



ANNUAL REPORT & ACCOUNT 2016





A private sector funded think-tank and policy advocacy group, dedicated to creating an enabling environment for sustainable private sector investment and responsible governance for the socio-economic development of Nigeria.

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Chairman's Speech



Distinguished Members, Invited Guests, Ladies and Gentlemen

I welcome you all to the 21st Annual General Meeting of the Group to receive the Annual Report and Accounts for the year ended December 31st 2016.

Operating Environment

2016 was a tough year for Nigeria. All major economic indicators performed woefully during the year. The economy experienced a negative growth of -1.5%. Inflation rate closed the year at 18.55% from 9% in January. Unemployment rate also increased to 13.9% in the third quarter of the year from 10.4% in the fourth quarter of 2015.

The business environment encountered shocks arising majorly from the foreign exchange crisis, which had severe impact on operating cost, inflation and overall output. Following the lower crude oil prices, foreign exchange shortage became severe in the year, as Nigeria could not finance its rising import bills in the face of plummeting non-oil export. Nigeria's trade balance moved to a deficit of N290 billion in 2016 while balance of payment climbed a deficit of N1.8 trillion in the third quarter of 2016. These two shocks show the steadily contracting exports which started in 2014. Although oil export has been hit hard with a decline of 13%, non-oil exports were more exposed, sliding by more than 59% as at the third quarter of 2016.

In addition to the foreign exchange crisis, the inability of the government to respond swiftly and appropriately to the economic challenges worsened the situation. For instance, the delayed passage of the 2016 budget and cloudy policy direction increased the level of uncertainty in the business environment. This also resulted in a

decline in foreign direct investments which closed below US\$1 billion in the year. Major economic sectors such as construction, manufacturing and oil & gas also contracted by 6%, 4% and 14%, respectively in the year.

In terms of competitiveness, Nigeria fell three places to 127th in the 2016-2017 World Economic Forum Global Competitiveness Rankings (WEF-GCR). This result is not surprising given the harsh operating environment in the year. Thus, Nigeria continues to remain in the bottom 20% of the ranking in the last seven years. Areas where Nigeria performed worse relative to the previous year's ranking include macroeconomic environment, health and primary education, financial market development and innovation. According to the GCR report, the five most problematic factors for doing business in Nigeria are inadequate supply of infrastructure, corruption, access to financing, foreign currency regulations and policy instability.

Despite the challenges facing the economy, we believe there are quite a few reasons to be hopeful in 2017. First, it is our hope that the current peace in the Niger Delta will be sustained so as to guarantee improvement in government revenue which is crucial for payment of salaries and infrastructure development. We also hope that efforts to simplify and ease the business environment would yield positive outcomes following the inauguration of the Presidential Enabling Business Environment Council (PEBEC). In addition, the recent launch of the Economic Recovery and Growth Plan (ERGP), which deserves commendation, is a bold step in the right direction. However, implementation of the Plan is key to getting the economy back on the path of economic growth and sustainable development.

We believe that the economic hardship faced by Nigerians and the harsh business environment presents an opportunity for the NESG to continuously engage the government at different levels to ensure the implementation of policies that support private sector development and promote inclusive growth in Nigeria.

Our Activities

In the year under review, some events and policy engagements organized by the NESG include:

- **The 22nd Nigerian Economic Summit themed “Made in Nigeria”**- The key thrust of the Summit was to facilitate stakeholders' discussions and agreements on how best to ensure that “Made In Nigeria” is not just a mantra but a holistic national strategy for growth and development with measurable outcomes.
- **NESG Engagement with the Job Creation Unit (JCU), Office of the Vice President**- Under this arrangement, the Federal Government partners with the private sector to address policy bottlenecks in five key sectors- Agric & Agro Allied, Retail, Construction, ICT and Renewables- and create 1 million jobs annually.
- **Inauguration National Assembly Business Environment Roundtable (NASSBER)** - NASSBER is a platform for the legislature and private sector to engage and improve Nigeria's business environment.
- **Engagement with Senator Udo Udoma, Minister of Budget and National Planning** - To strengthen NESG's relationship with the Ministry and provide technical support where necessary
- **Launch of NESG Youth Integration Initiative (NESG 200)** - To raise the next generation of NESG leaders from a pool of young professionals

Financial Performance

With this background, I am pleased to inform you that we experienced improved performance on our activities and revenue from membership in 2016. On the financial side, the revenue from membership dues increased by 19.2% to N160.5 million in 2016 from N134.6 million in 2015. On the other hand, we experienced a decline in net income by 23.5% to N119.3 million from N155.9 million in 2015.

Conclusion

Based on our projection, the Nigerian economy will experience a GDP growth rate of 0.6% in 2017. This means economic activities will improve in the year. As stated in our Macroeconomic Outlook for 2017, we believe that any economic recovery achieved outside the scope of supporting the productive base of the economy will not be sustainable. It would only depict a typical case of postponing the “evil day.” Nigeria, therefore, must realize that looking inward remains the sustainable way to create jobs and enhance foreign exchange earnings through the increase in net-exports.

I would like to thank the CEO, Mr. 'Laoye Jaiyeola, for his dynamism, innovation and energy. Also, I thank members of the Board of Directors for their support and commitment to the success of the NESG.

I also thank our members for their continuing interest in, and support for this company.

Thank you ladies and gentlemen.



Mr. Kyari Bukar
Chairman

CHIEF EXECUTIVE OFFICER'S REVIEW

2016 ANNUAL REPORT
OF THE NIGERIAN ECONOMIC
SUMMIT GROUP



Distinguished Members, Invited Guests, Ladies and Gentlemen.

I welcome you all to the 2016 Annual General Meeting of the Nigerian Economic Summit Group. Let me proceed by first thanking every one of you for your contributions to the various programmes and successes of the Group during the year. It is important to put this on record because most of these programmes were executed under challenging circumstances occasioned by the difficult economic environment.

Following the steady decline of the Nigerian economy which started in 2014 and the associated complexities, the National Bureau of Statistics (NBS) in August, formally declared that the nation's economy was in recession given that Gross Domestic Product (GDP) had contracted by 2.06% in the second quarter. It was indeed these complexities that kept us busy at the Secretariat and informed the shape and nature of our public policy engagements as well as interventions in 2016. We were however encouraged by the way many of you demonstrated your support; working tirelessly with us at the Secretariat during the period. For this, we are immensely grateful.

Some of the issues that kept us busy at the NESG included government's policy response to the foreign exchange crisis and its negative impact on manufacturing, and economic activities in general. Other issues of focus included our engagements with the National Assembly Business Environment Roundtable (NASSBER), our interactions with the Job

Creation Unit (JCU) of the Office of the Vice President as well as implementation of my mandate which had been unveiled at the 2015 Annual General Meeting (repositioning of NESG Policy Commissions, strengthening research and evidence and building the next generation).

The following report therefore serves to provide insight into the management of activities around our core mandate on the one hand as well as activities around institutional development on the other.

OUR POLICY COMMISSIONS

Following conscious efforts to reconstitute our 10 Policy Commissions and realign their governance structures, I am pleased to report that most of our engagements in 2016 were led by Policy Commissions. Full details of Policy Commission engagements can be accessed in the "Review of 2016 Activities" section of this AGM report. It is imperative to note that while majority of the Policy Commissions are already running efficiently, we continue to struggle with three of them. I am therefore using this opportunity to challenge you as members to leverage your membership and engage with the NESG at the level of the Policy Commissions as many of our interventions are domiciled within them. I dare say that engagement in this regard gives you: "Influence" over the big topics for shaping the Nigerian business and economic landscape; "Insight" to plan and take your business to the next level and, "Access" to the people who can help get you there. Kindly therefore avail yourself of the platform.

LINKAGES AND EVIDENCE

The NESG Faculty of Economists consisting of experienced and dynamic economists was constituted to provide technical support and guidance to facilitate the delivery of quality and evidence-based position statements and research reports.

Comprising of eight individuals drawn from different sectors of the economy, Faculty led by Dr. Temitope Oshikoya, former Director at the African Development Bank (ADB) and former DG of West African Monetary Institute, has been very instrumental to various research outputs during the period under review.

Our research capabilities have been further enhanced by the recruitment of a new Head of Research and the successful deployment of NESG Macroeconomic Model (MACMOD, our in-house diagnostic tool for macroeconomic modelling). This tool has proven to be a wise investment for the Group, as it played a significant role in the delivery of one of our key outputs titled "NESG Macroeconomic Outlook 2017".

NESG FELLOWSHIP

One of the major highlights of the period under review happened to be operationalization of NESG Fellowship programme which was conceived as a special vehicle to assist government as well as help NESG strategically shift from policy recommendations to intervention. Implementation of the Fellowship is on course with four Engagement Fellows in select MDAs.

In addition to placement of Engagement Fellows in select public sector ministries, the Board recently approved the placement of a Resident Fellow for the NESG Secretariat to enhance our output in 2017 and to support the office of the Chief Executive Officer. The Resident Fellow would be charged with the responsibility of Public Policy and Institutional Capacity Development.

You will be pleased to note that these positions were sponsored by some Corporate Elite members of the Group. Currently, there is a greater demand for Engagement Fellows than the Group has sponsors for. I therefore seize this opportunity to call on both Corporate Elite and Corporate Standard members to contribute towards funding some of these positions in 2017.

YOUTH INTERGATION INITIATIVE

Last year, I did hint at plans to ensure sustainability of the Group as well as preservation of our ethos; "pay-to-serve".

I am pleased to note that these plans have advanced and is now called the Youth Integration Initiative. Further details of the programme is contained in the programmes and activities section of this report.

MEMBERSHIP

In the last year, efforts have been made to make NESG membership more inclusive as well as to align membership benefits with member expectation.

I am pleased to inform that eleven new corporate members joined the Group. Efforts are ongoing to ensure the mobilization of a critical mass of stakeholders who will lend their voices to public policy issues through active engagement at the level of the Policy Commissions.

PARTNERS AND OTHER INSTITUTIONS

We have continued to maintain relationship with our network of non – state actors to improve NESG's capacity for research and to support economic reform initiatives. Relations have continued with the likes of the United Nations Global Compact (UNGC), the Department for International Development (DFID), Canadian High Commission, GIZ, NBA- SBL, HBF and the Lagos Business School. It is my hope that with a large network of new and existing partner institutions, the NESG will not only continue to be at the forefront of developmental issues in Nigeria, but become an institution of international repute.

HUMAN RESOURCES

I am pleased to report that the Group now has a befitting office in Abuja. Situated on the 3rd Floor of Unity Bank building, it is fully equipped for meetings and engagements similar to what obtains in Lagos. It is expected that our presence in Abuja will enhance relationship with the public sector as well as other stakeholders in the region.

Permit me to extend special thanks to our member, Exxon Mobil for granting us access to utilize part of their office space for the greater part of 2016 until we were able to get our space.

OUR PROGRAMMES AND ACTIVITIES

While 2016 has been acknowledged as a challenging year, we continued like previous years to ensure the conduct of regular programmes in line with our research and advocacy mandate. Our partnership with the World Economic Forum (WEF) continued with the administration of the 2016 Executive Opinion Survey, which is the premise upon which the annual global competitiveness report is issued.

With regards to advocacy, the Secretariat and its Policy Commissions were actively engaged in burning issues such as mobilization of private sector input into several pieces of legislation impacting on the business environment, stakeholder engagements to address power issues through private sector investment in renewable and clean energy to boost economic output amongst others.

While a full report of these activities is contained in the “Review of 2016 Activities” section of this AGM report, I would like to make a few comments on NES 22 with major focus on post summit.

THE 22ND NIGERIAN ECONOMIC SUMMIT

The 22nd Summit held from October 10th to 12th at the Transcorp Hilton Hotel, Abuja. The summit with the theme “Made-In-Nigeria” was convened to mobilize stakeholders to embody the imperative to commit to the structural and fiscal changes required to strengthen the Nigerian economy and stem the trend of decline. It was also convened to facilitate stakeholders' agreements on the practical issues, opportunities, policies and regulations needed for “Made in Nigeria” to become an economic growth and development agenda.

The Board and Management of the NESG is indeed pleased with the delivery of NES 22. It was the first summit with full participation of the Executive and Legislatives arms of government. Mr. President was fully engaged and the vast majority of our economic managers as well as Ministers were in full attendance.

The NESG is pleased to note that NES 22 engagement laid the foundation of the Economic Growth and Recovery Plan that was unveiled to the private sector on February 6, 2017 at the State House. We are equally pleased that the active engagement with the legislature; foundations of which were laid at NES 21 has been vigorously pursued following the establishment of the National Assembly Business Environment Roundtable (NASSBER). Today, we can proudly say that all business legislations considered by the National Assembly have significant input from the private sector through the NESG. Many of you were often co-opted into participating at Public Hearings as well as drafted into Technical Committees to work on the bills afterwards. For this kind of mobilization and support, we are indeed grateful.

POST NES 22

Given our tradition of planning for the following year after each annual summit, a series of two retreats took place before the end of 2016. An in-house retreat from November 3rd to 6th aimed at crafting the Secretariat Strategy from 2017 to 2018. Outcomes of this include our four strategic intents for the year as follows:

- Deepening the quality and quantity of NESG Public –Private Dialogues
- Expanding Secretariat Research and Development Capabilities
- Expanding Membership, Stakeholder Base and Strategic Alliances
- Strengthening our Intervention and Execution Management Capabilities

Similarly, efforts were made to align post NES 22 plans of the Policy Commissions in a retreat which held from December 1st to 2nd to ensure that they remain timely, relevant and within the overall mandate of the NESG. Crosscutting themes from Policy Commissions were identified for synergy and work plans were subsequently crafted with the Consultants and Facilitators of the Policy Commissions.

My gratitude goes to the team that led the Joint Planning Committee of NES 22. Very special thanks to the Central Organizing Committee that not only worked during the summit, but formed a critical core for undertaking the post summit retreat with the Policy Commissions in a bid to fine tune the work of NESG in 2017. I am therefore pleased that a large fraction of these individuals have been retained to take on the responsibility of delivering NES 23 this year. Needless to say, I look forward to working with them.

At this point, I wish to express my thanks to all our public-sector partners, development partners, volunteers, sponsors and members. Our distinguished directors, members of our board of patrons as well as committee members deserve special thanks for their unwavering support and commitment to the “we pay to serve” ethos upon which the Group was founded.

CONCLUSION

The year 2017 has commenced with projections of growth being pronounced in several quarters. Conscious efforts of government to synthesize and implement a growth recovery plan for the nation is acknowledged and indeed reassuring. There is however, the requirement for all hands to be on deck. In particular, there is an important complementary role that the private sector needs to play in order for us to stem the tide of decline.

Let me use this opportunity to reiterate NESG's commitment to remain at the fore of advocacy and intervention on all issues regarding the adoption of policies conducive for good governance and sustainable private sector led economic development in 2017. I therefore invite you all to join up forces with the Secretariat to make a difference.

My sincere thanks go to the Board of Directors and the Board of Patrons who have remained true to the vision and mission of the Group. I appreciate your support always and look forward to working closely with you in the coming weeks and months.



Mr. 'Laoye Jaiyeola
CEO, NESG



The NESG Research and Information Services Department is saddled with the responsibilities of tracking, collating and analysing topical social-economic issues on the Nigerian economy. This is with a view to generate objective and credible reports to support evidence-based advocacy initiatives of the NESG. In October 2016, the NESG hired a new Head of Research to direct the affairs of the department.

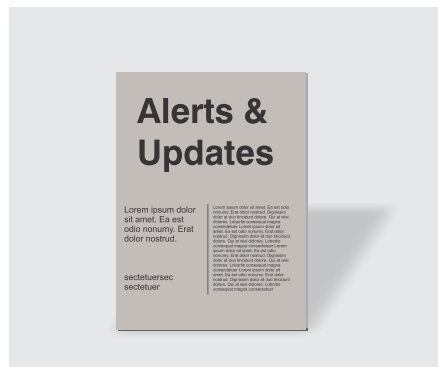
NESG Research Roadmap (2017-2020)

During the year under review, NESG Research developed a broad-based strategic research roadmap and priorities for the department. The roadmap, which aims in all parts to provide a clear framework and structure for research activities, is expected to serve as a guide for the next 4 years (2017 - 2020). Specifically, it seeks to achieve the following objectives:

- Present clear research architecture vis-a-vis improved research processes management, standards, delivery and dissemination
- Increase quality, depth and scope of research publications
- Strengthen institutional research partnership, grants and funding opportunities
- Strategically position the organization as a center of evidence-based economic modeling and policy simulation
- Build research capacity by fostering research innovation

Periodic Research Reports

- **Foreign Exchange Paper** – In January 2016, the Research department published a research report titled “Developing a Sustainable Foreign Exchange Policy for Nigeria.” The report examined key challenges in the management of FX in Nigeria and proposed measures to address key issues relating to Nigeria's foreign exchange.
- **Trumponomics** – The policy brief, released in November 2016 themed “Trumponomics,” examined the impact of Trump's victory and some of his policy standpoints on the global economy with specific reference to Nigeria.
- **GDP Alert** – The Q3 2016 GDP alert emphasized the reality of Nigerian economy in recession with respect to the performance of oil and non-oil sectors. The sectoral analysis of the report revealed very interesting dynamics of the performance of 18 major economic sectors.
- **External Trade** – This report looked at the imperative of implementing structural reforms with a view to eliminate bottlenecks and administrative procedures that are inhibiting trade and export transactions in Nigeria. It is obvious that Nigerian economy is still vulnerable to external shocks through volatility in international prices of crude oil and, by extension, foreign exchange crisis.



Other published/on-going reports of the Research and Information Services Department

Economic Scorecard – This research publication is a multi-assessment model for benchmarking Nigeria's actual economic performance in relation to pre-defined domestic policy targets and global comparative standards in development practice.

Industry Insight – In our bid to foster ease of doing business in Nigeria, this report represents an assessment of a specific industry to unravel the existing information gaps in the industry and identify opportunities that could be explored.

Business Confidence Monitor – This report aims to provide short-term analysis of Nigeria's business environment to gauge the degree of optimism or pessimism with which business executives look forward to the immediate business future.

NESG Economic and Policy Review Journal – This is a quarterly publication that provides constructive analysis of economic policies and their impacts on different aspects of the business and economic environment.

Annual Research report – This report is a single detailed compendium of NESG's research and information services department activities in the year under review with focus on macroeconomic aggregates, markets, sectors analysis and socio-political analysis.

Global Watch Monitor – This research publication is aimed at providing an objective view on global rankings, ratings and indices involving Nigeria.

NESG Newsletter – This regular publication gives an overview of NESG programmes and activities together with the key milestones within the period under coverage.

WEF Global Competitiveness Report 2015-2016

In its role as a Partner Institute to the World Economic Forum (WEF) in Nigeria, the NESG conducted the annual Executive Opinion Survey of the World Economic Forum (WEF) in 2016. NESG Research administered the survey questionnaires to sampled participants who typically range among the top five levels of management in their respective businesses. The results of the executive survey formed part of Nigeria's competitiveness assessment in the Global Competitiveness Report (GCR) 2016-2017.



Programmes Activity Report for 2016 AGM

Private Sector Partnership for Humanitarian Response in the North East of Nigeria

As a follow-up to regional engagements that the NESG recently committed to, a field visit to Maiduguri was undertaken from January 15 to 17. Led by Chairman Kyari Bukar, the objective was to afford private sector member organizations of the NESG an opportunity to engage with humanitarian actors and stakeholders. It also served as a platform for members to see firsthand, the realities on ground in a bid to mobilize response for the humanitarian situation in the state.

The visit was organized in partnership with the National Emergency Management Agency (NEMA) and the United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA) in continuation of the initial private sector engagement with the NESG that took place on December 10, 2015. Major outcomes of the interaction included corporate support by some of our members to address pressing issues in the region. Others include a multi-actor partnership being led by the NESG and UN OCHA to mainstream a framework that seeks to address the humanitarian issues on a more sustainable basis.

NESG Youth Integration Initiative

The NESG Youth Integration Initiative (initially called NESG 200) was launched on January 21 at the Summit House, Ikoyi, Lagos. It was attended by over 100 young professionals who signed on to be involved in the Summit process.

This initiative seeks to ensure sustainability of the NESG by developing highly motivated leaders who are capable of advancing the Group's ideology in the future. It provides the opportunity for the Group to engage our country's youth and also focus on the professional development of future leaders, entrepreneurs, pioneers and innovators who will shape Nigeria's economic future.

To ensure relevance and connection to the Nigerian youth, we seek to attract and retain high potential talent and create a conducive environment for effective youth participation. Representatives of the future generation

will be provided the unique opportunity to shape public debate thereby contributing to the sustainable development of a globally competitive Nigerian economy.

Prospective participants will undergo a vigorous selection process and upon successful application, participate in a robust capacity development program targeted at building the future generation of influencers and catalysts of public opinion. Other benefits include knowledge sharing, the opportunity to engage policy makers, access to high profile individuals and expansion of their network to include highly motivated peers, experts, specialists and the privilege of meaningfully contributing to national discourse and problem solving.

Job Creation

In collaboration with the Job Creation Unit (JCU), Office of the Vice President and Dalberg Global Development Advisors, a Private Sector Working Session on Job Creation and Youth Employment held on Thursday, January 28, 2016 at the Summit House, Ikoyi, Lagos. The objective of the session was to support the development of the "Implementation Plan for Job Creation and Youth Employment in Nigeria". It also served as the precursor of ongoing Federal Government partnership with the Private Sector to address policy bottlenecks in five key sectors- Agric & Agro Allied, Retail, Construction, ICT and Renewables in order to create 1 million jobs annually.

Subsequently, various Private Sector Working Groups were inaugurated to develop practical implementation paths in this regard with NESG serving as the Secretariat. We are pleased to note that an immediate outcome of these engagements is the development of the concept of the Sustainable Economic Development Corporation of Nigeria (SEDCON) which identifies crosscutting linkages in the five focus sectors and seeks to mobilize several funding mechanisms that will drive job creation in Nigeria.

Partnership Engagements with the National Assembly: National Assembly Business Environment Roundtable (NASSBER)

Following successful plenary engagement with the National Assembly at the 21st annual Economic Summit, NASSBER was created. It was created as a platform for the legislature and the private sector to engage, deliberate and take action on a framework that will improve Nigeria's business environment through a review of relevant legislations and provisions of the Constitution. It is a partnership between the National Assembly and the Nigerian Economic Summit Group, UK Department for International Development through the ENABLE II & GEMS3 programmes and Nigeria Bar Association – Section on Business Law. It is expected that through this framework, Nigeria's economy will be globally competitive, achieve inclusive growth and sustainability, create jobs, and generally cater to the wellbeing of Nigerians.

The inaugural event of NASSBER was held on Monday, March 21, 2016 at the New Senate Building of the National Assembly Complex. It brought the critical stakeholders together from the legislature, private sector, law, academia, media, etc. to ensure a wide consensus on 'what to do' and 'how to do it'.

Before the event, a Business Environment Legislative Review was conducted by a team led by Prof. Paul Idornigie SAN. Thereafter, an Economic Impact Assessment of the Review was undertaken by Mr. Opeyemi Agbaje. The Peer Review of the "Comprehensive Review of the Institutional, Regulatory, Legislative & Associated Instruments Affecting Business in Nigeria" was held on 25th February 2016 at the Summit House by a team comprising representatives from NESG, ENABLE2 DfID programme and NBA – SBL. The final Peer Review Report and Economic Impact Assessment Report were submitted to the National Assembly on 29th February 2016. It identified institutional, regulatory, legal and constitutional instruments currently constraining and impeding business activity in Nigeria. The Review identified 54 Acts and proposed 50 bills, including 13 priority Bills that have 8 reform Bills.

The findings and recommendations of the Business Environment Legislative Review Report presented a framework for the assessment and improvement of legislations and policies affecting businesses in Nigeria. The Report also directed deliberations at the Inaugural National Assembly Business Environment Roundtable event which held on March 21, 2016.

The breakout sessions of the inaugural event covered the identified priority legislations in Competition, Doing Business, Roads, Rail, Maritime and Public-Private Partnerships, Taxation, Finance and Investment, Arbitration and Dispute Resolution, e-Business and Intellectual Property and Constitution Review. At the end of the event, a number of recommendations were made and a report of the event has been produced.

Specific Activities

Since its inauguration, NASSBER has been active and using that platform, NESG made presentations at the following:

- Senate Committee on Land Transport Public Hearing on the Railway Bill;
- House of Representatives Committee on Land Transport Public Hearing on the Railway Bill;
- House of Representatives on Land Transport Public Hearing on the National Transport Commission Bill;
- House of Representatives on Land Transport Public Hearing on the Competition Bill;
- House of Representatives Committee on Works Public Hearing on the National Roads Fund Bill;
- Senate Committee on Marine Transport Public Hearing on the National Inland Waterways Authority Bill and Nigerian Ports & Harbour Authority Bill;
- Senate Committee on Works Public Hearing on the Federal Roads Authority Bill;
- Senate Committee on Customs, Excise and Tariffs Public Hearing on the Customs and Excise Management Act Repeal Bill;
- Senate Committee on Banking, Insurance and Other Financial Institutions Public Hearing on the National Development Bank of Nigeria Bill;
- Senate Committees on Land Transport, Marine Transport and Aviation Public Hearing on the National Transport Commission Bill;
- Senate Committee on Trade and Investment Public Hearing on the Federal Competition and Consumer Protection Bill.

Subsequently, NESG was represented in the Technical Committees to the Senate and House of Representatives Committees on Land Transport, Senate Committee on Marine Transport and the House of Representatives Committee on Works. On July 21, 2016 the Senate passed the Nigerian Railway Corporation Act 1955 Repeal & Re-enactment Railway Bill, 2016 (the NASSBER legislation to be passed by any chamber of the National Assembly).

Breakfast Meeting with GE Global Chairman and CEO, Mr. Jeff Immelt

US Mission in Nigeria, American Business Council (ABC) with the support of Nigerian Economic Summit Group (NESG) mobilised the Organized Private Sector to a breakfast meeting with General Electric (GE) Global Chairman/CEO, Mr. Jeff Immelt. He spoke on the topic "Managing through the Economic Downturn". Nigerian entrepreneurs, CEOs and captains of industry were joined by the U.S. Ambassador to Nigeria as well as the French Consul General in Nigeria along with members of the diplomatic community. The well attended event was held on Wednesday, March 2, 2016 at the Wheat Baker Hotel, Victoria Island, Lagos.

Interactive Session with the CBN Governor, Mr. Godwin Emefiele

A special interactive session between the Governor of the Central Bank, Mr. Godwin Emefiele and the private sector on "Nigeria's Foreign Exchange Policy", was convened by the NESG. It provided opportunity for select players in the economy to interact with the Governor to carefully interrogate operationalization of the new FX guidelines which was expected to restore long term confidence in the economy. The event was held at the CBN Building, Lagos on Friday, June 17, 2016.

Stakeholders' Forum on Setting an Agenda for the National Automotive Industry Development Plan

The NESG supported the National Automotive Design and Development Council and Federal Ministry of Industry, Trade & Investment in organizing a Stakeholders' Forum on "Setting an Implementation Agenda for the National Automotive Industry Development Plan." The event held June 20, 2016 at the Skyline Terrace Hall, Oriental Hotel, Lekki, Lagos and was attended by players in the automotive industry.

Workshop on Economic Competitiveness in Nigeria

A Workshop on Nigeria's Economic Competitiveness held on Tuesday, July 12, 2016 at Four Points by Sheraton Hotel, Lekki, Lagos. The event was jointly hosted by the World Bank and the Nigerian Economic Summit Group (NESG) as part of a series of regional workshops in Africa that will form input into the "Africa Competitiveness Report" put together by the World Economic Forum, African Development Bank, OCED and the World Bank.

The workshop focused on three main broad themes: Infrastructure, Institutions and Governance as well as Access to Finance.

It sought to spark interest and spur commitment amongst stakeholders to convene, commit to and drive implementation that will improve Nigeria's competitiveness.

22nd Nigerian Economic Summit

The economic recession provided a relevant context for the 22nd Nigerian Economic Summit (NES #22) which held at the Transcorp Hilton Hotel, Abuja, from October 10 to 12, 2016. The Summit, which is recognized as the most significant annual private and public policy dialogue, was hosted by the Nigerian Economic Summit Group (NESG) and the Ministry of Budget and National Planning. It was organized around the timely theme "Made-in-Nigeria" with the aim of emphasizing the need to look inwards for home-made, sustainable solutions to the country's problems in order to create an economy that is productive, globally competitive and inclusive.

The Summit was attended by over 1,000 stakeholders and dignitaries including His Excellency, President of the Federal Republic of Nigeria, President Muhammadu Buhari; His Excellency the Vice-President, Professor Yemi Osinbajo; His Excellency Senator Bukola Saraki, President of the Senate, Federal Republic of Nigeria; State Governors; Federal Cabinet Ministers, members of National and State Houses of Assembly, top public officers, captains of industry, academia, representatives of multinational corporations, international organizations and civil societies among other participants.

Key features of the Summit were the Keynote Presentation on the State of the Nigerian Economy, Policy Dialogue on the Nigerian Economy, Plenary Sessions, Parallel Insight Sessions and Policy Commission Breakout Sessions. The summit afforded participants the opportunity to play active roles discussing and distilling issues on how to revitalize the economy through strategies that promote inclusive growth as well as higher levels of broad-based production and consumption.

The 22nd Nigerian Economic Summit concluded on five pillars linked to the theme and described as the 'Wills' of Progress that will eventually turn the wheel of Made-in-Nigeria: Governance & Economic Environment; Technology & Innovation; Finance; Business Environment; and Behaviour & Attitudes. These pillars identified pertinent issues with key recommendations highlighted below:

Governance & Economic Environment

Fiscal and monetary policies misalignment, security, political and social tensions were some of the identified challenges. The stability of the Governance & Economic Environment was seen as a prerequisite that allows entrepreneurs and investors a wide scope to plan and take calculated risks. The following were thus itemized as measures in this regard:

- Surefootedness and clear communication of policies to engender investor and citizen confidence.
- Articulation of a National Development Plan that defines our developmental priorities, choices and paths.
- Pursuing and achieving consistent, stable and internally coherent fiscal, monetary and regulatory policies.
- Making public procurement of Made-in-Nigeria goods and services at the National and sub-National levels an imperative, with clear and incremental targets.

As a key Action Point, the Summit recommended pragmatic action on the Niger Delta crisis to boost oil production in order to provide respite and increase government revenues and reserves and reduce the pressure on the exchange rate.

Business Environment

The issues affecting the business environment were thought to include the ease of doing business and the cost of doing business (notably enabling legislations, infrastructure, etc.). It was agreed that a conducive business environment is necessary for the accumulation of capital and other factors of production. The following were thus itemized as measures in this regard:

- Provision of incentives (tax holidays, etc.) for “Made-in-Nigeria” products and innovations
- Restructuring the mandate of Small and Medium Enterprise Development Agency for effectiveness.
- Full operation of the proposed Presidential Council on Ease of Doing Business.
- Fast-tracking the passage of bills and amendment of Acts that improve our Ease of Doing Business.

Technology & Innovation

The role of technology as an enhancer of competitiveness and productivity was acknowledged as a key criterion in a fiercely competitive world hence the under listed recommendations:

- Creation of industrial parks/clusters for MSMEs as a platform for shared-services such as captive power solutions, infrastructure, etc.
- Creation of technology corridors in key cities, with IT infrastructure (such as fiber optics, Wi-Fi, etc) that MSMEs can leverage for their operations.
- Prioritizing the implementation of renewable energy solutions to reduce overall production costs.
- Establishment of the National Research and Innovation Fund.

Finance

- Finance was regarded as the bane of several businesses, particularly micro, small and medium enterprises. Several affordable financing options were discussed but challenges remained with sustainability and transparency of various government initiatives. Establishment of the Development Bank of Nigeria to provide access to affordable long-term capital for on-lending through local development finance institutions (BOI, BOA, etc.), and
- A review of the list of items excluded from the FOREX market were then recommended.

Behaviour & Attitudes

There were discussions on ensuring that the quality of Made-in-Nigeria goods and services are globally competitive and making deliberate attempts to locally patronize them. The following were agreed to as steps to address this:

Creation of a brand and sensitization strategy for Made-in-Nigeria.

Entrenching Made-in-Nigeria preferences, choices and approaches in Procurement, Practices, Processes, Conduct and Priorities by use of legislation and affirmative action initiatives.

CBN Forex Policy Dialogue

The British High Commission under its prosperity fund, Policy Development Facility Phase II (PDF II), a DFID program in collaboration with the NESG, engaged the CBN Governor Mr. Godwin Emefiele in a Policy Dialogue on CBNs Forex policy with the aim of reviewing impact on businesses and consumers. The well attended event was held on Tuesday, November 1, 2016 at the Eko Hotels, Victoria Island, Lagos.

POLICY COMMISSION ACTIVITIES



Governance and Institutions Policy Commission (GIPC)

Following the restructuring of the NESG Policy Commission, the Governance and Institutions Policy Commission held its General Assembly on Wednesday, July 20, 2016. The essence of the meeting was to unveil the restructured Policy Commission framework aimed at promoting policies that tackle critical institutional leakages and ensure good governance in Nigeria and to also form the different thematic groups to drive the work plan of the commission towards delivering its mandate.

The GIPC steering committee members were also appointed and approved by the board of NESG to help drive the policy commission's mandate but the inauguration of the committee was stalled due to the

summit preparations. A future date is to be agreed by the PC leaders for the inauguration.

The GIPC also had a very successful breakout session during the last summit with the Head of civil Service of the Federation sitting as a special guest at the session. The session triggered a conversation around Civil Service Reforms which forms part of the GIPC 2017 workplan.

Human Capital Development Policy Commission (HCDPC)

The year 2016 was active for the Human Capital Development Policy Commission (HCDPC). The HCDPC has four thematic groups- Health, Education, Youth and Gender. Below are a few of the activities undertaken during this period:

Public-Private Collaborative Action for Pandemics and Health Emergencies in Nigeria

On Wednesday, April 20, 2016, the HCDPC hosted a delegation from the World Economic Forum (WEF) and the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) at a forum organized at the Summit House, Ikoyi, Lagos. The objective of the forum was to examine Public Private Sector Collaborative Action for Pandemics & Health Emergencies in Nigeria. In addition, the forum aimed to create a framework for the preparedness and response to future disease outbreaks in Nigeria. It provided an opportunity for catalysing conversations around the creation of Local Networks between in-country business operators, ministries of health and relevant international organizations. It is expected that formation of these networks will help define a coordination mechanism to optimize public-private cooperation at country-level and contribute to a more global effort to assist the international community to recognize, align and better leverage private-sector contributions to outbreak preparedness and response. Attendees included the officials of the Lagos State Ministry of Health, members of staff of First Consultant Hospitals who survived the Ebola Virus among others.

On April 22, the HCDPC secured a meeting with Dr. Jide Idris, Commissioner for Health, Lagos State Ministry of Health. As a result of the meeting, the HCDPC secured support and partnership with the State government on developing a response model for disease outbreaks in Nigeria. The project is still on going.

Education Sector Engagements

In line with the 2016 work plan of the Education thematic group, which focused on teacher education, the HCDPC conducted a review of the role of teacher development institutions in Nigeria's education sector. This was driven with the view to understanding the role of each agency and advocate for appropriate reforms and policy response to improve efficacy of these institutions. As a result, some members of the thematic group made visits to National Teachers Institute (NTI) in Kaduna and Teachers Registration Council of Nigeria (TRCN) in Abuja.

Real Sector Policy Commission (RSPC)

Engagement with the Presidency

Stakeholders in the Policy Commission were actively engaged during the year as a result of the macro economic instability. Most of the engagements were to call for urgent government interventions in the Manufacturing sector, highlighting critical challenges and proposing workable solutions.

Sustainability Policy Commission (SPC)

NESG-HBF stakeholder meeting for zero duty on renewable energy and clean energy products

Heinrich Boll Foundation (HBF) and NESG jointly

hosted a stakeholder meeting on Zero duty for renewable/clean energy products and accessories, as well as other products to promote use of clean /efficient energy as alternative power sources in Nigeria. This was a follow up to discussions around this theme during the annual economic summit of the Group which held in October 2015 during which participants called for urgent government action for an enabling environment for investors and consumers of energy products.

The main objective of the meeting was to encourage government to remove growth impediments such as duty charges, tariffs and taxes in order to trigger productivity especially through MSMEs who are considered the foundation of growth and stability.

Stakeholders' Roundtable on Nigeria's Energy Mix Strategy and the Future of Renewable Energy

Heinrich Boll Foundation (HBF) and NESG jointly hosted a Stakeholders' Roundtable on Nigeria's Energy Mix Strategy and the Future of Renewable Energy. The objective of the Roundtable was to generate stakeholder consensus on the appropriate energy mix for Nigeria; validate Nigeria's renewable energy and energy efficiency policy and develop a draft implementation framework with actionable timelines. It also sought to create an outline for a medium to long term exit strategy for fossil fuels as the primary source of energy as well as commence a credible advocacy for investments in renewable energy.

The event was held at the Four Points by Sheraton, Lagos, on June 22 – 23, 2016 and was well attended.

NESG SPC participation at the 2nd National Council on Power in Kaduna

Following the Stakeholders' Roundtable on Nigeria's Energy Mix Strategy and the Future of Renewable Energy in June 2016, the Policy Commission was invited to participate at the 2nd National Council on Power (NACOP) engagements in Kaduna from July 11 to 16. During this meeting, the Policy Commission strongly pushed for government's review of Nigeria's Energy Mix. The outcome of this was formal allocation of 30% of Nigeria's energy mix to renewable energy. Following this major breakthrough, the Policy Commission has continued to drive clean and renewable energy issues as alternatives to Nigeria's power issues.

Inauguration of the SPC Steering Committee

In a bid to conform with the new Governance structure of NESG Policy Commissions, the Policy Commission inaugurated its Steering Committee on August 2, 2016. This has led to strengthened partnership with Ministry of Environment as well as assisted to secure buy-in of policy and advocacy work of the Policy Commission.

NESG SPC Meeting with the Minister of Environment, Mrs. Amina Mohammed

The Policy Commission led by the management of the NESG engaged the Minister of Environment, Mrs Amina Mohammed on July 11, 2016 with the aim of strengthening NESG's relationship with the Ministry and providing technical support where necessary. This led to NESG's invitation to constitute an Advisory Committee to the Minister.

The Nigeria Energy Future

The Nigeria Energy Future blog portal became an outlet created Heinrich Boll Foundation (HBF) and NESG to further SPC's Low Carbon Growth agenda and strengthen Nigeria's reliance on renewable energy. Some of the areas of focus include - awareness plans for renewable energy (biofuels, biomass, etc.), commercialization of gas flare-out policy, leveled cost of power and off-grid power solutions for agri-businesses among others.

Trade, Investment and Competitiveness (TICPC)

TICPC continued its engagement with the primary objective of influencing policy reforms aimed at catalyzing a conducive investment climate. Further to restructuring the Policy Commission's framework, the TICPC inaugurated its ten-man steering committee in the first quarter of the year. The steering committee, made up of distinguished persons with relevant experience, from the private and public sectors of the economy, is expected to advise and enhance the activities of the thematic groups with a view to delivering the highlighted milestones. Subsequent to this, the General Assembly meeting was convened in the second quarter of the year and the four thematic groups: Macroeconomic Framework; Investment and Competitiveness; Trade; and Fiscal environment were formed.

In line with TICPC mandate of contributing to the ease of doing business in Nigeria, the Fiscal Environment thematic group contributed to the National Tax Policy (NTP) review initiated by the Minister of Finance. The Policy Commission proposed imperative changes to the NTP document as well as policy options for an effective implementation of the new NTP. The reformed NTP document that was recently adopted by the Federal Executive Council (FEC) reflected some of the recommendations proposed by the Policy Commission.

Engagement with Minister of Finance, Mrs Kemi Adeosun

The Policy Commission led by the management of the NESG engaged the Minister of Finance, Mrs Kemi Adeosun in the third quarter on the issue of improving the nation's investment climate. It was agreed in principle that the Ministry of Finance and the NESG will constitute a working team that would review past

operations of the Export Expansion Grant (EEG) with a view to developing a roadmap that will foster efficiency of the scheme going forward.

During NES#22, TICPC Breakout Session was themed "A Strategic Imperative for Growing the Non-Oil Sector and Boosting Non-Oil Exports". Attendance at the session cut across different players in the economy including members of the international community. The non-oil export programme currently being pursued by the Policy Commission emerged from the summit breakout session.

Engagement with the Minister of Industry, Trade and Investment, Dr Okechukwu Enelamah

Engagement with the Ministry revolved round enabling doing business in Nigeria by removing constraints facing businesses in Nigeria. In addition, NESG assisted with the setting of an implementation agenda for the National Automotive Industry Development Plan (NAIDP) as highlighted earlier under the programmes section.

Major outcomes of this engagement include ongoing conversations around the establishment of the Presidential Council on Ease of Doing Business in Nigeria, and secondment of three persons under the NESG Fellowship Programme to provide expertise to the Ministry as well as commitment of stakeholders on the implementation of the NAIDP

Infrastructure Policy Commission (IPC)**Engagement with Minister of Works, Power, Housing, Mr Babatunde Fashola and Minister of Water Resources, Engr. Suleiman Adamu**

The Infrastructure Policy Commission in response to the new framework guiding activities of the NESG 10 Policy Commissions, held series of meetings with its leadership – the steering committee and working committee members in the first quarter of 2016 with a view to acquaint them of the new operating rules. This was followed with courtesy visits to the Honourable Ministers of Power, Works and Housing as well as the Water Resources. The delegation was led by the Vice Chairman of the NESG Board Mrs. Sola David-Borha and members of the IPC Steering Committee – Mr. Kunle Elebute, Dr. Lazarus Angbazo, Engr. Kashim Ali, Mr. Adekunle Oyinloye respectively.

The Policy Commission worked actively with the National Assembly Business Environment Roundtable (NASSBER) to advance the enactment of business-friendly laws by the National Assembly. This initiative facilitated the amendment and passage of the Nigerian Railway Bill, amongst others.

At NES#22, the policy commission session theme was: "Delivering Infrastructure to Drive Inclusive Growth". The session objective was to provide answers to:

- What the priority infrastructure projects of the government should be;
- How government ensures that infrastructure projects are delivered on schedule and on budget;
- How government ensures that the cost of these infrastructure is not punitive to low income earners in the country e.g via tax rises, shadow tolling, etc.

The expected outcomes were:

- Prioritized projects
- Learning points to improve the execution level on government projects
- Measures which could be undertaken to reduce the financial burden of infrastructure costs on the poorest in society.

The session was chaired by Engr. Kashim Ali, President of COREN, and had in attendance: Mr. Babatunde Fashola, Hon. Minister, Power, Works and Housing, Mr. Rotimi Amaechi, Honourable Minister of Transportation and the Director General, PENCOM, Mrs. Anohu-Amazu.

Science and Technology Policy Commission (STPC) Engagement with Dr Ogbonnaya Onu, Minister of Science and Technology and Heads of MDAs in the Ministry

The Policy Commission commenced its engagement with the Minister of Science and Technology early on the 5th of January to strengthen NESG's relationship with the Ministry and provide technical support where necessary. Outcomes of this engagement included an audit of agencies under the Ministry that could actualize the overall goals of the Ministry as well as a determination of how Science and Technology could support "Made in Nigeria" discourse.

Nigeria's Digital Economy

Google Nigeria Office and NESG jointly hosted a Roundtable on the theme: The Impact of Internet Regulations on Investment. The event which held at Sheraton Abuja on Monday, May 9, 2016 was to share findings from "Nigeria's Digital Economy" Report and sought to drive stakeholders' conversation on Nigeria digital economy. Major findings of the report are highlighted below:

- Investors in Nigeria's digital environment see the legal environment as a priority due to the high potential of policies to inimically affect businesses, with 81% of internet investors saying their legal environment has a negative impact on investing in-country.
- These internet investors list the ambiguity of regulations as the second factor affecting their sentiments, with 74% of them in Nigeria being uncomfortable investing in business models when the regulatory framework is ambiguous.
- 77% of investors will invest more in the economy if the government activated legislations, policies and regulations aimed at reducing taxes and fees for internet users.
- A rise in the digital skills of the population should lead to a three-fold benefit: more technology entrepreneurs, more savvy users and less regulations in policies as informed users tend not to make mistakes. The target audience are the geographically mobile entrepreneurs and angel investors that back them.
- To become the leader in Africa's digital economy, Nigeria will have to streamline regulations and effect policies that encourage both entrepreneurs and investors.

Technology and Business: Mainstreaming Science and Innovation into Growth and Diversification of Nigeria's Economy

A follow-up engagement with Dr. Ogbonnaya Onu, Honourable Minister of Science and Technology, held on Thursday, September 1, 2016, at the Summit House, Ikoyi, Lagos.

The key objective of the Dialogue was to provide a platform for the Minister to discuss with the private sector and business professionals, a framework to bridge the gap between industry and technology and its significant role in charting Nigeria's development. The session was also used to unveil products and technologies developed by the Ministry with the aim of seeking ways to commercialize them.









NIGERIAN ECONOMIC SUMMIT GROUP (LTD/GTE)
ANNUAL GENERAL MEETING
TO BE HELD ON TUESDAY, 11TH APRIL, 2017
AT OBA ELEGUSHI CLOSE, OFF OBA ADEYINKA OYEKAN A VENUE, IKOYI, LAGOS.

PROXY FORM

I/We..... of being a
Member/Members of the above-named Company, hereby appoint
of as my/our Proxy, to vote for me/us on my/our behalf at the
Annual General Meeting of the Company to be held on Tuesday, 12th April, 2016,
at 10:00am and any adjournment thereof.

SIGNED this..... day of, 2016.

.....
Signature of Member.

THE SUMMIT HOUSE

6, Oba Elegushi Street, Ikoyi, Lagos. P.M.B 71347, Victoria Island, Lagos. Tel: +234 1 4618869, 4618870.

Website: www.nesgroup.org. Email: info@nesgroup.org

ABUJA LIAISON OFFICE: Room 204 (Ground Floor), Bureau of Public Enterprises, 11, Osun Crescent, Off IBB Way, Maitama - Abuja














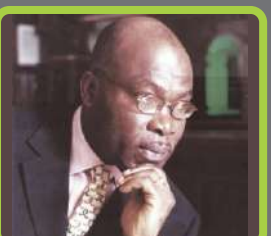






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FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER, 2016



THE NIGERIAN ECONOMIC SUMMIT BOARD OF DIRECTORS























































































			
Mr. Kyari Bukar Chairman	Mrs. Sola David-Borha Vice Chairman	Mr. Asue Ighodalo Vice-chairman	Mr. Nicolaas A. Vervelde Vice-chairman
			
Mr. 'Laoye Jaiyeola Chief Executive Officer (CEO)	Mr. Foluso Phillips	Mr. Mohammed Yinusa	Mr. Udeme Ufot
			
Mr. Frank Aigbogun	Mrs. Wonu Adetayo	Mr. Niyi Yusuf	Mr. Christos Giannopoulos
			
Dr. Adedoyin Salami	Mr. Leo Stan Ekeh	Mr. Osagie Okunbor	Mr. Segun Ogunsanya
			
Mr. Tony Attah	Mr. Kennedy Uzoka	Mr. Kunle Elebute	Dr. Adesola Adeduntan

Corporate information

Directors	Mr. Kyari Bukar Mrs. Sola David-Borha Mr. Asue Ighodalo Mr. Nicolaas A. Vervelde Mr. Laoye Jaiyeola Mr. Foluso Phillips Mr. Mohammed J. Yinusa Mr. Udeme Ufot Mr. Frank Aigbogun Mrs. Wonu Adetayo Mr. Niyi Yusuf Mr. Christos Giannopoulos Dr. Adedoyin Salami Mr. Leo Stan Ekeh Mr. Osagie Okunbor Mr. Segun Ogunsanya Mr. Tony Attah Mr. Kennedy Uzoka Mr. Kunle Elebute Mr. Adesola Adeduntan	<ul style="list-style-type: none">- Chairman- Vice-chairman- Vice-chairman- Vice-chairman- Chief Executive Officer (CEO)
Registered office	6, Oba Elegushi Street Ikoyi Lagos	
Auditors	Horwath Dafinone Chartered Accountants	
Bankers	Diamond Bank Plc Fidelity Bank Plc First Bank of Nigeria Plc Stanbic IBTC Bank Plc Sterling Bank Plc United Bank for Africa Plc	
Secretaries	Olaniwun Ajayi LP	
RC No.	303317	

Board meetings

Attendance of directors
during fiscal 2016

S/N	Name of the Directors	Number of Board Meetings held and attended 9/2/16 - 12/4/16 - 1/9/16 - 15/12/16				Total	% of Attendance
1	Mr. Kyari Bukar					4/4	 100%
2	Mrs. Sola David-Borha					3/4	 75%
3	Mr. Asue Ighodalo					4/4	 100%
4	Mr. Nicolaas Vervelde					1/4	 25%
5	Mr. Laoye Jaiyeola					4/4	 100%
6	Mr. Adesola Adedutan					1/1	 100%
7	Dr Adedoyin Salami					2/4	 50%
8	Mr. Christos Giannopoulos					1/4	 25%
9	Mr. Foluso Phillips					2/4	 50%
10	Mr. Frank Aigbogun					4/4	 100%
11	Mr. Kennedy Uzoka					1/1	 100%
12	Mr. Kunle Elebute					1/1	 100%
13	Mr. Leo Ekeh					0/4	 0%
14	Mr. Mohammed Yinusa					3/4	 75%
15	Mr. Niyi Yusuf					4/4	 100%
16	Mr. Osagie Okunbor					0/4	 0%
17	Mr. Segun Ogunsanya					2/2	 100%
18	Mr. Tony Attah					0/1	 0%
19	Mr. Udemé Ufot					4/4	 100%
20	Mrs. Wonuola Adetayo					4/4	 100%

 Present  Absent

Report of the directors

The directors present their annual report together with the audited financial statements for the year ended 31st December, 2016.

Principal activities

The Nigerian Economic Summit Group is an independent non-partisan not for profit organisation limited by guarantee, committed to fostering open and continuous dialogue on Nigeria's economic development and growth.

Results

The results for the year are shown on page 7.

Future developments

The Company intends to continue fulfilling the objectives stated in its Memorandum of Association.

Dividend

The nature of the company's legal structure does not permit the distribution of any of the surplus of income over expenditure to the guarantors.

Property, plant and equipment

The property, plant and equipment values are shown in note 12 to these financial statements.

Directors

The directors who served the company during the year under review and up to the date of signing of the financial statement are as stated on page 1.

Mr. Henry Okolo	- (Retired 12 th April, 2016)
Mazi Sam Ohabunwa	- (Retired 12 th April, 2016)
Mrs. Funke Osibodu	- (Retired 12 th April, 2016)
Mr. Oduoza Philip	- (Retired 1 st September, 2016)
Mr. Babs Omotowa	- (Retired 1 st September, 2016)
Mr. Seyi Bickersteth	- (Resigned 15 th December, 2016)
Mr. Micheal Ikpoki	- (Resigned 12 th April, 2016)
Mr. Olabisi Onasanya	- (Resigned 12 th April, 2016)
Mr. Keith Richards	- (Resigned -15 th December, 2016)
Mr. Osagie Okunbor	- (Appointed 15 th December, 2015)
Mr. Tony Attah	- (Appointed 1 st September, 2016)
Mr. Kennedy Uzoka	- (Appointed 1 st September, 2016)
Mr. Kunle Elebute	- (Appointed 15 th December, 2016)
Mr. Adesola Adeduntan	- (Appointed 12 th April, 2016)
Mr. Segun Ogunsanya	- (Appointed 12 th April, 2016)
Mr. Michael Ikpoki	- (Resigned 12 th April, 2016)
Mr. Seyi Bickersteth	- (Resigned -15 th December, 2016)

Responsibilities of the directors

The Companies and Allied Matters Act CAP C 20 LFN 2004 requires, where the Company is registered under the Act, that the directors prepare financial statements, in respect of each financial year, so as to give a true and fair view of the state of affairs of the Company at the end of the year and of the surplus or deficit generated by the Company for the year.

In preparing these financial statements, the directors:

- selected suitable accounting policies which were consistently applied;
- made judgments and estimates that were reasonable and prudent;

Responsibilities of the directors (continued)

- ensured that the applicable International Financial Reporting Standards have been followed, and in the case of any material departures, that it has been fully disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis, since it was appropriate to assume that the company will continue to exist.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any point in time, the financial position of the company, and enable them to ensure that the financial statements comply with the Companies and Allied Matters Act CAP C20 LFN 2004. The directors are also responsible for ensuring that the financial statements so prepared comply with the relevant International Financial Reporting Standards as adopted by the Financial Reporting Council of Nigeria. The directors are also responsible for the safeguarding of the assets of the company, and therefore, for taking all and any reasonable steps for the prevention and detection of fraud and other irregularities.

Employment of physically challenged persons

It is the company's policy to give equal consideration to all applications for employment, including those that are physically challenged, after taking cognisance of their special aptitudes or disabilities. Employees who become physically challenged during the course of their employment are given reasonable alternatives, having regard to their disability. There were no physically challenged people in the employment of the organisation throughout the year under review.

Health and safety at work for employees

Health and safety regulations are in force within the company and are displayed on various notice boards for the employees' benefit. The company has engaged the services of medical practitioners to treat the illness or accidents, which may arise in respect of any employee, from the operations of the company. The cost incurred on this for the year amounted to ₦ 2.8 million (2015: ₦ 1.8 million).

Employee involvement and training

The company encourages its employees to improve on their performance and development through on-the-job training and where necessary, by attending both internal and external courses. The cost incurred on staff training during the year under review amounted to ₦ 13.6 million (2015: ₦ 1.1 million).

Gifts and donation

The company made donations of ₦ 1.5 million during the year (2015: ₦ 1.6 million).

Research and development activities

The company contributes towards research and development activities in the industry by creating a forum for members in the industry to discuss and exchange ideas.

Auditors

Messrs Horwath Dafinone, Chartered Accountants, having indicated their willingness to continue in office, shall do so, in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20 LFN 2004.

By order of the Board

OLANIWUN AJAYI LP
Olaniwun Ajayi LP

Olaniwun Ajayi LP, Company

Company Secretary

FRC No.

Lagos, Nigeria

11th April, 2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

Opinion

We have audited the financial statements of Nigerian Economic Summit Group (Limited by Guarantee) which comprise, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows for the year then ended, other explanatory notes, statement of value added and five-year financial summary. These financial statements are set out on pages 7 to 36 and have been prepared using the significant accounting policies set out on pages 14 to 22.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st December, 2016 and of its financial performance and its cash flows for the year ended on that date, and comply with the applicable International Financial Reporting Standards as adopted by the Financial Reporting Council of Nigeria.

Basis of our opinion

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 controls 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 management, as well as evaluating the overall presentation of the financial statements.

Compliance with the relevant legislation and regulations

In accordance with section 360 (1) and (2) of the Companies and Allied Matters Act CAP C20 LFN 2004, we confirm that the financial statements are in agreement with the accounting records which have been properly kept.

In accordance with Section 359(2) of the Companies and Allied Matters Act, CAP C20 LFN 2004, we confirm that we received all of the information and explanation that were required for the purpose of the audit.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE) (continued)****Other information other than auditor's report**

The directors' report and other information contained therein are the responsibility of management. Our opinion does not cover these reports and accordingly we do not express any form of assurance conclusion thereon.

It is our responsibility to read the other information and in doing so, consider whether the information is materially inconsistent with the financial statements or with the knowledge obtained in the audit or otherwise appears to be materially misstated. If based on our work we concluded that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards as adopted by the Financial Reporting Council of Nigeria. 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 opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and Nigerian Standards on Auditing issued by the Institute of Chartered Accountants of Nigeria. The standards require that we comply with ethical requirements, plan and perform the audit so as to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

The engagement partner on the audit is Mr. Rasheed Ajibola.

Lagos, Nigeria
11th April, 2017

Engagement partner
FRC/2012/ICAN/0000000328
For: HorwathDafinone
Chartered Accountants



Statement of comprehensive income for the year ended 31st December, 2016

	Note	2016 ₪	2015 ₪
Revenue	7	138,474,725	274,731,747
Other operating income	8	84,123,584	25,216,968
Administrative expenses	9	(207,260,766)	(145,036,205)
Finance income	10	23,489,451	21,477,596
Surplus before tax	22	38,826,994	176,390,106
Income tax expense	11	-	-
Surplus for the year		38,826,994	176,390,106
Items that will not reclassified to income and expenditure:			
Other comprehensive income:			
Fair value loss on available for sale financial assets	13.1	250,300	(12,085,581)
Total comprehensive income for the year		39,077,294	164,304,525
		=====	=====

The accompanying notes including the accounting policies form an integral part of these financial statements.

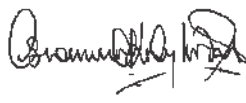
Statement of financial position as at 31st December, 2016

	Note	2016 N	2015 N
Assets			
Non-current assets			
Property, plant and equipment	12	497,105,585	485,619,448
Available for sale financial assets	13	29,637,875	34,784,691
Total non-current assets		526,743,460	520,404,139
Current assets			
Prepayments	14	20,379,495	6,101,707
Trade and other receivables	15	70,519,536	101,561,319
Cash and cash equivalents	16	463,570,911	372,901,425
Total current assets		554,469,942	480,564,451
Total assets		1, 081,213,402	1,000,968,590
		=====	=====
Equity and liabilities			
Equity			
Accumulated fund		893,152,674	879,325,680
Capital development fund		147,538,918	67,283,793
Fair value reserve	13.1	4,591,096	4,340,796
Total equity		1, 045,282,688	950,950,269
Non-current liabilities			
Deferred grant income	17	-	684,410
Total non-current liabilities		-	684,410
Current liabilities			
Deferred grant income	17	3,184,964	1,299,650
Trade and other payables	18	22,889,375	29,789,375
Accruals	19	9,856,375	18,244,886
Total current liabilities		35,930,714	49,333,911
Total liabilities		35,930,714	50,018,321
		=====	=====
Total equity and liabilities		1, 081,213,402	1,000,968,590
		=====	=====

The financial statements were approved and authorised for issue on April 11, 2017 and were signed on its behalf by:



Mr. Kyari Bukar
Chairman
FRC/2013/IODN/00000002050



Mr. Asue Ighodalo
Vice Chairman
FRC/2015/NBA/00000010680



Mr. Laoye Jaiyeola
Chief Executive Officer
FRC/2013/MULTI/00000001579

Statement of changes in equity for the year ended 31st December, 2016

	Accumulated fund	Capital development fund	Fair value reserve	Total equity
	N	N	N	N
Balance as at 1 st January, 2015	702,935,574	-	16,426,377	719,361,951
Income and expenditure:				
Surplus for the year	176,390,106	-	-	176,390,106
Other comprehensive income:				
Fair value changes	-	-	(12,085,581)	(12,085,581)
*Capital development fund	-	67,283,793	-	67,283,793
Balance as at 31st December, 2015	879,325,680 =====	67,283,793 =====	4,340,796 =====	950,950,269 =====
Balance as at 1 st January, 2016	879,325,680	67,283,793	4,340,796	950,950,269
Income and expenditure:				
Surplus for the year	38,826,994	-	-	38,826,994
Other comprehensive income:				
Fair value changes	-	-	250,300	250,300
*Capital development fund	-	80,255,125	-	80,255,125
Appropriation from reserve to fellowship fund	(25,000,000)	-	-	(25,000,000)
Balance as at 31st December, 2016	893,152,674 =====	147,538,918 =====	4,591,096 =====	1,045,282,688 =====

* With effect from 1st January, 2015 not less than 50% of the membership subscription shall be accounted for as capital development fund.

Statement of cash flows for the year ended 31st December, 2016

	notes	2016 N	2015 N
Cash flow from operating activities			
Surplus for the year		38,826,994	176,390,106
Adjustments for non-cash items:			
Depreciation	12	22,236,609	14,983,519
Grant income released to income and expenditure	17.3	(1,299,650)	(1,299,650)
Profit on disposal of property, plant and equipment	8	-	(1,032,783)
Impairment in fair value	13.2	5,397,116	-
Cash inflows before working capital changes		65,161,069	189,041,192
Working capital changes:			
Increase in prepayments	14	(14,277,788)	(4,101,706)
Decrease/(increase) in receivables	15	31,041,783	(92,218,538)
Decrease in payables	18	(6,900,000)	(20,616,959)
(Decrease)/increase in accruals	19	(8,388,511)	6,384,747
Net cash inflows from operating activities		66,636,553	78,488,736
Cash flow from investing activities:			
Purchase of property, plant and equipment	12	(33,722,746)	(27,361,177)
Proceeds from disposal of property, plant and equipment		-	3,135,000
Divestment of available for sale financial assets		-	1,571,005
Net cash outflows from investing activities		(33,722,746)	(22,655,172)
Cash flow from financing activities:			
Deferred grant	17	2,500,554	-
Members' contribution to capital development fund		80,255,125	67,283,793
Fellowship fund		(25,000,000)	-
Net cash inflows from financing activities		57,755,679	67,283,793
Net increase in cash and cash equivalents		90,669,486	123,117,357
Cash and cash equivalents at 1 st January		372,901,425	249,784,068
Cash and cash equivalents at 31st December	16	463,570,911	372,901,425
		=====	=====
Represented by:			
Cash in hand		8,720	16,650
Bank balances		277,666,053	153,329,706
Fixed deposits		185,896,138	219,555,069
		463,570,911	372,901,425
		=====	=====

The accompanying notes including the accounting policies form an integral part of these financial statements.

*Notes to the financial statements for the year ended 31st December, 2016***1.0 General information****1.1 Reporting entity**

The Nigerian Economic Summit Group was incorporated as a private limited company by guarantee on 8th November 1996, as an independent, non-partisan, not-for-profit organization with a mandate to promote and champion the reform of the Nigerian economy into an open, private sector-led globally competitive economy through its advocacy efforts. It commenced business immediately on the same date.

1.2 Principal activities

The Nigerian Economic Summit Group is an independent non-partisan organisation, committed to fostering open and continuous dialogue on Nigeria's economic development and growth.

1.3 Basis of preparation

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Available for sale financial instruments are measured at fair value through other comprehensive income.

Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date under current market condition, regardless of whether that price is directly observable or estimated using another valuation technique.

1.4 Composition of financial statements

The financial statements are drawn up in Naira, the functional currency of Nigeria, in accordance with International Financial Reporting Standards (IFRS). These are the Company's first full financial statements prepared IFRS and comprise:

- Statement of comprehensive Income
- Statement of financial position
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statement

It also includes statements required by local legislation but not prohibited by IFRS. These are:

- Statement of value added
- Five years financial summary

*Notes to the financial statements for the year ended 31st December, 2016 (continued)***1.0 General information (continued)****1.5 Financial period**

These financial statements cover the financial year ended 31st December 2016, with comparative amounts for the financial year ended 31st December 2015.

1.5.1 Frequency of reporting

The company had maintained a 31st December year end (i.e. 12 months) as there was no change in accounting date for the periods covered by these IFRS financial statements.

1.6 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"). These are the Company's first financial statements prepared in accordance with IFRSs.

1.7 Functional and presentation currency

These financial statements are presented in Nigerian Naira which is the Company's functional currency. Except otherwise indicated, financial information presented in Naira have been stated in absolute figures.

1.8 Use of estimates and judgments

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Areas where critical estimates are made are referred to in note 4.

2.0 First time adoption of new and revised IFRS standards**2.1 New and revised accounting standards and interpretations in issue but not yet effective**

The following revisions to accounting standards and pronouncements that are applicable to the company were issued but are not yet effective. Where IFRSs listed below permit early adoption, the company has elected not to apply them in the preparation of these financial statements.

The full impact of these IFRSs is currently being assessed by the company, but none of these pronouncements are expected to result in any material adjustments to the financial statements.

The company will apply relevant Standards when they become effective.

Commentaries on these new standards/amendments are provided below:

*Notes to the financial statements for the year ended 31st December, 2016 (continued)***2.0 First time adoption of new and revised IFRS standards (continued)****2.1 New and revised accounting standards and interpretations in issue but not yet effective (continued)****Amendments to IFRS 5 Non-Current Asset Held for Sale and Discontinued Operations**

Amends IFRS 5 with specific guidance on changes in disposal methods, for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases for which held for distribution accounting is discontinued. The amendment clarifies that changing from one of these disposal methods to the other should not be considered to be a new disposal plan, rather it is a continuation of the original plan.

IFRS 9- Financial Instruments

This is the finalised version which incorporates requirements for classification and measurements, impairment, general hedge accounting and derecognition.

The amendments include; financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. Also, an expected credit loss model is introduced for the measurement of impairment on financial assets. So, it is no longer necessary for a credit event to have occurred before a credit loss is recognised.

IFRS 9 is effective for annual reporting periods beginning on or after 1st January, 2018.

IFRS 15- Revenue from contracts with customers

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. This was issued in May, 2014.

The amendments include; financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. Also, an expected credit loss model is introduced for the measurement of impairment on financial assets. So, it is no longer necessary for a credit event to have occurred before a credit loss is recognised.

Amendments to IAS 19- Defined Benefit Plans: Employee Contributions

Amends IAS 19 to clarify that high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid (thus, the depth of the market for high quality corporate bonds should be assessed at currency level).

The accounting policies set out below have been applied to the period presented in the financial statements.

*Notes to the financial statements for the year ended 31st December, 2016 (continued)***3.0 Significant accounting policies****Amendments to IFRS 8- Operating segments**

The disclosure of the judgements made by management is aggregating operating segments. This is effective for annual reporting periods beginning on or after 1st July, 2014.

Amendments to IFRS 13- Fair value measurements

This allows an entity to measure the fair value of a group of financial assets and financial liabilities effective for annual reporting periods beginning after 1st July, 2014.

3.1 Financial instruments**3.1.1 Recognition and measurement**

Financial assets and financial liabilities are recognised in the statement of financial position when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus, in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Purchases and sales of financial instruments are measured on a trade-date basis.

Financial liabilities and Equity Instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets are derecognised when and only when:

- The contractual rights to the cash flows from the financial assets expire; or
- The company transfers the financial asset, including substantially all the risks and reward of ownership of the asset.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the contract is discharged, cancelled or has expired. The difference between the carrying amount of a financial liability (or part thereof) extinguished or transferred to another party and consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the income statement.

Investments made by the company which are classified as either held at fair value through profit or loss or available-for-sale are measured at subsequent reporting dates at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of quoted investments and unit trusts in active markets are based on current market prices. Since actual market prices are available in determining fair values, no significant estimates or valuation models are applied in determining the fair value of quoted financial instruments.

*Notes to the financial statements for the year ended 31st December, 2016 (continued)***3.0 Significant accounting policies (continued)****3.1 Financial instruments (continued)****3.1.2 De-recognition of financial instruments**

Financial assets are derecognised when the contractual rights to receive cash flows from the investments have expired or on trade date when they have been transferred and the Company have also transferred substantially all risks and rewards of ownership. Non-cash financial assets pledged, where the counterparty has the right to sell or re-pledge the assets to a third party, are classified as pledged assets.

Financial liabilities are derecognised when they are extinguished, that is when the obligation is discharged, cancelled or expires.

3.1.3 Financial assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss; loans and receivables, held-to-maturity and available-for-sale financial assets. Management determines the classification of financial assets at initial recognition; this classification depends on the nature and purpose of the financial asset. The company has quoted investments as available for sale, loans and receivables and held to maturity.

3.1.3.1 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These arise when the company provides money, goods or services directly to a debtor with no intention of trading the receivable. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured on initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reductions for impairment of financial assets. The carrying amount represents its fair value.

3.1.3.2 Available-for-sale

Available-for-sale instruments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value on the statement of financial position.

3.1.3.3 Held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has both the positive intent and ability to hold to maturity. Where the company has sold more than an insignificant amount of held-to-maturity investments before maturity, the entire category would be tainted and reclassified as available-for-sale assets with the difference between amortised cost and fair value being accounted for in other comprehensive income. Held-to-maturity investments are carried at amortised cost, using the effective interest method, less any impairment losses.

*Notes to the financial statements for the year ended 31st December, 2016 (continued)***3.0 Significant accounting policies (continued)****3.1 Financial instruments (continued)****3.1.4 Financial liabilities**

Financial liabilities are recognised initially at fair value, generally being their issue proceeds net of transaction costs incurred. Financial liabilities are subsequently stated at amortised cost and interest is recognised over the period of the borrowing using the effective interest method. The company's financial liability includes account payable.

3.1.4.1 Account payables

These are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers on the basis of normal credit terms and do not bear interest. They are recognized initially at fair value and subsequently measured at amortised cost using effective interest method.

3.1.5 Gains and losses

Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously recognised in other comprehensive income is recognised in the income statement. Interest income, calculated using the effective interest method, is recognised in the income statement except for short term receivables where the recognition of interest would be immaterial. Dividends on available-for-sale equity instruments are recognised in the income statement when the right to receive payment is established.

3.1.6 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.1.7 Impairment of financial assets**3.1.7.1 Assets carried at amortised cost**

At each reporting date, the company assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and lost event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it then includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

*Notes to the financial statements for the year ended 31st December, 2016 (continued)***3.0 Significant accounting policies (continued)****3.1 Financial instruments (continued)****3.1.7 Impairment of financial assets (continued)****3.1.7.1 Assets carried at amortised cost (continued)**

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment. If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at the financial assets original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in statement of comprehensive income.

3.1.7.2 Assets carried at fair value

At each reporting date, the company assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement) is removed from other comprehensive income and recognised in the income statement.

Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not subsequently reversed through the income statement, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income. However, if in a subsequent period the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

*Notes to the financial statements for the year ended 31st December, 2016 (continued)***3.0 Significant accounting policies (continued)****3.1 Financial instruments (continued)****3.1.8 Offsetting of financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or, realise the asset and settle the liability simultaneously.

3.2 Fair value hierarchy

Fair values are determined according to the following hierarchy:

Level 1: Quoted market prices- financial assets and liabilities with quoted prices for identical instruments in active markets.

Level 2: Valuation techniques using observable inputs- quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities valued using models where all significant inputs are observable.

Level 3: Valuation techniques using significant unobservable inputs- financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable. The best evidence of fair value is a quoted price in an active market. In the event that the market for a financial asset or liability is not active, a valuation technique is used

3.3 Property, plant and equipment

Property, plant and equipment and other tangible assets are stated at historical cost except for building at revalued amount, less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values on a systematic basis over their estimated useful lives. The average useful lives are expressed in years as follows:

*Notes to the financial statements for the year ended 31st December, 2016 (continued)***3.0 Significant accounting policies (continued)****3.3 Property, plant and equipment (continued)**

Assets	Estimated Useful Lives (Yrs)
Land	Over the lease period (99 years)
Buildings	40
Library books	4
Office furniture, fittings and fixtures	5
Office equipment	5
Motor vehicle	4
Plant and machinery	5

The company's land is part of the Government's 99-year initiative and is depreciated over the remaining period of the lease.

Each part of an item of office equipment, furniture and other property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The asset's residual values, useful lives and depreciation method are reviewed on an annual basis, and are adjusted if appropriate. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The carrying amount of asset replaced is derecognized before recognizing the cost of replacement.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement.

3.4 Employee benefits**3.4.1 Pension fund obligations**

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current year and prior periods.

For defined contribution plans, the company pays 10% of annual gross salary as contributions to an administered pension plans, however, additional voluntary contributions are allowed. The company has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

*Notes to the financial statements for the year ended 31st December, 2016 (continued)***3.0 Significant accounting policies (continued)****3.4 Employee benefits (continued)****3.4.1 Pension fund obligations (continued)****3.4.2 Short-term employee benefits**

The cost of short-term employee benefits (those payable within 12 months after service is rendered) such as paid vacation, leave pay, sick leave and bonuses are recognised in the period in which the service is rendered and is not discounted. The expected cost of short-term accumulating compensated absences is recognised as an expense as the employees render service that increases their entitlement or, in the case of non-accumulating absences, when the absences occur. The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Provisions for leave pay and bonuses are recognised as a liability in the financial statements.

3.5 Taxation

The company is exempted from income tax in accordance with the Companies Income Tax Act as amended. It however has obligation to deduct and remit withholding tax at source from suppliers and contractor's payments.

3.6 Provisions

Provisions are liabilities of uncertain timing or amount, and are recognised when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle that obligation. Provisions are measured at the directors' estimate of the expenditure required to settle that obligation at the end of each reporting period, and are discounted (at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability) to present value where the effect is material.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

3.7 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business net of VAT and other related sales taxes.

*Notes to the financial statements for the year ended 31st December, 2016 (continued)***3.0 Significant accounting policies (continued)****3.7 Revenue recognition (continued)****3.7.1 Membership subscription and summit income**

Subscriptions are due on the first day of January of each year; summit income is reported in the year when the summit takes place. Other income is recognized on accrual basis.

With effect from 1st January, 2015, membership subscriptions are split into two, not less than 50% of sum collected is recognised as capital development fund

3.7.2 Interest and dividend income

Interest income and expense are accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Dividend income is recognized when the company has a right to receive such dividend which is usually when the dividend is approved by the investing company.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances and other short term highly liquid investments that are convertible to a known amount of cash which are subject to insignificant risk of changes in value, all of which are available for use by the company unless otherwise stated.

3.9 Foreign currency transactions

In preparing the financial statements of the Company, transactions in currencies other than the entity's presentation currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

3.10 Grants

Grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

They are recognized in comprehensive income on a systematic basis over the periods in which the Company recognized as expenses the related costs for which the grants are intended to compensate. Specifically, grants whose primary condition is that the Company should purchase, construct or acquire non-current assets are recognized as deferred revenue in the statement of financial position and transferred to comprehensive income on a systematic and rational basis over the useful lives of the related assets.

Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in comprehensive income in the period in which they become receivable.

*Notes to the financial statements for the year ended 31st December, 2016 (continued)***3.0 Significant accounting policies (continued)****3.10 Grants (continued)**

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.11 Related party transactions

Related parties include the related companies, the directors, their close family members and any employee who is able to exert significant influence on the operating policies of the company.

Key management personnel are also considered related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The Company considers two parties to be related if, directly or indirectly one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. Where there is a related party transaction with the company, the transactions are disclosed separately as to the type of relationship that exists with the company and the outstanding balances necessary to understand their effects on the financial position and the mode of settlement.

4.0 Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience as other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

4.1 Allocation of land cost

At the date of adoption, the company separate the cost of the land from the building. The amount allocated to land was based on the best estimate of fair value of land within Ikoyi environment of Lagos State, Nigeria.

4.2 Annual estimation of useful lives and residual values

The estimates of useful lives and residual values of property, plant and equipment impact on the annual depreciation charge. The useful lives and residual values are based on management experience and the condition of the assets. Consideration is given to management's intended usage policy for the assets in the future and potential market prices of similar assets.

*Notes to the financial statements for the year ended 31st December, 2016 (continued)***5.0 Financial risk management**

5.1 The Company is exposed through its operations to the following financial risks:

- Liquidity risk
- Reputation risk
- Credit risk
- Equity price risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

5.2 Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, as well as their carrying amounts are as follows:

	2016 N	2015 N
Financial assets		
Receivables	70,519,536	101,561,319
Cash and cash equivalents	463,570,911	372,901,425
	<u>534,090,447</u>	<u>474,462,744</u>
Financial liabilities		
Payables	22,889,375	29,789,375
	<u>22,889,375</u>	<u>29,789,375</u>

5.3 General objectives, policies and processes

The Board has overall responsibility for the determination of the Company's risk management objectives, policies and processes. Whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's Operating Function. The Board receives monthly reports from the Company Chief Executive Officer (CEO) through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The Company's Chief Executive Officer also reviews the risk management policies and processes and reports their findings to the Board.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

*Notes to the financial statements for the year ended 31st December, 2016 (continued)***5.0 Financial risk management (continued)****5.4 Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from cash and cash equivalents held with banks and financial institutions. Banks with good reputation are accepted by the Company for business transactions.

The maximum exposure of financial assets giving rise to credit risk is as follows:

	2016 ₦	2015 ₦
Account receivables	70,519,536	101,561,319
Cash and cash equivalents	463,570,911	372,901,425
	<u>534,090,447</u>	<u>474,462,744</u>
	=====	=====

The credit quality of trade receivables that are neither past due nor impaired is assessed by management with reference to customer credit reports and the historic payment track records of the customer and majority of it being owed by donors.

The age analysis of receivables that are past due but not impaired is as follows:

	2016 ₦	2015 ₦
Past due but not impaired		
Below 30 days	31,050,000	30,000,000
31-60 days	18,000,000	-
61-90 days	17,033,750	-
Above 90 days	-	64,810,033
	<u>66,083,750</u>	<u>94,810,033</u>
	=====	=====

At 31st December, 2016 and 2015, there were no impairment losses recognized in the financial statements as there was no objective evidence that any of the receivables have been impaired. Post year end review shows that ₦ 4.05 million (2015: ₦ 94.09 million) has been settled.

5.5 Liquidity risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it ensures that commitments are made according to cash inflow, excessive borrowing from financial institutions are avoided, low level of liabilities are maintained and keeps enough cash balance in bank to meet expected requirements. The liquidity risk of the Company is managed centrally by the Company's Chief Financial Officer.

*Notes to the financial statements for the year ended 31st December, 2016 (continued)***5.0 Financial risk management (continued)****5.5 Liquidity risk (continued)**

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Carrying amounts N	Contractual cash flows N	Less than 1 year N	1-2 years N	Above 2 years N
2016					
Trade and other payables	22,889,375	22,889,375	19,700,000	-	3,189,375
2015					
Trade and other payables	29,789,375	29,789,375	18,200,000	-	11,589,375

5.6 Reputational risk

Reputational risk is the risk of loss caused by a decline in the reputation of the company or any of its specific business units from the perspective of its stakeholders - shareholders, staff, business partners or the general public. Reputational risk can both cause and result from losses in all risk categories such as market or credit risk.

5.7 Equity price risk

The Company has portfolio investments managed by Stanbic IBTC Stockbrokers Limited and mutual funds managed by ARM Investment Limited. These investments are held in quoted equities which are exposed market price changed. The investments are regularly monitored through a properly diversified equity-mix for risk-return strategy.

5.8 Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholder through optimization of an ideal mix of capital structure. The capital structure of the Company consists of accumulated funds and reserves as detailed in statement of changes in equity.

The Company is not subject to any externally imposed capital restrictions.

6.0 Determination of fair values**6.1 Fair value hierarchy**

A number of the company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. For financial reporting purposes, fair value measurements are categorized into Levels 1, 2 or 3 based on the degree to which the inputs to fair value measurements observable and the significant of the inputs to the fair value measurement in its entirety, which are described as follows:

*Notes to the financial statements for the year ended 31st December, 2016 (continued)***6.0 Determination of fair values (continued)****6.1 Fair value hierarchy (continued)**

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable for the asset or liability.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair values have been determined for measurement and/or disclosure purposes by the company based on the following methods.

6.2 Trade and other receivables/payables

The fair value of trade and other receivables and trade and other payables approximates to the carrying values due to the short-term maturity of these instruments.

6.3 Available for sale financial assets

The fair values of equity and debt securities are determined by reference to their quoted closing bid price at the reporting date. The available-for-sale financial instruments are quoted equities on the Nigeria Stock Exchange with readily available market price.

6.4 Cash and cash equivalents

The fair value of bank balances and cash and bank overdrafts approximates to the carrying value due to the short-term maturity of these instruments.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized:

	Level 1 ₦	Level 2 ₦	Level 3 ₦
31st December, 2016			
Assets			
Cash and cash equivalents	463,570,911	-	-
	=====	=====	=====
31st December, 2015			
Assets			
Cash and cash equivalents	372,901,425	-	-
	=====	=====	=====

Notes to the financial statements for the year ended 31st December, 2016 (continued)

	2016 ₹	2015 ₹
7. Revenue		
Membership fees (note 7.1)*	80,255,125	67,283,793
Summit income (note 7.2)	86,650,813	201,983,238
Project income (note 7.3)	(28,431,213)	5,464,716
	<u>138,474,725</u>	<u>274,731,747</u>
7.1 Membership fees		
Corporate elite	67,732,500	58,058,500
Corporate enhanced	8,497,625	6,260,918
Corporate standard	3,500,000	2,104,375
Individual members	525,000	860,000
	<u>80,255,125</u>	<u>67,283,793</u>
7.2 Summit income		
Income		
Participation fee	53,310,895	65,733,375
Sponsorship	226,033,750	296,831,000
	<u>279,344,645</u>	<u>362,564,375</u>
Expenditure		
Hotel and other related expenses	110,663,276	90,745,624
Courier, travelling and other expenses	7,805,588	11,406,456
Publicity and Publication expenses	74,224,968	58,429,057
	<u>192,693,832</u>	<u>160,581,137</u>
Net summit income	<u>86,650,813</u>	<u>201,983,238</u>
7.3 Project income		
Income	21,026,447	38,441,950
Expenditure	(49,457,660)	(32,977,234)
	<u>(28,431,213)</u>	<u>5,464,716</u>
Net project income	<u>(28,431,213)</u>	<u>5,464,716</u>

* With effect from 1st January 2015, not less than 50% of the membership subscription shall be accounted for as capital development fund.

Notes to the financial statements for the year ended 31st December, 2016 (continued)

	2016 ₦	2015 ₦
8. Other operating income		
Net exchange gain	50,103,638	13,199,882
Credit balances written off	20,647,950	10,984,303
Profit from disposal of property, plant and equipment		1,032,783
NESG fellowship (8.1)	13,371,996	
	<u>84,123,584</u>	<u>25,216,968</u>
8.1 NESG fellowship fund		
Receipts		
NESG Sponsorship contribution	25,000,000	
KPMG	27,983,178	-
Flour mills	24,000,000	-
Investment One	10,000,000	
	<u>86,983,178</u>	<u>-</u>
Expenditure		
Salaries and wages	55,066,511	-
Accommodation	15,039,100	-
Furniture	2,996,726	-
Bank charges	58,845	-
Others	450,000	-
	<u>73,611,182</u>	<u>-</u>
Expenses		
	<u>73,611,182</u>	<u>-</u>
Surplus of income over expenditure	<u>13,371,996</u>	<u>-</u>

At the Board meeting of the Nigerian Economic Summit Group Ltd/Gte held on 8th December 2015, the company was authorised to develop and commence an Internship and Fellowship programme. This is a platform where professionals are employed and seconded by NESG to work with federal government parastatals in order to support Nigeria economy.

In furtherance of the programme a dedicated account was opened with Zenith Bank for the purpose of lodging funds to be utilised in connection with the programme. The initial fund of ₦ 25 million was appropriated from the company's reserve into NESG fellowship fund account. This account warehouses the funds received from sponsors and expenses incurred in connection with the programme. As at the end of the year, the fund had a balance of ₦ 13.3 million which will be appropriated from reserve in 2017 for subsequent use.

Notes to the financial statements for the year ended 31st December, 2016 (continued)

	2016 N	2015 N
9. Administrative expenses		
Directors remuneration	31,024,667	20,911,667
Salaries and wages	58,129,989	48,624,142
Repairs and maintenance	5,724,551	5,469,048
Printing and stationeries	2,489,801	2,658,086
Transport and travelling	10,958,472	13,693,205
Postage and telephone	8,479,324	5,163,835
Utilities	3,117,705	2,372,760
Entertainment	5,917,830	3,827,615
Insurances	3,137,315	2,746,476
Staff training	13,480,214	1,091,750
Donations and gifts	1,503,700	1,571,500
Professional fees	82,300	1,660,000
Medical	2,834,995	1,831,709
Advertisement	-	24,500
Depreciation	22,236,609	14,983,519
Audit fees	1,500,000	1,500,000
Pension contribution	7,787,901	4,865,526
Electricity	7,703,293	5,360,200
Rent and rates	3,341,233	346,016
Professional subscriptions	1,823,162	-
AGM expenses	966,035	406,655
Newspapers and periodicals	462,700	236,700
Security expenses	4,335,834	3,198,980
Office expenses	4,350,819	1,860,222
Bank charges	475,201	632,094
Impairment in fair value	5,397,116	-
	<hr/>	<hr/>
	207,260,766	145,036,205
	=====	=====
10. Finance income		
Interest income	22,953,844	18,579,487
Investment income	535,607	2,898,109
	<hr/>	<hr/>
	23,489,451	21,477,596
	=====	=====
11. Income tax expense		
The company's income received from ordinary activities is not subject to tax.		

Notes to the financial statements for the year ended 31st December, 2016 (continued)

12. Property, plant and equipment

<u>Cost</u>	Land N	Building N	Motor vehicle N	furniture fittings & fixtures N	Office equipment N	Library books N	Plant & machinery N	Total N
As at 1st January, 2016	220,469,170	260,471,211	4,110,000	26,540,912	15,406,656	1,010,599	3,868,000	531,876,548
Additions	-	-	-	19,302,500	13,980,246	-	440,000	33,722,746
Adjustment	-	-	-	(330,000)	403,021	-	-	73,021
As at 31st December, 2016	220,469,170	260,471,211	4,110,000	45,513,412	29,789,923	1,010,599	4,308,000	565,672,315
<u>Depreciation</u>								
As at 1st January, 2016	8,357,135	20,512,107	685,000	5,507,424	7,269,102	1,010,599	2,915,733	46,257,100
Charge for the year	2,387,752	5,860,603	1,027,500	7,034,392	5,086,762	-	839,600	22,236,609
Disposals	-	-	-	-	-	-	-	-
Adjustment	-	-	-	(330,000)	403,021	-	-	73,021
As at 31st December, 2016	10,744,887	26,372,710	1,712,500	12,211,816	12,758,885	1,010,599	3,755,333	68,566,730
<u>Net Book Value</u>								
As at 31st December, 2016	209,724,283	234,098,501	2,397,500	33,301,596	17,031,039	-	552,667	497,105,585
As at 31st December, 2015	212,112,035	239,959,104	3,425,000	21,033,488	8,137,554	-	952,267	485,619,448

Notes to the financial statements for the year ended 31st December, 2016 (continued)

	2016 ¥	2015 ¥
13. Available for sale financial assets		
Equity at cost	30,443,895	30,443,895
Fair value reserve (13.1)	4,591,096	4,340,796
Impairment in fair value (13.2)	(5,397,116)	
	<u>29,637,875</u>	<u>34,784,691</u>
	=====	=====
13.1 Fair value reserve		
As at 1 st January,	4,340,796	16,426,377
Fair value adjustment	250,300	(12,085,581)
	<u>4,591,096</u>	<u>4,340,796</u>
	=====	=====
13.2 Impairment in fair value		
As at 1 st January	-	-
Addition in the year	5,397,116	-
	<u>5,397,116</u>	<u>-</u>
	=====	=====
14. Prepayments		
Prepaid expenses	<u>20,379,495</u>	<u>6,101,707</u>
	=====	=====
15. Trade and other receivables		
Trade receivables (15.1)	66,083,750	94,810,033
Staff advances (15.2)	4,435,786	6,751,286
	<u>70,519,536</u>	<u>101,561,319</u>
	=====	=====
15.1 Trade receivable		
At 1 st January,	94,810,033	3,175,007
Additions during the year	66,083,750	94,810,033
Written off	-	(3,175,007)
Receipt during the year	(94,810,033)	-
	<u>66,083,750</u>	<u>94,810,033</u>
	=====	=====
15.1.1 Impairment		
At 1 st January,	-	3,175,007
Reversal	-	(3,175,007)
Addition in the year	-	
	<u>-</u>	<u>-</u>
	=====	=====
15.2 Staff advances		
As at 31 st December,	<u>4,435,786</u>	<u>6,751,286</u>
	=====	=====

Notes to the financial statements for the year ended 31st December, 2016 (continued)

	2016 ₦	2015 ₦
16. Cash and cash equivalents		
Cash in hand	8,720	16,560
Bank balances	277,666,053	153,329,796
Fixed deposit (16.1)	185,896,138	219,555,069
	<u>463,570,911</u>	<u>372,901,425</u>
	=====	=====
16.1 Included in the fixed deposit is ₦ 185,896,138 (2015: ₦ 168,729,042 million) which represent monies set aside for the purpose of endowment fund together with accumulated interest thereon.		
	2016 ₦	2015 ₦
17. Deferred grant income	3,184,964	1,984,060
	=====	=====
Non-current	-	684,410
	=====	=====
Current position:		
Training and consultancy (17.1)	2,500,554	-
Assets related (17.2)	684,410	1,299,650
	<u>3,184,964</u>	<u>1,299,650</u>
	=====	=====
17.1 This is the outstanding balance on the grant received from UN Global compact for programmes on corruption.		
17.2 The grant was received from world bank. It represents portion received for capacity building, training and for acquisition of property, plant and equipment.		
	2016 ₦	2015 ₦
17.3 Movement in assetsrelated deferred grant income		
Balance as at 1 st January,	1,984,060	3,283,710
Received during the year	-	-
Released to income and expenditure	(1,299,650)	(1,299,650)
	<u>684,410</u>	<u>1,984,060</u>
Balance as at 31 st December,	684,410	1,984,060
Due to income and expenditure within a year	(684,410)	(1,299,650)
	<u>-</u>	<u>684,410</u>
Due to income and expenditure for more than one year	-	684,410
	=====	=====

Notes to the financial statements for the year ended 31st December, 2016 (continued)

	2016 ₦	2015 ₦
18. Trade and other payables		
Trade payable	-	8,400,000
Other payables (18.1)	22,889,375	21,389,375
	<u>22,889,375</u>	<u>29,789,375</u>
	=====	=====
18.1 Other payables		
Membership fees received in advance (18.1.1)	19,700,000	18,200,000
Lagos State Internal Revenue	3,189,375	3,189,375
	<u>22,889,375</u>	<u>21,389,375</u>
	=====	=====
18.1.1 Membership fees received in advance		
As at 1 st January	18,200,000	5,862,500
Receipts during the year	19,700,000	18,200,000
Released to income statement during the year	(18,200,000)	(5,862,500)
	<u>19,700,000</u>	<u>18,200,000</u>
	=====	=====
19. Accruals		
Accrued expenses	9,856,375	18,244,886
	=====	=====
20. Related party transactions		

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Company made transactions to/from its related parties during the year 2016. These transactions were conducted on an arm's length basis in the ordinary course of business. The transactions made during the year were:

Endowment fund: This fund is set aside by the company in a short-term investment. The fund is generated from income received in 2014.

Capital development fund: In 2015, the company set aside 50% of membership contribution. This fund is to be used for capital development project.

Nigerian Economic Summit Group Fellowship Fund: This fund is set aside for internship and fellowship programme and separate bank account is maintained. This is to support government and the economy. The initial fund of ₦ 25 million was provided by the company while subsequent funds were generated from various sponsors.

*Notes to the financial statements for the year ended 31st December, 2016 (continued)***21. Transactions with key management personnel**

Key management staff are those persons who have authority and responsibility for planning, directing and controlling the activities of the company. Key management includes directors (executive and non-executive).

The compensation paid or payable to key management for employee services is shown below:

	2016 N	2015 N
Salaries and other short term benefits	31,024,667	20,911,667
Between one and three years	7,112,667	12,445,667
	<u>38,137,334</u>	<u>33,357,334</u>
	=====	=====
22. Surplus for the year	38,826,994	176,390,106
	=====	=====
This is stated after charging/(crediting)		
Depreciation	22,108,654	14,983,519
Auditor's remuneration	1,500,000	1,500,000
Director's emoluments	31,024,667	20,911,667
Exchange gain	(50,103,638)	(13,199,882)
Employee costs (23.1)	82,233,099	56,413,127
	=====	=====
23. Information regarding employees		
23.1 Employee costs		
Salaries and wages	58,129,989	48,624,142
Medical	2,834,995	1,831,709
Pension cost	7,787,901	4,865,526
Recruitment and training	13,480,214	1,091,750
	<u>82,233,099</u>	<u>56,413,127</u>
	=====	=====
	No.	No.
23.2 Employees remunerated at higher rates		
N= 900,001 - N= 1,000,000	1	-
N= 1,100,001 - N= 1,400,000	6	11
N= 1,700,001 - N= 1,800,000	5	-
N= 2,100,001 - N= 2,200,000	5	1
N= 2,200,001 - N= 3,100,000	1	4
N= 3,600,001 - N= 4,000,000	1	2
N= 5,000,001 - N= 6,500,000	4	-
	<u>23</u>	<u>18</u>
	==	==
23.3 Average number of employees during the year		
Administration	8	7
Research	10	6
Programmes	2	2
Publications & IT	3	3
	<u>23</u>	<u>18</u>
	==	==

Notes to the financial statements for the year ended 31st December, 2016 (continued)

24. Event after reporting date

There has been no material event after the reporting date that has not been taken into account in the preparation of these financial statements.

25. Contingent liabilities

As at the year end, there were no known contingent liabilities that have not been provided for in these financial statements (2015: nil).

26. Capital commitment

There were no capital commitments as at the date of these financial statements (2015: nil).

Notes to the financial statements for the year ended 31st December, 2016 (continued)

	2016 ₤	%	2015 ₤	%
Revenue	138,474,725		274,731,747	
Operating income	84,659,191		25,279,753	
Finance income	22,953,844		21,414,811	
	<hr/>		<hr/>	
Bought in goods and services – local	246,087,760 (71,766,391)		321,426,311 (52,727,892)	
	<hr/>		<hr/>	
Value added	174,321,369	100	268,698,419	100
	=====	==	=====	==
Applied in the following ways:				
To pay employees:				
salaries, wages and other benefits, including directors emoluments	113,257,766	65	77,324,794	28
To provide for the maintenance of assets and expansion of operations:				
Depreciation	22,236,609	13	14,983,519	6
Surplus for the year	38,826,994	22	176,390,106	66
	<hr/>		<hr/>	
	174,321,369	100	268,698,419	100
	=====	==	=====	==

Financial year final summary

		IFRS			NGAAP
Year ended 31 st December	2016	2015	2014	2013	2012
	₦	₦	₦	₦	₦
Statement of financial position					
Non-current assets					
Property, plant and equipment	497,105,585	485,619,448	475,344,007	481,291,710	468,172,125
Available for sale investments	29,637,875	34,784,692	48,441,278	56,958,548	45,342,600
Total non-current assets	526,743,460	520,404,140	523,785,285	538,250,258	513,514,725
Current assets					
Prepayments	20,379,495	6,101,706	2,000,000	-	3,292,775
Trade and other receivables	70,519,536	101,561,319	9,342,781	39,109,847	81,484,343
Cash and cash equivalents	463,570,911	372,901,425	249,784,068	71,847,625	73,924,254
Total current assets	554,469,942	480,564,450	261,126,849	110,957,472	158,701,372
Total assets	1,081,213,402	1,000,968,590	784,912,134	649,207,730	672,216,097
	=====	=====	=====	=====	=====
Equity and liabilities					
Equity:					
Accumulated fund	879,834,678	879,325,680	702,935,574	547,001,899	452,710,129
Capital fund	147,538,918	67,283,793	-	-	-
Fair value reserve	4,591,096	4,340,796	16,426,377	24,943,647	-
Fellowship fund	13,317,996	-	-	-	-
Total equity	1,045,282,688	950,950,269	719,361,951	571,945,546	452,710,129
Non-current liabilities					
Deferred grant income	-	684,410	1,984,060	3,283,710	12,830,997
Total non-current liabilities	-	684,410	1,984,060	3,283,710	12,830,997
Current liabilities					
Trade and other payables	22,889,375	29,789,375	50,406,334	56,549,191	40,315,344
Deferred grant income	3,184,964	1,299,650	1,299,650	5,487,158	-
Mortgage loan	-	-	-	-	140,755,919
Accruals	9,856,375	18,244,886	11,860,139	11,942,125	25,603,708
Total current liabilities	35,930,714	49,333,911	63,566,123	73,978,474	206,674,971
Total liabilities	35,930,714	50,018,321	65,550,183	77,262,184	219,505,968
	=====	=====	=====	=====	=====
Total equity and liabilities	1,081,213,402	1,000,968,590	784,912,134	649,207,730	672,216,097
	=====	=====	=====	=====	=====

Notes to the financial statements for the year ended 31st December, 2016 (continued)

Membership contribution	N	N
Corporate Elite		
Sterling Bank Plc	2,000,000	1,680,000
Dubri Oil Co. Limited	-	1,675,000
Central Securities Clearing Systems	2,000,000	1,680,000
Heritage Bank	2,000,000	1,680,000
Accenture	2,000,000	1,675,000
Access Bank Plc	2,000,000	1,965,000
Capital Alliance Nigeria Limited	2,000,000	3,350,000
Coca Cola Nigeria Ltd	2,000,000	1,829,000
Cotecna Destination Inspection Ltd	-	-
Chevron Nigeria Limited	1,965,000	1,645,000
Dangote Group	2,000,000	1,675,000
Diamond Bank Plc	2,000,000	1,675,000
Ecobank Plc	2,000,000	3,875,320
First Bank of Nigeria Plc	2,000,000	1,870,500
Honeywell Group Ltd	2,000,000	1,975,000
Kakawa Discount House	-	1,835,000
KPMG Professional Services	2,000,000	1,675,000
Mobil Producing Nigeria Unlimited	2,000,000	1,980,000
MTN Communications Nigeria Limited	2,000,000	1,680,000
Nestle Nigeria Plc	2,000,000	1,965,000
Nigeria Liquified Natural Gas	2,000,000	3,960,000
Nigeria Breweries Plc	2,000,000	1,985,000
Promasidor Nigeria Ltd	2,000,000	1,675,000
PZ Cussons Nigeria Plc	2,000,000	1,856,000
Seven -Up Bottling Co. Plc	2,000,000	1,500,000
Stanbic IBTC Bank Plc	2,000,000	1,880,000
Total E & P Nigeria Limited	2,000,000	1,675,000
Union Bank of Nigeria Plc	2,000,000	1,960,000
Greenwich Trust Limited	2,000,000	-
Zenith Bank Plc	2,000,000	1,680,000
Mantrac Nig. Limited	2,000,000	1,900,000
United Bank for Africa Plc	2,000,000	1,675,000
Shell Petroleum Development Company Limited	2,000,000	1,965,000
Guinness Nigeria Plc	2,000,000	1,680,000
British American Tobacco Plc	2,000,000	1,680,000
Walter Smith Petroman Oil Ltd	2,000,000	1,675,000
Fidelity Bank Plc	2,000,000	1,965,000
FBN Capital Limited	2,000,000	1,965,000
Prime Atlantic Limited	2,000,000	3,350,000
Lafarge Wapco	2,000,000	1,965,000
Pricewater House Coopers	2,000,000	1,990,000
North South Power Coy. Limited	2,000,000	1,990,000
Transnational Corporation Plc	2,000,000	3,803,600
Olam Nigeria Limited	2,000,000	1,990,000
Flour Mills Limited	2,000,000	1,675,000
Procter & Gamble Nigeria Ltd	2,000,000	1,740,000
Hewlett Packard Nig. Limited	2,000,000	5,893,000
Wema Bank Plc	2,000,000	2,060,000
Rand Merchant Bank Nig. Limited	2,000,000	2,000,000
Fsdh Merchant Bank Limited	2,000,000	1,999,000
Standard Chartered Bank	2,000,000	1,967,580
Infrastructure Bank	2,000,000	1,999,000
Mansard Insurance Plc	2,000,000	1,999,000
FMDQ OTC Plc	2,000,000	1,990,000
Microsoft Nigeria	2,000,000	1,990,000
Akintola Williams & Co.	2,000,000	1,990,000
Coronation Merchant Bank	2,000,000	1,990,000
Mitsubishi Limited	2,000,000	1,675,000
Unified Pym Sys	2,000,000	-
Arteer Ind. Ltd	1,500,000	-
Unilever Nigeria Plc	2,000,000	-
Investment One Fin. Service Ltd.	2,000,000	-
Skye Bank Plc	4,000,000	-
GE	2,000,000	-
Techno Oil	2,000,000	-
Unity Bank Plc	2,000,000	-
Jumia Nigeria	2,000,000	-
Emerging Markets Telecommunication	2,000,000	-
Toyota Nigeria Ltd	2,000,000	-
Ernst & Young	2,000,000	-
Grand total	135,465,000	116,117,000
	=====	=====

Schedules to the financial statements for the year ended 31st December, 2016

	2016 ₦	2015 ₦
(i) Corporate Elite (continued)		
Analysed as follows:		
Membership fees (50%)	67,732,500	58,058,500
Capital development fund (50%)	67,732,500	58,058,500
	135,465,000	116,117,000
	=====	=====
(ii) Corporate enhanced		
Moni Pulo Ltd	1,000,000	-
Udo Udoma & Bello Osagie	1,000,000	-
Saro Africa Int'l Ltd	1,000,000	-
Dubri Oil Company Ltd	1,000,000	-
Brooks & Blaice Nig Ltd	1,000,000	-
Google Global Service	995,250	-
Computer Warehouse Limited	-	995,000
ICAN	1,000,000	985,000
Citibank Nigeria Limited	1,000,000	995,000
Airtel Networks Limited	1,000,000	982,500
Airline Services Limited	-	837,500
CIBN	1,000,000	982,500
Next International	1,000,000	837,500
S. O. & U. Saatchis & Saatchi	1,000,000	837,500
Phillips Consulting Limited	1,000,000	840,000
Glaxosmithkline Consumer Nig. Plc	-	721,836
DN Tyre and Rubber Plc	1,000,000	835,000
Chartered Institute of Mgt. Accountants	1,000,000	995,000
Lagos Business School	1,000,000	837,500
Ikeji & Arifayan	-	-
Chi Limited	1,000,000	840,000
	16,995,250	12,521,836
	=====	=====
Analysed as follows:		
Membership fees (50%)	8,497,625	6,260,918
Capital development fund (50%)	8,497,625	6,260,918
	16,995,250	12,521,836
	=====	=====
(iii) Corporate standard		
Total Health Trust Ltd	1,000,000	-
Corona Schools Trust Council	500,000	491,250
C & I Leasing	500,000	498,750
Accion Microfinance Bank Ltd	500,000	418,750
Banwo & Ighodalo	500,000	418,750
Olaniwun Ajayi	500,000	487,500
Aluko & Oyeboode	500,000	491,250
Sola Oyetayo	-	-
Glaxosmithkline Consumer Nig. Plc	500,000	-
JMG Limited	500,000	420,000
Trustbond Mortgage Bank Plc	500,000	491,250
International Energy Service Ltd.	-	491,250
Jaiz Bank Plc	1,500,000	-
	7,000,000	4,208,750
	=====	=====
Analysed as follows:		
Membership fees (50%)	3,500,000	2,104,375
Capital development fund (50%)	3,500,000	2,104,375
	7,000,000	4,208,750
	=====	=====

Schedules to the financial statements for the year ended 31st December, 2016 (continued)

	2016 ₦	2015 ₦
(iv) Individual members		
Prof. Anya O. Anya	-	364,500
Softskills Limited	-	168,000
Nagode Industries Limited	200,000	198,500
Mazi Ohuabunwa	150,000	197,000
Nwankwo Chuma Anthony	200,000	168,000
Juliet Aboh	-	200,000
Gemini Pharmaceuticals Ltd.	-	225,000
Senantra	-	199,000
LAPO	200,000	-
Anthony V. Ndah	200,000	-
Sola Oyetayo	100,000	-
	<u>1,050,000</u>	<u>1,720,000</u>
	=====	=====
Analysed as follows:		
Membership fees (50%)	525,000	860,000
Capital development fund (50%)	525,000	860,000
	<u>1,050,000</u>	<u>1,720,000</u>
	=====	=====





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THE SUMMIT HOUSE

6 Oba Elegushi Street,
Off Oba Adeyinka Oyekan Avenue,
Ikoyi, Lagos.
P.M.B 71347, Victorial Island, Lagos.
Tel: +234 1 2952849, 2952003.
www.nesgroup.org
info@nesgroup.org

ABUJA LIAISON OFFICE:

3rd floor, right wing Unity Bank Tower,
Beside Reinsurance building
Plot 785, Herbert Macaulay Way,
Central Business District, Abuja
+234 8144325846

