



NATIONAL IDENTITY MANAGEMENT COMMISSION
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016



PETER OSALOR & CO.
(Chartered Accountants)
Abuja, Nigeria

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THE NATIONAL IDENTITY MANAGEMENT COMMISSION

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THE NATIONAL IDENTITY MANAGEMENT COMMISSION

ANNUAL FINANCIAL STATEMENTS AND AUDITORS REPORT FOR THE YEAR ENDED DECEMBER 31, 2016

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 2016.

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.

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 judgments 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.

.....
Prince Olagunsoye Oyinlola

Chairman of the Board

.....
Engineer Aliyu A. Aziz

Director-General/CEO



Since 1992

- Chartered Accountants
- Tax Consultants
- Management Consultants

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REPORT OF THE INDEPENDENT AUDITORS

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

REPORT ON THE FINANCIAL STATEMENTS

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, 2016.

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.

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.

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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- Chartered Accountants
- Tax Consultants
- Management Consultants

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We have obtained all the information and explanation which to the best of our knowledge and belief was 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.



NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31, DECEMBER 2016

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

STATEMENT OF FINANCIAL POSITIONAS AT 31st DECEMBER 2016

<u>ASSET</u>	NOTES	31ST Dec 2016	31st Dec, 2015
Non-Current Assets:			N
Plants, Property & Equipment	2	7,008,418,724	8,612,586,464
Intangible Assets			
software at valuation	3	-	-
Total Non-Current Assets		7,008,418,724	8,612,586,464
Current Assets:			
Other receivables and Prepayments	4	3,656,830	546,500
Expendable Inventory	15	52,210,901	60,063,482
E-I. D Cards (Blank card and Chips)	16	1,324,426,746	1,764,326,075
Cash in bank	5	194,238,807	123,256,122
Total Current Assets		1,574,533,284	1,948,192,179
Total Assets		8,582,952,008	10,560,778,643
<u>LIABILITIES AND FUNDS BALANCES</u>			
Current Liabilities			
Accruals and Other liabilities	6	4,456,396,490	4,026,786,686
Total current liabilities		4,456,396,490	4,026,786,686
Accumulated Fund	7	4,126,555,518	6,533,991,957
Total liabilities and Funds Balances		8,582,952,008	10,560,778,643

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

STATEMENT OF FINANCIAL PERFORMANCE AS AT 31st DECEMBER, 2016

	NOTES	31st Dec 2016	31st Dec, 2015
CASH RECEIPTS		N	N
FGN Grants	8	4,971,122,801	5,549,305,115
Sundry Receipts	9	236,841,744	1,423,515,603
Proceeds from Disposal of Assets	11	-	21,998,570
Extra-Ordinary Income	14	-	96,134,368
Total receipts		5,207,964,545	7,090,953,656
PAYMENTS:			
Operations/Administration Expenses	13	5,165,170,277	5,918,141,956
Cost of E-I. D card consumed	16	439,899,329	441,475,582
Purchase of Plant, property & Equipment	2	204,983,704	483,571,594
Total payments		5,810,053,310	6,844,765,385
Excess/(Deficit) of Cash Receipts during for the period		(602,088,765)	246,188,271
Depreciation Charge for the year	2	(1,809,151,445)	(3,977,341,019)
Intangible Assets written-off	3	-	(5,700,000,000)
NET OPERATING DEFICIT		(2,411,240,210)	(9,431,152,748)
Reconciliation Adjustment with Net Cash		434,352,055	(699,424,425)
Returned to Treasury		(201,179,934)	(8,298,987)
Prior Year Adjustment		272,162,619	(2,623,514)
Cash and Bank Balance as at 31ST Dec 2016		123,256,122	134,178,623
Cash Equivalent Balance as at 31st Dec2016		194,238,807	123,256,122

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

STATEMENT OF CHANGE IN ASSETS

	31st Dec,2016 Accumulated Fund N	31st Dec, 2015 Accumulated Fund N
Balance at January 1, 2016	15,944,399,752	25,195,379,942
(Deficit) For the year	<u>(9,410,407,795)</u>	<u>(10,201,369,001)</u>
Balance at 31 December 2016	6,533,991,957	14,994,010,940
Changes in equity	<u>3,803,771</u>	<u>971,133,765</u>
	6,537,795,728	15,965,010,705
(Deficit) for the period	<u>(2,411,240,210)</u>	<u>(9,431,152,748)</u>
Balance at 31 December, 2016	4,126,555,518	6,533,991,957

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

CASHFLOW FROM OPERATING ACTIVITIES	31ST Dec 2016	31ST Dec 2015
	N	N
Deficits of Receipts Over Payments	(2,411,240,210)	(9,431,152,748)
Add back: Depreciation	1,809,151,445	3,977,341,019
Intangible Assets Written-off	-	6,141,475,582
	(602,088,765)	687,663,853
ADJUSTMENTS TO RECONCILE EXCESS RECEIPTS WITH NET CASH		
(Increase)/Decrease in Receivables and Advances	(3,110,330)	381,424,382
(Increase)/decrease in Accounts stocks/inventory	7,852,581	(3,097,819)
(Increase)/decrease in Inventory (e-cards)	439,899,329	-
Increase/ (Decrease in Account payables	429,609,804	(1,077,750,988)
	272,162,619	(699,424,425)
CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of PPE (See Statement of Cash Receipts and Payments)	-	(485,147,847)
Sales of Asset	-	(485,147,847)
CASHFLOW FROM FINANCING ACTIVITIES		
Refund to Treasury	(201,179,934)	(8,298,987)
Prior Year Adjustments	-	494,284,905
	(201,179,934)	485,985,918
Increase/(Decrease) in Cash equivalents	70,982,685	(10,922,501)
Bank and Cash Equivalents at the beginning of the Year	123,256,122	134,178,623
Bank and Cash Equivalents at the end of the Period	194,238,807	123,256,122

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

STATEMENT OF SIGNIFICANT ACCOUNTING AND RELATED POLICIES

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

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, 2016

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, 2016.

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 2016 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 2016 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.

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

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, 2016 were approved by the Governing Board of NIMC in 2018.

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

2 Plant, Property & Equipments

	LAND AND BUILDING	MOTOR VEHICLES	ICT/ COMPUTER EQUIPMENT	PLANT AND MACHINERY	FURNITURE & FITTINGS	TOTAL
	<u>5%</u>	<u>25%</u>	<u>33.33%</u>	<u>12.50%</u>	<u>20%</u>	
Costs	N	N	N	N	N	
At January 1, 2016	7,989,845,356	420,744,051	14,060,944,191	8,814,129,270	454,463,708	31,740,126,576
Additions during the year	13,250,015		183,368,659	180,000	8,185,031	204,983,705
	8,003,095,371	420,744,051	14,244,312,850	8,814,309,270	462,648,739	31,945,110,281
Disposal in the Year						
Balance at 31/12/2016	8,003,095,371	420,744,051	14,243,462,850	8,814,309,270	462,648,739	31,944,260,281
<u>Depreciation:</u>						
At January 1, 2016	3,095,940,958	367,711,997	13,621,930,691	5,751,278,224	290,678,243	23,127,540,113
Charge/Written-off for the year	400,154,769	53,032,054	161,646,215	1,101,788,659	92,529,748	1,809,151,445
Eliminated IRO Disposals						
Balance at 31/12/2016	3,496,095,727	420,744,051	13,782,726,905	6,853,066,883	383,207,991	24,935,841,557
<u>Carrying Amounts</u>						
Balance at 31/12/2016	4,506,999,644	0.00	460,735,945	1,961,242,387	79,440,748	7,008,418,724
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
NBV b/f	8,612,586,464					
Additional asset for the year	204,983,705					
	8,817,570,169					
Depreciation for the year	(1,809,151,445)					
NBV	7,008,418,724					

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016****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 effluxion 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.

	31/12/2016	31st Dec, 2015
	N	N
Amount at Valuation	-	5,700,000,000
Amount written-off as at 31/12/2015	-	<u>(5,700,000,000)</u>
	-	-

**4 Prepayments
SAGEM**

Other prepayments at beginning	3,656,830	9,698,100
Payment during the year	<u>-</u>	<u>(9,151,600)</u>
	3,656,830	546,500

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTES:

5	Cash Equivalents	31/12/2016(N)	31/12/2015 (N)
	CBN FOREX	4,283,872	-
	CAPITAL (GIFMS)	71,123	-
	TSA (GIFMIS)	189,883,812	357,045,462
	As at 31st Dec2016	<u>194,238,807</u>	<u>425,313,262</u>
		-	(302,057,140)
	TSA (GIFMIS)	<u>194,238,807</u>	<u>123,256,122</u>
		31ST DEC 2016	31ST DEC 2015
6	Accruals and Other Liabilities	N	N
	Local contractors	85,885,439	85,885,439
	Accrued VAT & WHT	307,300,238	261,426,377
	2014 Accrued PAYE Tax	197,000,000	197,000,000
	Other Accrued Expenses	3,850,210,813	3,466,474,870
	Accrued Audit Fees	16,000,000	16,000,000
		<u>4,456,396,490</u>	<u>4,026,786,686</u>

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTES:

Accrued Audit Fee

Balance b/f

Payment

-

-

-

41,000,000

(25,000,000)

16,000,000

7 Accumulated Funds

N

N

Accumulated Funds B/F

6,533,991,957

14,994,010,940

Net Surplus/(Deficit) for the year

(2,411,240,210)

(9,431,152,748)

Prior year adjustments

-

494,284,905

Refund to Treasury - Capital Fund

(201,179,934)

(8,298,987)

Purchase of Plants, Property & Equipment

204,983,705

475,172,847

Purchase of E-Cards & Chips

9,975,000

4,126,555,518

6,533,991,957

8 Federal Government Grants

12/31/2016

31/12/2015

Capital Grants

472,500,000

768,238,090

Recurrent subvention personnel

4,207,390,412

4,345,944,351

Recurrent subvention Overhead

291,232,389

435,122,674

4,971,122,801

5,549,305,115

9 Sundry Receipts

2016

2015

N

N

Government Special Grants (Escrow Account)

-

430,500,000

Sundry Income

28,698,204

35,000

(Private Sponsorship/Grants/Donations)

208,143,540

22,910,753

Special Project (NAPI Program)

-

970,069,850

236,841,744

1,423,515,603

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016**

9 Sundry Receipts	2016	2015
	N	N
Government Special Grants (Escrow Account)	-	430,500,000
Sundry Income	28,698,204	35,000
(Private Sponsorship/Grants/Donations)	208,143,540	22,910,753
Special Project (NAPI Program)	-	970,069,850
	236,841,744	1,423,515,603
10 Prior Year Adjustments	N	N
Adjustment in respect to prior years Banking errors	-	(17,500)
Understatement of stock during the period	-	2,641,014
	2,623,514	
Plant and Machinery and related depreciation in 2015	-	491,661,391
	494,284,905	
11 Proceeds from disposal of Plant Property & Equipment		
Auction	-	21,998,570
	21,998,570	
12 Expendable Inventory		
Consumable Stocks and Stationery	60,063,482	56,965,663
Under/(over) statement of stocks during the period	(7,852,580)	3,097,819
	52,210,902	60,063,482

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016****NOTES:**

	31/12/2016	31/12/2015
	N	N
13 Payments		
Operational / Administration Expenses		
Salaries and Wages	4,014,296,203	4,344,202,451
Insurance expenses	-	115,337
Licenses and patents	10,010,500	7,729,232
Medical/Welfare	1,061,153	3,270,075
Professional Fees/Services	212,043,157	146,203,153
Audit Fees	-	25,000,000
Motor Vehicle repairs & Maintenance	11,192,174	19,648,282
Security Services	90,086,694	110,809,480
Refreshment/Entertainment	8,341,337	29,682,512
Cleaning and Fumigation	21,767,953	20,496,860
Terminal/Burial Benefits	3,973,500	-
Office Accommodation/Rent	15,877,083	5,753,750
Board/Management C'tees/Sitting Allowance	1,930,000	38,622,750
Electricity, Fuel and Other Utility	30,524,995	24,453,799
Maintenance of Plant/Generator	187,629,548	201,861,015
Local Training and Travelling	63,599,802	86,730,902
Local Training and Seminar	5,019,750	15,719,903
Office material/Stationeries	66,697,942	36,077,020
Telephone and Courier Expenses, etc	17,113,337	23,961,706
Overseas Travels	3,316,875	4,010,070
Printing and Publications	443,100	2,696,517
Publicity and Advertisement	11,685,900	57,893,617
Computer Consumables and Internet Hosting	73,690,789	49,818,804
Repairs and Maintenance	58,050,000	68,042,965
Bank Charges	914,661	1,033,628
NYSC & IT Allowance	4,360,000	15,342,993
Enrolment Center Expenses	251,543,824	578,965,135
	5,165,170,277	5,918,141,956

NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC)**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016****NOTES:**

	2016	2015
	N	N
14 Extra-Ordinary Income		
Amount Due to Sagem	-	452,479,000
Payment due from Sagem	-	(356,344,632)
	<u>-</u>	<u>96,134,368</u>
15 COST OF CONSUMABLES		
Opening Inventory	60,063,482	56,965,663
Purchases	<u>58,845,361</u>	<u>39,174,839</u>
Inventory available	118,908,843	96,140,502
Cost of Inventory used	<u>(66,697,942)</u>	<u>(36,077,020)</u>
Closing Inventory	<u>52,210,901</u>	<u>60,063,482</u>
16 Electronic-I. D Cards		
Balance b/f	1,764,326,075	2,197,402,910
Additional during the year	<u>-</u>	<u>8,398,747</u>
	1,764,326,075	2,205,801,657
Closing balance of Cards	<u>(1,324,426,746)</u>	<u>(1,764,326,075)</u>
Cards consumed	<u>439,899,329</u>	<u>441,475,582</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, 2016

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.

17. MATTERS WITH CHAMS CONSORTIUM LTD AND CHAMS PLC

There is no Governing board meeting in 2016, Chairman of the board has not been appointed for the period, however, there was series of management meetings in the year.

18. 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, 2016

19. 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.