM FINANCING ACTIVITIES		
Refund to Treasury	(8,298,987)	(175,688,925)
Prior Year Adjustments	494,284,905	3,216,046
	<u>466,817,218</u>	<u>(172,472,879)</u>
Increase/(Decrease) in Cash equivalents	(10,922,501)	(278,676,181)
Bank and Cash Equivalents at the beginning of the Year	134,178,623	412,854,804
	<u>123,256,122</u>	<u>134,178,623</u>
Bank and Cash Equivalents at the end of the Period		

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

STATEMENT OF SIGNIFICANT ACCOUNTING AND RELATED POLICIES

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

1. Statement of Significant Accounting and Related Policies

Basis of Accounting

The Significant accounting policies which are set out below conform, in all material respects, with standards issued by the International Federation of Accountants (IFAC) and those recommended by the Nigerian Financial Reporting Council. The National Identity Management Commission's (NIMC) financial statements have been prepared on accrual basis of accounting in accordance with International Public Sector Accounting Standards (IPSAS) accordingly; provision has been made for outstanding commitments at the end of the current reporting period.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and payments during the reporting period. Although these estimates are based on the management best knowledge of current events and actions, actual results ultimately may differ from those estimates.

Plant, Property and Equipment and Depreciation/e-ID Cards

These are stated at cost less provision for depreciation during the year. The Plant, Property and Equipment are depreciated on a straight line basis at rates considered adequate to write off the cost over their estimated useful lives. The rates per annum applied during the year are as follows:

Office Building	-	5%
Furniture and Fittings	-	20%
Plant and Machinery	-	12.50%
ICT and Computer Equipment	-	33.33%
Motor Vehicles	-	25%

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

Before 2014, e-ID card costs were part of the ICT costs. With the commencement of personalization and issuance of e-ID cards, the aggregate acquisition costs and attributable freight and transport costs of the e-ID cards are re-classified separately. Effective January 1, 2015, these aggregate costs and the conversion costs of the e-ID cards will be written-off over the estimated useful life at the rate of 20%.

Expendable Inventory

The expendable inventory comprise of the cost of consumable stocks and stationeries in existence at the end of 31 December, 2015.

Foreign Currency Translations

Reporting Currency

The financial statements are presented in Nigerian Naira, which is the Commission's reporting currency.

Functional and reporting currency items included in the financial statements are measured using the currency of the primary economic environment in which NIMC operates ("the functional currency"). The financial statements are presented in Nigerian Naira (NGN) which is the functional and reporting currency.

Change in Presentation and Comparative Figures

The 2015 Financial Statements have been presented in the format applicable to public sector entities in compliance with the requirements of the International Public Sector Accounting Standards (IPSAS).

The National Identity Management Commission approved financial policies require that its accounting statements be prepared on the full accrual basis of accounting pursuant to the transition to IPSAS. Accordingly, the 2013 Financial Statements and the comparative figures for the prior year have been presented to improve the quality and comparability in compliance with IPSAS and NIMC Board's requirements.

Transactions and Balances

Foreign currency transactions are translated into the reporting currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized as appropriate.

Cash Receipts:

These consist of budgetary grants received during the year from the Federal Government of Nigeria's Treasury pursuant to Section 10 (1) of the NIMC Act 2007 and in particular Federal Government recurrent and capital grants as well as banks interest income and sundry receipts.

Approval of Financial Statements:

The financial statements for the year ended December 31, 2015 were approved by the Governing Board of NIMC in 2018.

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

2 NON-CURRENT ASSETS (FIXED ASSET SCHEDULE)

<u>Plant, Property & Equipments</u>	<u>LAND AND BUILDING</u>	<u>MOTOR VEHICLES</u>	<u>ICT/COMPUTER EQUIPMENT</u>	<u>PLANT AND MACHINERY</u>	<u>FURNITURE & FITTINGS</u>	<u>TOTAL</u>
	<u>5</u>	<u>25%</u>	<u>33.33%</u>	<u>12.50%</u>	<u>20%</u>	
		<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	
Costs:						
At January 1, 2015	7,989,845,356	420,744,051	13,604,142,103	8,814,129,270	436,092,949	31,264,953,729
Additions during the year	-	-	456,802,088	-	18,370,759	475,172,847
	7,989,845,356	420,744,051	14,060,944,191	8,814,129,270	454,463,708	31,740,126,576
Disposal in the Year						
Balance at 31/12/2015	7,989,845,356	420,744,051	14,060,944,191	8,814,129,270	454,463,708	31,740,126,576
<u>Depreciation:</u>						
At January 1, 2015	2,696,448,690	262,525,984	11,846,136,631	4,636,963,978	199,785,501	19,641,860,784
Adjustment due to mis-transposition and related depreciation in 2014	-	-	(504,209,778)	12,548,087	-	(491,661,691)
Charge/Written-off for the year	399,492,268	105,186,013	2,280,003,838	1,101,766,159	90,892,742	3,977,341,019
Eliminated IRO Disposals						
Balance at 31/12/2015	3,095,940,958	367,711,997	13,621,930,691	5,751,278,224	290,678,243	23,127,540,112
<u>Carrying Amounts</u>						
Balance at 31/12/2015	4,893,904,398	53,032,054	439,013,500	3,062,851,046	163,785,465	8,612,586,464
Balance at 31/12/2014	5,293,396,666	158,218,067	2,011,742,163	3,942,597,599	236,307,449	11,642,261,944

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

NOTES:

3 Intangible Assets

The sum of N5,700,000,000 represents the value placed by the Due Diligence Consultants on Integrated Card Production Facility under the 2001 Agreement with SAGEM FRANCE. Given the eluxion of time and the non-compliance with the conditions precedents by SAGEM, the respective amounts have been written-off on a monthly basis beginning from January 1, 2015.

	31st Dec, 2015	31/12/2014
	N	N
Amount at Valuation	5,700,000,000	5,700,000,000
Amount written-off as at 31/12/2015	<u>(5,700,000,000)</u>	<u>-</u>
Net Balance as at 31/12/2015	<u>-</u>	<u>5,700,000,000</u>

4 Prepayments

SAGEM	-	356,344,632
Sundry debtors	546,500	25,626,250
	546,500	381,970,882

5 Cash Equivalents

	2015 (N)	2014 (N)
Zenith Bank Plc	-	59,683,487
FCMB (FinBank Plc)	-	100,184
Skye Bank	-	55,219,462
UBA Plc	-	13,362,005
Stanbic IBTC	-	726,423
Union Bank Plc	-	1,909,151
Access Bank Plc	-	3,063,470
First Bank Plc	-	42,443
TSA (GIFMIS)	<u>123,256,122</u>	<u>134,178,624</u>
	<u>123,256,122</u>	<u>134,178,624</u>

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

6	NOTES:	31/12/2015	31/12/2014
		N	N
	Amount Due to SAGEM	-	452,479,000
		-	452,479,000

N452,479000 represents the amount of US\$3.666 million at the Exchange Rates of N123.00 to US\$1.00 Verified by the Due Diligence Consultants as due to SAGEM FRANCE which was not paid as at 31 December 2008. The Federal Government (FG) committed funds in the sum of N422,938million at an exchange rate of N133.00 to US\$1.00 based on the approved sum of US\$3,180 million which was warehoused in an ESCROW Account with Zenith Bank Plc. As approved by the FG until SAGEM FRANCE meets the precondition to access

the funds. Those were reversed during the period given that the preconditions were not met by SAGEM.

		31ST DEC 2015	31ST DEC 2014
		N	N
7	Accruals and Other Liabilities		
	Local contractors	85,885,439	85,885,439
	Accrued VAT & WHT	261,426,377	159,278,295
	2014 Accrued PAYE Tax	197,000,000	197,000,000
	Other Accrued Expenses	3,466,474,870	4,195,376,349
	Accrued Audit Fees	16,000,000	28,750,000
		4,026,786,686	4,666,290,083
	Accrued Audit Fee		
	Balance b/f	41,000,000	-
	Payment	(25,000,000)	-
		16,000,000	28,750,000
8	Accumulated Funds		
	Accumulated Funds B/F	14,994,010,940	20,805,866,403
	Net Surplus/(Deficit) for the year	(9,431,162,748)	(10,201,369,001)
	Prior year adjustments	494,384,905	3,216,046
	Refund to Treasury - Capital Fund	(8,208,987)	(175,688,925)
	Purchase of Plants, Property & Equipment	475,172,847	4,561,986,418
	Purchase of E-Cards & Chips	9,975,000	-
		6,533,901,957	14,994,010,941

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

NOTES:

9 Federal Government Grants	31/12/2015	31/12/2014
Capital Grants	768,738,090	2,997,798,947
Recurrent subvention personnel	4,345,944,351	4,300,973,388
Recurrent subvention Overhead	435,122,674	463,569,572
	<u>5,549,805,115</u>	<u>7,762,341,907</u>
10 Sundry Receipts	2015	2014
	N	N
Government Special Grants (Escrow Account)	430,500,000	-
Sign-on-Bonus Grant from master-card	-	160,800,000
Insurance Claims	-	7,124,751
Sundry Income	35,000	-
(Private Sponsorship/Grants/Donations)	22,910,753	-
Special Project (NAPI Programme)	970,669,850	-
	<u>1,423,915,603</u>	<u>167,924,751</u>
11 Prior Year Adjustments	N	N
Adjustment in respect to prior years Banking errors	(17,500)	-
Understatement of stock during the period	2,041,014	3,216,046
	<u>2,023,514</u>	<u>3,216,046</u>
Plant and Machinery and related depreciation in 2014	491,861,391	-
	<u>494,884,905</u>	
12 Proceeds from disposal of Plant Property & Equipment		
Proceed from Auction	21,998,570	24,751,400
	<u>21,998,570</u>	<u>24,751,400</u>
13 Expendable Inventory		
Consumable Stocks and Stationery	56,965,663	53,749,617
Understatement of stocks during the period	3,007,819	3,216,046
	<u>60,063,482</u>	<u>56,965,663</u>

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

NOTES:	31/12/2015	31/12/2014
14 Operational / Administration Expenses	N	N
Salaries and Wages	4,344,202,451	4,266,988,610
Insurance expenses	115,337	242,885,010
Licences and patents	7,709,232	20,935,675
Medical/Welfare	3,200,075	6,442,699
NIMC Football Club	-	4,249,400
Professional Fees/Services	146,203,153	485,141,539
Audit Fees	25,000,000	20,000,000
Motor Vehicle repairs & Maintenance	19,608,282	38,039,922
Security Services	110,809,480	120,599,985
Refreshment/Entertainment	29,602,512	47,705,653
Cleaning and Fumigation	20,406,860	24,158,330
Terminal/Burial Benfits	-	7,004,378
Office Accommodation/Rent	5,703,750	17,715,834
Board/Management C'tees/Sitting Allowance	38,602,750	72,155,750
Electricity, Fuel and Other Utility	24,403,799	12,730,900
Maintenance of Plant/Generator	201,801,015	361,724,496
Foreign Training	-	59,502,049
Local Training and Travelling	86,700,902	113,378,887
Local Training and Seminar	15,709,903	170,701,431
Office material/Stationeries	36,007,020	222,118,239
Telephone and Courier Expenses, etc	23,901,706	20,232,932
Overseas Travels	4,000,070	123,665,125
Printing and Publications	2,606,517	82,443,501
Publicity and Advertisement	57,803,617	244,251,342
Computer Consumables and Internet Hosting	49,808,804	69,565,823
Repairs and Maintenance	68,002,965	175,939,294
Bank Charges	1,000,628	9,398,508
NYSC & IT Allowance	15,300,993	73,978,200
Enrolment Center Expenses	578,906,135	120,374,916
	<u>5,918,100,956</u>	<u>7,234,028,428</u>

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

	N	N
15 Extra-Ordinary Income		
Amount Due to Sagem	452,479,000	-
Payment due from Sagem	<u>(356,344,632)</u>	<u>-</u>
	<u>96,134,368</u>	<u>-</u>
16 COST OF CONSUMABLES		
Opening Inventory	56,965,663	-
Purchases	<u>39,174,839</u>	<u>-</u>
Inventory available	96,140,502	-
Cost of Inventory used	<u>(36,077,020)</u>	<u>-</u>
Closing Inventory	<u>60,063,482</u>	<u>56,965,663</u>
17 Electronic-I.D Cards		
Balance b/f	2,197,402,910	2,197,402,910
Additional during the year	<u>8,398,747</u>	<u>-</u>
	2,205,801,657	2,197,402,902
Closing balance of Cards	<u>(1,764,326,075)</u>	
Cards consumed	<u>441,475,585</u>	

Electronic I.D Cards value was agreed by the Commission and our Audit team to be moved from Non-Current Account to Current Account. However, this action did not affect the value of the Total Asset.

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

AGREEMENT WITH MASTERCARD AND SIGN-ON BONUS

In 2013, MasterCard – (a global electronic payment network operator and service provider) signed a Contract Agreement. This enables the Commission to work with MasterCard licensed financial institutions to facilitate the issuance of national ID Cards to Nigerian citizens. These ID cards will carry certain MasterCard proprietary features of the EMVCO standards for chip-based payments.

The agreement also provides for the payment of some consideration of a **SIGN-ON-BONUS**. The first tranche of US \$1 million or (N160, 800,000) of the Sign-On-Bonus was received in 2014 and utilized to finance some of the Project's implementation activities in the year ended 31st December, 2014 as provided in section 5 of the Contract Agreement. Finally, the Agreement foresees further receipts of funds, during the contract period dependent on the achievement of mutually agreed targets by parties or the application of claw-back procedures.

18. MATTERS WITH CHAMS CONSORTIUM LTD AND CHAMS PLC

Early in 2015, one of the Front – End Partners – Chams Consortium Ltd and its affiliate, Chams Plc filed some lawsuits against the Commission at the Federal High Court, for alleged breach of the concession agreement, and breach of card personalization contract. They also, took the Commission to the Arbitral Tribunal at the same time. The Concession Agreement given to the two concessionaires have been terminated. At the date of this report, Hearings on the lawsuits and the arbitration, are yet to commence or concluded.

The Board of the Commission believes that on the basis of the Advice, it received from the Federal Attorney – General that the Commission has a good case. Therefore, there is no need to make provisions for potential damages and costs arising from these matters in the 2015 audited financial statements.

19. ESCROW ACCOUNTS

Consequent to the effluxion of time, the Commission recently received approvals from the Federal Government of Nigeria to utilize the amount set aside in respect of potential liabilities with SAGEM of France.

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

20. MANDATORY USE OF NIN AND AUTHENTICATION AND VERIFICATION CLEARING HOUSE (AVCH)

By a publication notice in the THISDAY Newspaper on April 28, 2015, the Commission, pursuant to its powers under section 27(1) and (2) of the 2007 Act has directed that effective September 1st 2015, that non-use of the National Identification Number (NIN) for the 10 specified transactions as contained in section 27 of the NIMC Act, will be an offense punishable under the law.

The publication notice stipulated that its online Authentication and Verification Clearing House (AVCH) services will commence operations from that date also. These activities are foreseen to become good sources of revenue for the operations of the NIMS project on a sustainable basis.