

NIGERIAN BAR ASSOCIATION

Management Accounts

for the quarter ended 31 March 2020

Contents

	Page
Caveat	3
Statement of Financial Position	4
Statement of Comprehensive Income	5
Statement of Changes in Members' Funds	6
Notes to the Financial Statements	7-18
Appendix	19-22

Caveat

In preparing these financial statements, we have relied on the balances and the information provided in the audited financial statements as at 31 July 2019. We have not audited or verified all the information set out in the financial statements as at July 2019 which we have had to rely upon in the preparation of these financial statements.

In view of the fact that we have not received all the relevant records required to confirm the opening balances as at the time of the preparation of these financial statements, there is a strong probability that some of the information set out in these financial statements will be re-stated as and when the relevant records are received

NIGERIAN BAR ASSOCIATION
Statement of Financial Position
for the quarter ended 31 March 2020

	Note	31-Mar-20 NGN	31-Dec-19 NGN
ASSETS			
Non-Current Assets			
Property, plant and equipment	1	2,639,396,234	2,107,206,593
Total Non-Current Assets		2,639,396,234	2,107,206,593
Current Assets			
Receivables	2	20,154,530	20,299,730
Inventories	3	7,726,170	7,817,169
Cash & cash equivalent	4	1,442,292,029	654,125,272
Total Current Assets		1,470,172,730	682,242,171
Total Assets		4,109,568,963	2,789,448,764
Non-Current Liabilities			
Deferred income	10	166,901,444	-
Total Non-Current Liabilities		166,901,444	-
Current Liabilities			
Accounts payable	5	556,639,109	178,734,570
Total Current Liabilities		556,639,109	178,734,570
Total Liabilities		723,540,552	178,734,570
Members' Funds			
Unrestricted funds		2,105,574,761	2,046,687,293
Restricted funds		1,280,453,650	564,026,901
Members' Funds		3,386,028,410	2,610,714,194
Total Liabilities and Members' Funds		4,109,568,963	2,789,448,764

NIGERIAN BAR ASSOCIATION
Statement of Comprehensive Income
for the quarter ended 31 March 2020

		31-Mar-20	31-Dec-19
	Note	NGN	NGN
Income			
Unrestricted income	6	823,693,927	59,601,390
Restricted income	7	<u>127,829,018</u>	<u>8,517,312</u>
Total Income		951,522,944	68,118,702
Expenditure			
Program services	8	51,892,910	62,446,387
General & administrative expenses	9	<u>111,774,912</u>	<u>92,913,717</u>
Total Expenditure		163,667,823	155,360,103
Surplus/(Deficit) for the period		<u>787,855,122</u>	<u>(87,241,402)</u>

NIGERIAN BAR ASSOCIATION
Statement of Changes in Members' Fund
for the quarter ended 31 March 2020

Members' Fund	Unrestricted NGN	Restricted NGN	Total NGN
Balance as at 31 December 2019	2,046,687,293	564,026,901	2,610,714,194
Adjustments to opening balance	<u>(12,540,904)</u>	<u>-</u>	<u>(12,540,904)</u>
Adjusted opening balance	2,034,146,389	564,026,900	2,598,173,289
Excess of receipts over expenditure	<u>71,428,372</u>	<u>716,426,750</u>	<u>787,855,122</u>
Balance as at 31 March 2020	<u>2,105,574,761</u>	<u>1,280,453,650</u>	<u>3,386,028,410</u>

NIGERIAN BAR ASSOCIATION
Notes to the Financial Statements
for the quarter ended 31 March 2020

	Construction in Progress NGN	Furniture & Fittings NGN	Office Equipment NGN	Plant & Machinery NGN	*Land & Building NGN	Library Books NGN	Motor Vehicle NGN	Total NGN
COST								
Bal as at 31 Dec. 2019	1,761,574,603	63,174,088	67,374,034	30,147,000	292,733,796	7,164,000	72,237,585	2,294,405,106
Additions in the period	136,770,071	-	3,659,475	-	399,444,423	-	-	539,873,969
Disposal in the period	-	-	-	-	-	-	-	-
Bal as at 31 Mar. 2020	1,898,344,674	63,174,088	71,033,509	30,147,000	692,178,219	7,164,000	72,237,585	2,834,279,075
ACCUMULATED DEPRECIATION								
Bal as at 31 Dec. 2019	-	46,890,949	38,104,801	25,863,063	-	4,102,125	72,237,575	187,198,513
Depr for the period	-	2,659,549	4,364,042	540,563	-	120,175	-	7,684,328
Disposal in the period	-	-	-	-	-	-	-	-
Bal as at 31 Mar. 2020	-	49,550,498	42,468,843	26,403,625	-	4,222,300	72,237,575	194,882,841
NET BOOK VALUE								
Bal as at 31 Dec. 2019	1,761,574,603	16,283,139	29,269,233	4,283,938	292,733,796	3,061,875	10	2,107,206,593
Bal as at 31 Mar. 2020	1,898,344,674	13,623,590	28,564,666	3,743,375	692,178,219	2,941,700	10	2,639,396,234

*Land is supposed to be recognized, measured and disclosed separately from buildings so that building can be depreciated. There is insufficient information to make such distinction at this time. The proper treatment will be carried out once this information becomes available.

NIGERIAN BAR ASSOCIATION
Notes to the Financial Statements
for the quarter ended 31 March 2020

	31-Mar-20	31-Dec-19
	NGN	NGN
2 Receivables		
Trade receivables	104,440	11,940
Staff loans and advances	150,000	387,700
NBA Section on Legal Practice (SLP)	18,488,591	18,488,591
Law Officers' Association of Nigeria	200,000	200,000
NBA Section on Public Interest and Development Law (SPIDEL)	114,000	114,000
NBA Women Forum	1,097,499	1,097,499
	20,154,530	20,299,730
3 Inventories	7,726,170	7,817,169
4 Cash and Cash Equivalents		
Access Bank Plc -SAFE Project	1,362,800	-
Access Bank Plc- Human Rights Institute	194,508	200,808
Access Bank Plc - AGC account	3,816,447	159,378,834
Access Bank Plc - Bar Practicing Fee account	975,480,711	42,654,782
Access Bank Plc - Project account	25,822,952	73,027
Access Bank Plc - Admin account	213,267,586	77,405,983
Access Bank Plc - North East account	204,380	4,082,155
Access Bank Plc - Stamp and seal account	103,959,408	13,509,488
Access Bank Plc - NEC account	35,974,237	25,383,511
Access Bank Plc - NBA Naira MacArthur Foundation account	4,280,125	13,963,875
Access Bank Plc - NBA Dollar MacArthur Foundation account	75,582,777	64,995,395
Access Bank Plc - Pounds	171,907	582,956
Access Bank Plc - Dollar	2,174,190	1,894,456
Fixed Deposit account	-	250,000,000
	1,442,292,029	654,125,272

NIGERIAN BAR ASSOCIATION
Notes to the Financial Statements
for the quarter ended 31 March 2020

	31-Mar-20	31-Dec-19
	NGN	NGN
5 Accounts payable		
Staff pension	64,800	-
Unexpired Lease (Wale Babalakin)	17,500,000	17,500,000
NBA Abuja branch	37,358,555	26,764,405
Lease renewal - NBA House, Lagos	397,794,423	-
Strataflex	7,158,000	-
Agency Fee	9,995,072	-
Other payable (5a)	86,768,259	134,470,165
	<u>556,639,109</u>	<u>178,734,570</u>
5a Other Payable		
Professional expenses - Accounting	6,535,000	2,797,500
Withholding tax payable	17,865,094	8,427,702
MacArthur Foundation - Refund of unauthorized expenditure	25,000,000	25,000,000
i 2018 AGC payables	19,574,695	9,046,425
ii 2019 AGC payables	-	10,000,000
iii Accommodation expenses	-	19,297,643
iv Printing & stationery expenses	-	3,359,450
National Secretariat building payable	4,000,000	32,750,000
v Legal expenses	2,380,000	1,380,000
Office expenses	1,120,000	1,120,000
vi NBA 2018 National Officers' Election expenses	2,990,000	2,990,000
vii Seminars, workshops and programmes' expenses	3,202,470	10,465,620
viii Photography expenses	1,876,000	1,876,000
ix Refreshment	207,000	1,999,825
Outstanding payment to North East victims from the support fund.	-	850,000
x Committee meeting, transport and travelling expenses	2,018,000	3,110,000
Total	<u>86,768,259</u>	<u>134,470,165</u>
i 2018 AGC payable		
Accrued event management fee	14,574,695	1,546,425
Honorarium for press men during the 2018 AGC	2,000,000	2,000,000
Hiring of 10 buses from 26 - 30 August 2018 for the 2018 Annual General Conference	2,000,000	2,000,000
Printing of statutory report for the 2018 AGC	-	2,500,000
Photograph coverage at the 2018 AGC	1,000,000	1,000,000
Sub total	<u>19,574,695</u>	<u>9,046,425</u>

NIGERIAN BAR ASSOCIATION
Notes to the Financial Statements
for the quarter ended 31 March 2020

	31-Mar-20	31-Dec-19
	NGN	NGN
ii 2019 AGC Payable :		
CNBC, broadcast and media services during the NBA 2019 AGC	-	10,000,000
Sub total	-	10,000,000
iii Accommodation expenses		
Ajuji Greenwich Hotel Ltd, bill for National Officers and NBA guest's accommodation between 4 - 7 July 2018	-	520,000
Ajuji Greenwich Hotel, bill for NBA Electoral committee and National Officers' accommodation between 8 - 20 July 2018	-	520,000
Bon Grandpela Hotel, bill for immediate past General Secretary's accommodation between 17 - 25 July 2018	-	506,600
Bon Grandpela Hotel, bill for immediate past General Secretary's accommodation between 26 July - 3 August 2018	-	482,500
Bon Grandpela Hotel, bill for immediate past General Secretary's accommodation between 4 - 13 August 2018	-	500,000
Bon Grandpela Hotel, bill for immediate past Treasurer's accommodation between 23 July - 5 August, 2018	-	284,200
Colonnades Hotel, bill for 2018 Technical Committee on Conference Planning members' accommodation between 23 July - 18 August 2018.	-	-
Grand Pela Hotel, accommodation bill for immediate past NBA Treasurer's stay between 9 - 20 August 2018	-	275,000
Newton Park Hotel & Resort, bills for National Officers and NBA guest's accommodation between 8 - 17 August 2018	-	103,500
Newton Park Hotel, bill for disciplinary committee members' accommodation for the sittings at the court of Appeal between 4 - 5 July 2018	-	585,000
Newton Park Hotel, bill for NBA National Officers and Members of the North East task force's accommodation between 12 - 20 July 2018	-	329,000
Newton Park Hotel, bills for NBA North East Task force accommodation for the Launching of Endowment fund in support of Access to Justice Intervention in North - East on 10 August 2018	-	420,000
Newton Park Hotel, NBA North East Task force accommodation between 27 - 29 July 2018	-	140,000
Petrus Hotel Ltd, bill for NBA Guest; Ayokunnu Adetola's accommodation between 5 - 21 July 2018	-	240,000

NIGERIAN BAR ASSOCIATION
Notes to the Financial Statements
for the quarter ended 31 March 2020

	31-Mar-20	31-Dec-19
	NGN	NGN
Petrus Hotel, bill for NBA Staff; Nkpopi Ahone Esther's accommodation between 27 November 2017 - 12 January 2018	-	460,000
Petrus Hotel-LPDC members' accommodation for sittings between 30 September to 3 November 2018	-	520,900
Reiz Continental Hotel, bill for transition committee, past and newly elected National Officers' stay between August and November 2018.	-	7,509,700
Reiz Continental Hotel, bill for Electoral Committee and National Officers' accommodation between 19 July - 22 July 2018	-	525,000
Reiz Continental Hotel, bill for Electoral Committee and National Officers' accommodation between 19 July - 8 August 2018	-	805,200
Reiz Continental Hotel, bill for Electoral Committee and National Officers' accommodation between 9 August -16 August 2018	-	325,000
Reiz Continental Hotel, bill for Electoral Committee, National Officers and Technical Committee on Lawyers Microfinance bank's accommodation between 27 July - 7 August 2018	-	593,800
Reiz Continental Hotel, bill for National Officers accommodation between 13 - 20 August 2018	-	554,950
Reiz Continental Hotel, bill for National Officers' accommodation between 13 - 20 August 2018	-	500,000
Reiz Continental Hotel, bill for NBA Electoral Committee and National Officers' accommodation between 24 July - 3 August 2018	-	379,000
Reiz Continental Hotel, bills for 2018 Election committee members and National Officers' accommodation between 13 - 20 August 2018	-	501,080
Reiz Continental Hotel, bills for National Officers' accommodation between 12 - 21 August 2018	-	275,000
Reiz Continental Hotel, immediate past 1st Vice President and General Secretary's accommodation from 18 June -5 July, 2018	-	833,750
Tahir Guest Palace, bill for NBA Members' accommodation for Salah Durban in Kano State from 21 -23 August 2018	-	608,463
Sub total	-	19,297,643
iv Printing & stationery expenses		
Balance payment for printing of NBA profile for North East task force on 6 August 2018	-	162,500
Production of banister for NBA BHRC August 2018 Niger-Delta training programme	-	60,000
Production of stand up banner for pre 2018 AGC NEC meeting	-	60,000

NIGERIAN BAR ASSOCIATION
Notes to the Financial Statements
for the quarter ended 31 March 2020

	31-Mar-20	31-Dec-19
	NGN	NGN
Accrued expenses from the printing of NEC bundle & secretariat report on 23 August 2018	-	1,950,000
Stationery & graphics' supplied in July 2019	-	468,000
Photobook for December 2018 and March 2019 NEC meeting	-	285,000
Supply of NBA flat files in July 2019	-	55,000
Payables for stationeries supplied on 30 July 2019	-	18,450
Accrued expenses for tonner supplied on 29 July 2019	-	300,500
Accrued expenses for June 2019 NEC meeting photo book album printing	-	-
Sub total	-	3,359,450

NIGERIAN BAR ASSOCIATION
Notes to the Financial Statements
for the quarter ended 31 March 2020

	31-Mar-20	31-Dec-19
	NGN	NGN
v. Legal expenses		
Court proceedings at Nnewi High Court	80,000	80,000
NBA Suit NO: LD/2492 GCM/2018	300,000	300,000
NBA Case: Ephraim Emeka Ugwuoye, Esq V NBA & Anor. Suit SC/986/17	250,000	250,000
NBA Suit NO: LD/2492 GCM/2018	250,000	250,000
NBA Case: Ezenwa Anumunu & Anor V. NBA suit No. FCT/HC/CS/2686/17	250,000	250,000
NBA Case: Ayodeji Adeleke Akinjokun V. Incorporated Trustees of NBA & 3 ORS. Suit No FHC/ABJ/CS/86/18	250,000	250,000
Suit No. : FCT/FT/CV/20/2018. A O Okafor Vs Incorporated Trustees of the NBA and 36 others	1,000,000	-
Sub total	2,380,000	1,380,000
vi. NBA 2018 National Officers' Election Expenses:		
Accrued expenses for the 2018 Electoral committee sitting's on the 4th - 8th August, 2018	832,000	832,000
Provision of LED Screen for NBA 2018 National Officers' Election	110,000	110,000
NBA 2018 Electoral committee's sitting expenses on the 13th - 20th August 2018	1,105,000	1,105,000
Provision of LED screen for 2018 NBA National Officers' election @ the Auditorium	330,000	330,000
Allowance for staff working during the NBA 2018 National Officers' election	613,000	613,000
Sub total	2,990,000	2,990,000
vii. Seminars, workshops and programmes' expenses		
Accrued expense from the NBA - UK Bar Human Right Committee Niger - Delta training, which held from 13th January - 17 August 2018	3,088,470	10,351,620
Accrued expenses from 2018 Niger Delta task force's town hall meeting with stakeholder in Niger - Delta	114,000	114,000
Sub total	3,202,470	10,465,620

NIGERIAN BAR ASSOCIATION
Notes to the Financial Statements

for the quarter ended 31 March 2020

	31-Mar-20	31-Dec-19
	NGN	NGN
viii. Photography expenses		
Photograph coverage for November 2016 NEC meeting in Minna, Niger State	660,000	660,000
Photograph coverage during the immediate past President's courtesy visit to CJN Hon. Justice Walter Onnoghen on 18 January 2017	186,000	186,000
Photograph coverage during the Kano State Government sponsored dinner in honour of immediate past President on 21 January 2017	660,000	660,000
Photograph coverage during the inauguration of 2017 NBA Technical Committee on Conference Planning (TCCP) on 11 April 2017	110,000	110,000
Photograph coverage during the 2017 Annual General Conference unveiling on 27 June 2017	110,000	110,000
Photograph coverage during the immediate past President's courtesy visit to Ondo State Governor on 24 and 25 July 2017	150,000	150,000
Sub total	1,876,000	1,876,000
ix. Refreshment		
Refreshment for 2018 Electoral Committee's meeting on 18-20 July 2018.	-	299,425
Refreshment for 2018 Technical Committee on Conference Planning (TCCP) meeting on 7 and 8 August 2018	-	120,300
Refreshment for 2018 Electoral Committee's meeting on 18 and 19 August 2018.	-	480,250
Refreshment for 2018 TCCP meeting on 29 August 2018.	-	109,000
Refreshment for 2018 TCCP meeting on 18 - 20 July 2018.	-	323,250
Balance for refreshment during 2018 Niger Delta's training from 13-17 August 2018	-	90,850
Refreshment for NBA 2018 Electoral Committee's meeting on the 25th of August 2018	-	36,250
Refreshment for aspirants' agents for during the NBA 2018 National Officers' Election on the 29th July 2018	-	60,000
Refreshment for 2019 SAN applicants' screening.	-	195,500
Refreshment for LPDC sitting on the 21st June 2019	-	78,000
Refreshment for LPDC's sitting on the 27th - 30th June 2019	207,000	207,000
Sub total	207,000	1,999,825

NIGERIAN BAR ASSOCIATION
Notes to the Financial Statements
for the quarter ended 31 March 2020

	31-Mar-20	31-Dec-19
	NGN	NGN
x. Committee meeting, transport and travelling expenses		
Travelling expenses for NBA technical committee on lawyers' microfinance bank's meeting on 6 August 2018.	396,000	396,000
Travelling expenses for the 2018 North East task force committee meeting on 10 August 2018	-	1,040,000
Traveling allowance for immediate past Assistant Financial Secretary's official trip to Abuja from 19 -24 August 2018.	230,000	230,000
Transportation reimbursement for 4 immediate past National Officers' visit to Zamfara for fact finding on 17 and 18 August 2018.	480,000	480,000
NBA Disciplinary Committee's panel sitting expenses at Asaba on the 12th May and 16th June 2018	418,000	418,000
Accrued rent expenses for 48 banquet chairs & tables for Pre Conference NEC meeting on 26 August 2018	-	52,000
Reimbursement for immediate past General Secretary's official trip to Abuja on 27 August 2018	210,000	210,000
Reimbursement for immediate past Treasurer's official trip to Abuja on 27 August 2018	284,000	284,000
Sub total	2,018,000	3,110,000

NIGERIAN BAR ASSOCIATION
Notes to the Financial Statements
for the quarter ended 31 March 2020

	31-Mar-20	31-Dec-19
	NGN	NGN
6 Unrestricted Income		
Members database registration and verification	6,114,225	832,565
Bar Practice Fees	792,695,323	28,759,750
2019 Annual Conference Income (6a)	2,000,000	19,625,000
Sales of NBA products	103,938	72,500
Letter of good standing	344,750	142,520
Rental income	8,784,287	30,000
Sundry income	117,200	618,507
Exchange gains	10,902,934	-
Interest income	2,631,270	9,520,548
	823,693,927	59,601,390
6a 2019 Annual Conference Income		
Donations (AGC) (6b)	2,000,000	19,625,000
	2,000,000	19,625,000
6b Donations (AGC)		
Jackson, Etti and Edu	1,000,000	-
Copley Partners	1,000,000	-
Aluko & Oyebode	-	7,500,000
Zenith Bank	-	5,000,000
MTN Nigeria	-	2,625,000
Polaris Bank	-	2,500,000
Shell	-	2,000,000
	2,000,000	19,625,000
7 Restricted Income		
Stamp sales	126,464,585	7,015,600
Donations	-	1,500,000
Restricted interest income	1,683	1,712
Lawyers Without Borders - SAFE Project	1,362,750	-
	127,829,018	8,517,312
7a Donations		
Leadway Assurance Company Ltd.	-	1,500,000
	-	1,500,000
8 Program Services		
Unrestricted program expenses (8a)	40,033,734	47,539,192
Restricted program expenses (8b)	11,859,176	14,907,195
	51,892,910	62,446,387
8a Unrestricted Program Expenses		
2019 Annual Conference expenses (8a(i))	230,320	8,811,047
International conference expenses	1,887,973	-
Committee meeting expenses	6,515,917	6,927,900
NEC meetings expenses	27,374,925	23,075,555
National Officers' expenses	4,024,600	8,724,690
	40,033,734	47,539,192

NIGERIAN BAR ASSOCIATION
Notes to the Financial Statements
for the quarter ended 31 March 2020

	31-Mar-20	31-Dec-19
	NGN	NGN
8a(i) 2019 Annual Conference Expenses		
Social and Welfare events (AGC)	-	2,625,000
IT Consultancy Fee (AGC)	-	1,979,640
Transport, Telephone and postage (AGC)	215,000	-
Other expenses (AGC)	15,320	4,206,407
	230,320	8,811,047
8b Restricted Program Expenses		
Macarthur Foundation Project (8b(i))	10,059,176	14,907,195
North East Support	1,800,000	-
	11,859,176	14,907,195
8b(i) MacArthur Foundation Project		
Hiring and Decoration of hall/venue (Mac)	150,000	1,238,850
Entertainment and meals (Mac)	236,500	1,166,250
Seminars, Workshops and Programmes (Mac)	410,000	1,635,000
Media and publicity (Mac)	145,000	465,053
Accommodation (Mac)	180,000	1,235,700
Bank charges (Mac)	1,585	9,448
Printing & stationery (Mac)	110,011	1,107,500
Honorarium (Mac)	290,000	480,000
Transportation (Mac)	520,980	2,166,795
Project team expenses (Mac)	300,000	4,322,600
Professional fee (Mac)	7,715,100	1,080,000
	10,059,176	14,907,195
9 General and Administrative Expenses		
Unrestricted expenses (9a)	66,796,192	76,016,217
Restricted expenses (9b)	44,978,720	16,897,500
	111,774,912	92,913,717
9a Unrestricted Expenses		
Personnel expenses (see note 9a (i))	22,399,006	38,256,356
Professional fees (see note 9a (ii))	22,021,787	3,211,867
Security and cleaning expenses	3,276,770	4,404,750
Printing & Stationery	441,500	-
Accommodation	20,700	-
Bank charges	583,076	40,650
Repairs & maintenance	1,480,200	2,663,782
Subscription/dues	430,200	-
Entertainment and meals	71,250	-
Telecommunication expenses	434,500	302,008
Internet subscription/website hosting expenses	840,000	1,589,608
IT facility installation	-	4,758,800
Election monitoring expenses (National Elections)	-	2,124,115
Depreciation (see note 1)	7,684,328	10,330,985
Transport and travelling expenses	1,129,600	311,000
Newspapers and periodicals	86,800	142,800
Office expenses	-	686,936
Motor vehicle expenses	1,152,158	49,000
Insurance	2,111,700	1,029,000
Diesel- Generator	1,080,000	1,060,000

NIGERIAN BAR ASSOCIATION
Notes to the Financial Statements
for the quarter ended 31 March 2020

	31-Mar-20	31-Dec-19
	NGN	NGN
Fuel and lubricants	401,500	500,000
Electricity	1,006,118	1,032,873
10% BPF remittance to NBA branches	-	433,219
Photography expenses	145,000	-
	66,796,192	72,927,748
9a(i) Personnel Expenses		
Salary	16,771,145	17,002,508
Allowances	357,000	12,630,920
NYSC salary	500,000	150,000
Volunteers Salary	480,000	520,000
Pension	3,280,608	3,197,808
Conferences and seminars	-	1,110,000
Other staff bonuses	-	3,645,120
PAYE	1,010,253	3,088,469
	22,399,006	41,344,825
9a(ii) Professional Expenses		
Professional Expenses - Legal	2,000,000	1,000,000
Professional expenses - Others	5,375,000	-
Professional Expenses - Agency Fees	8,784,287	-
Professional expenses - Accounting	5,862,500	2,211,867
	22,021,787	3,211,867
9b Restricted Expenses		
Printing of stamps and licenses	44,978,720	16,897,500
	44,978,720	16,897,500
10 Deferred Income		
Rental income on NBA house in Lagos	166,901,443.5	-
	166,901,443.5	-

*Deferred income relates to income from the lease of the NBA building in Lagos. Appendix 4a provides more disclosure.

APPENDIX

Narrative summary of Nigerian Bar Association's ("NBA") management account for the quarter ended 31 March 2020

The purpose of this appendix is to summarize the financial results of NBA for the quarter ended 31 March 2020. This report highlights key aspects of the financial statements and provides succinct overview of the financial position of the Association. In addition, it also contains non-financial information that we deemed will be of importance to the users of the financial statements.

1. Income

The total income of NGN951,522,944.00 received during the period represents the aggregate of restricted and unrestricted income both of which were N823,693,927.00 and N127,829,018.00 respectively. The Bar Practice Fee represents 96% of the total income received during the period. Please refer to table 1 for the breakdown of the income.

Other streams of unrestricted income were members' database registration and verification amongst others. The breakdown of both restricted and unrestricted income during the quarter ended 31 March 2020 and the prior quarter 31 December 2019, is highlighted in the table below:

	31-03-2020	31-12-2019
Restricted Income	NGN	NGN
<i>Stamp Sales</i>	126,464,585	7,015,600
<i>Restricted Interest Income</i>	1,683	1,712
<i>Donation</i>	-	1,500,000
<i>Lawyers Without Borders/Avocats Sans Frontières</i>	1,362,750.00	-
Total	127,829,018	8,517,312
Unrestricted Income		
<i>Members database registration and verification</i>	6,114,225	832,565
<i>Bar Practice fees</i>	792,695,323	28,759,750
<i>2019 Annual Conference Income</i>	2,000,000	19,625,000
<i>Sales of NBA Branded Items</i>	103,938	72,500
<i>Letter of Good Standing</i>	344,750	142,520
<i>Rental Income</i>	8,784,287	30,000
<i>Sundry Income</i>	117,200	618,507
<i>Interest Income</i>	2,631,270	9,520,548
<i>Foreign currency gain</i>	10,902,934	-
Total	823,693,927	59,601,390
Total Income	951,522,944	68,118,702

Table 1: Analysis of NBA revenue for the quarter ended 31 March 2020 and 31 December 2019

2. Expenses:

The total expenses during the quarter was N163,667,823.00. This excludes capital expenditure on the ongoing NBA building construction project. The building related expenditure is captured and disclosed in appendix 5 of this section. The expenses in this category represent the aggregate of program services' expenses and general administrative expenses, both of which were N51,892,910.00 and N111,774,912.00 respectively. The highest spend during the period was on the March 2020 National Executive Committee (NEC) meeting with an aggregate of N27,374,925.00. The breakdown of the NEC meeting expenses is analyzed as follows:

<i>Expenditure</i>	<i>NGN</i>
<i>Accommodation</i>	<i>16,920,000</i>
<i>Catering services</i>	<i>2,155,375</i>
<i>Photobook and video coverage</i>	<i>220,000</i>
<i>Hall rental, Hall decoration and equipment rental,</i>	<i>999,775</i>
<i>Dinner expenses and event planning fee</i>	<i>6,445,650</i>
<i>Cocktail party expenses</i>	<i>191,625</i>
<i>Others (DJ Service, buying of NEC tags and other expenses)</i>	<i>442,500</i>
<i>Total</i>	<i>27,374,925</i>

Table 2: Breakdown of March 2020 NEC meeting expenses

3. Cash and Cash Equivalent:

This represent the total cash in bank at the quarter ended, 31 March 2020. The total cash in bank was N1,442,292,029. The closing balances in the various undedicated accounts as at the reporting period were as contained in the note 4 of the management account.

4. Total Liability:

This is the aggregate of both Non-current liability – deferred income and account payables:

a. Deferred Income

The deferred income, which represents total non-current liability for the period in the management account was a net income from the lease of the NBA building in Lagos for 3 years. The 3-year lease agreement is expected to commence in 01 October 2020. The total lease income of N175,685,730.00 less agency fee of N8,784,286.50, has been deferred and it is due to be earned from 01 October 2020. This is in line with accounting best practice to record income received but not yet earned.

b. Accounts payable

There was a significant reduction in the other payables, which is a sub item (5a) of the management account and represent accrued expenses from year-end 31 August 2018. The balance, which stood at N134, 470, 165.00 as at 31 December 2019 has significantly reduced to N86,768,259.00 during the quarter ended 31 March 2020. This was due to payment to various vendors during the period.

5. National Secretariat Building Project

The total capital expenditure of N136,770,071.00 was incurred on the ongoing construction project during the period. This expenditure has been captured in the note 1 of the management report as at 31 March 2020. The liability from the NBA National Secretariat construction project also reduced from N32,750,000.00 as at 31 December 2019 to N4,000,000 as at 31

March 2020. The reduction was due to N28,750,000.00 that was paid to Groundhog Construction & Project Company from the unsettled liability as at 31 August 2018.

The breakdown of the additional NBA building related expenditure incurred during the quarter is highlighted below:

Contractor	Service	NGN
Groundhog Construction Company	Building construction	118,770,071.30
Shab Aluminum Company	Supply and installation of aluminum windows and doors	10,000,000.00
Blue Ocean Technical Services Limited.	Supply of Air conditioners	3,000,000.00
Archmodule Nigeria Company	Project management	5,000,000.00
Total		136,770,071.30

Table 3: Analysis of the NBA building construction related expenditure as at 31 March 2020

A sum of N143,144,067.73, being part of the 2019 Annual General Conference (AGC) surplus was utilized to settle NBA building related expenditure during the quarter ended 31 March 2020. This amount is expected to be reimbursed as and when due to meet AGC related spend.

6. Avocats Sans Frontières France (“ASF”)/Lawyers without borders

This represents income from NBA’s partnership with the above-mentioned international organization. The project, *Strengthening the National actors’ capacities and Advocating for Ending serious human rights violations in Nigeria – “SAFE project”*, seeks to enhance the promotion and respect for human rights and fundamental freedoms in Nigeria in situations where people are most at risk, thereby protecting their human dignity. The NBA as a partner to ASF on this project engage lawyers who provide pro bono services to victims of serious human rights violations. The SAFE project strengthens the NBA pro bono program by reinforcing the capacities of lawyers in handling serious human right violation cases.

The income of N1,362,750.00, received during the quarter is the backlog of the monthly administrative support fee that was due to the NBA since the inception of the project in August 2019. The funds received is utilized and reported in line with ASF reporting requirement.

7. Lease renewal - NBA House, Lagos

This represents the lease renewal charge that is due to the Lagos State Government for the renewal of the leasehold interest on the NBA plot of land which accommodates the Lagos building. The N397,794,423.00 due and payable as at 26 July 2018 is the aggregate of the lease premium and other surcharges for the renewal of the 50-year lease period.

8. Inventories

These are NBA branded items available for sale at subsidized rate to Members of the Association and intended users. Items in this category include, NBA customized tie, NBA car stickers, Bar Journals and other souvenirs. The amount reported in the financial statements represent the aggregate cost of all available for sale inventories as at 31 March 2020.

9. Exchange Gains

Foreign exchange gains or losses is an accounting concept referring to the impact of foreign exchange risk in the financial statements of businesses' monetary assets and liabilities denominated in currencies other than the functional currency. The exchange gain reported in the financial statements as at 31 March 2020 represents the surplus consequent to the increase in the value of foreign currencies against the Nigerian Naira in the NBA designated bank accounts. Significant of this gain is the increase in the value of Naira equivalent of the amount in the NBA-MacArthur United States Dollar (USD) denominated account.

10. Rental Income

The rental income represents a portion of the income from NBA Lagos house lease. The estimated 5% of the aforementioned income in Appendix 4a above is due and payable as commission to the property agent company that facilitated the lease transaction. The income has been recognized during the period to cater for the 5% commission due to the Agent.