



NNPC STAFF MULTIPURPOSE
COOPERATIVE SOCIETY, ABUJA

AGM

15TH ANNUAL GENERAL MEETING



NNPC STAFF
MULTIPURPOSE
COOPERATIVE
SOCIETY, ABUJA

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15TH ANNUAL GENERAL MEETING

THURSDAY 2ND APRIL, 2020 / TIME: 9:00AM
@ THE AMPHITHEATRE, BLOCK A, NNPCS TOWERS, ABUJA.



**NNPC
TOWERS**



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15TH
ANNUAL
GENERAL
MEETING

STATUTORY INFORMATION



NNPC STAFF MULTI-PURPOSE CO-OPERATIVE SOCIETY, ABUJA

FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER 2019

AUDITORS

Oguobi Ogbuokiri & Co.
(CHARTERED ACCOUNTANTS)

69 Jubril Martibns Street, Off Lawanson Road, Surulere, Lagos
P.O.Box 55645 Falomo-Ikoyi, Lagos.
Tel: 08023223688, 08188472326



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MULTI-PURPOSE
CO-OPERATIVE
SOCIETY, ABUJA



15TH
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GENERAL
MEETING

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15TH
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CORPORATE PROFILE

CORPORATE PROFILE

REGISTRATION NUMBER:

4615

REGISTERED OFFICE:

NNPC TOWERS
CENTRAL BUSINESS AREA
P.M.B.100 , GARKI, ABUJA

MANAGEMENT COMMITTEE MEMBERS

1.	MR.	ABUBAKAR SADIQ SULEIMAN	-	PRESIDENT
2.	MR.	JOEL DANBOYI	-	VICE PRESIDENT
3.	MR.	AHOEMWEN AIBANGBEE	-	SECRETARY
4.	MR.	ADEJO MICHAEL	-	ASSISTANT SECRETARY
5.	MR.	OSONDU IBEJI	-	TREASURER
6.	MR.	DANLADI SULEIMAN	-	FINANCIAL SECRETARY
7.	MR.	OGUNBAYO OLALEKAN	-	EX-OFFICIO
8.	MR.	BASSEY UMO	-	EX-OFFICIO

BUSINESS:

THRIFT AND LOAN SERVICES

BANKERS:

ACCESS BANK PLC
GUARANTY TRUST BANK PLC
ECO BANK PLC
FIDELITY BANK PLC
FCMB PLC
ZENITH BANK PLC
FIRST BANK PLC
UNITED BANK FOR AFRICA PLC
ABUCOOP MFB ABUJA

AUDITORS:

OGUOBI OGBUOKIRI & CO
(CHARTERED ACCOUNTANTS)
69 JUBRIL MARTINS STREET,
SURULERE, LAGOS.
P. O. 55645, IKOYI, LAGOS





STATUTORY INFORMATION



VISSION STATEMENT

TO BECOME THE CO-OPERATIVE SOCIETY
OF FIRST CHOICE WITHIN THE NNPC
GROUP AND BEYOND.



MISSION STATEMENT

TO PROVIDE WELFARE SERVICES TO OUR NUMEROUS MEMBERS
AND STAKEHOLDERS, USING HIGHLY MOTIVATED PROFESSIONAL
WORK FORCE WITH STATE OF THE ART TECHNOLOGY TO GENERATE
REASONABLE REPORT AND RETURNS ON INVESTMENT,
WHILE TOUCHING POSITIVELY ON THE COMMUNITIES
WHERE WE OPERATE.



REPORT OF THE MANAGEMENT COMMITTEE

FINANCIAL STATEMENTS

The Management Committee present their end of year report on the affairs of NNPC Multi-Purpose Co-operative Society Abuja, together with the accounts and the auditors' report for the year ended 31st December, 2019.

LEGAL FORM

NNPC Multi-Purpose Co-operative Society Abuja was registered on 25th May 2000 under the Co-operative Societies Act of Nigeria to accept membership from only staff of Nigerian National Petroleum Corporation.

PRINCIPAL ACTIVITY

The Co-operative Society is principally engaged in making available Thrift and Loan services to its members at reasonable terms and conditions.

RESULTS FOR THE YEAR

The following is a summary of the Society's operating results for the year:

YEAR 2019 2018

	YEAR	2019	2018
S/N	SUMMARY RESULTS	AMOUNT (=N=)	AMOUNT (=N=)
1)	Total Income	1,126,201,101	1,158,720,302
2)	Total Expenditure	(449,963,548)	(405,749,139)
3)	Excess Income over Expenditure	676,237,554	752,971,162
4)	Proposed Surplus Distribution	388,836,593	432,958,418

SURPLUS DISTRIBUTION

The Management Committee has proposed the declaration of =N= 388,836,593 as surplus distribution in the accounting year for approval.

MANAGEMENT COMMITTEE MEMBERS AND THEIR INTERESTS

The names of the Management Committee members are presented on page (1). Management Committee members are elected by the Society's eligible members bi-annually at the Annual General Meeting. The Society does not pay the Management Committee members any salary but gives them honorarium according to the bye-law from excess income over expenditure by the end of the accounting year.



REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED)

PROPERTY, PLANT AND EQUIPMENT

Information relating to Property, Plant and Equipment is disclosed on Note 4 to the financial statements.

EMPLOYMENT AND EMPLOYEE

a) Employment of Physically Challenged

Full and fair consideration is given to all applications for employment that are made by physically challenged persons, having regard to their special skills and aptitude. Where existing employees become physically challenged (whether from illness or accident), reasonable efforts are made to continue to provide suitable employment either in the same or by training for an alternative job. Physically challenged persons are given equal consideration in respect of opportunities for training, promotion and career development within the Society. The Society had no physically challenged person in its employment as at 31 December 2019.

b) Health, Safety and Staff Welfare

Health and safety regulations are in force within the Society and adequate awareness is always created for the benefit of all employees. The Society also assists in providing certain medical facilities when necessary for all levels of employees. The Society provided allowances to all levels of its employees for housing, medical, etc in 2019 accounting year.

c) Employees' Involvement and Training

The Society places considerable value on the involvement of employees in major policy matters and keeps them informed on issues affecting them as employees and on various factors affecting the performance of the Society. This is achieved through regular meetings and training programs as the need arises.

d) Analysis of Total Employees

S/N	GENDER	No	%
1	Female	13	37
2	Male	22	63
	TOTAL	35	100

EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting date that could affect the reported amount of assets and liabilities as of the reporting date.

THE AUDITORS

Messrs. Oguobi Ogbuokiri & Co. (Chartered Accountants) has indicated their willingness to continue in office as auditors of the Co-operative Society, in accordance with the provisions of Companies and Allied Matters Act, 2004 and the Bye Law of the Cooperative Society.

By Order of the Management Committee

General Secretary





STATEMENT OF MANAGEMENT COMMITTEE'S RESPONSIBILITIES

STATEMENT OF MANAGEMENT COMMITTEE'S RESPONSIBILITIES

This statement, which should be read in conjunction with the Auditors' Report, is made with a view to setting out for members, the responsibilities of the Management Committee of the Society with respect to the Financial Statements.

In accordance with the provisions of the Co-operative Societies Act of 2004 CAP N98 as amended, the Management Committee is responsible for the preparation of annual Financial Statements, which give a true and fair view of the State of Affairs of the Society and of its comprehensive income for the financial year.

These responsibilities include ensuring that:

- (a) Appropriate internal controls are established both to safeguard the assets of the Society and to prevent and detect fraud and other irregularities.
- (b) The Society keeps accounting records which disclose with reasonable accuracy the financial position of the Society and which ensure that the Financial Statements comply with the requirements of the Companies and Allied Matters Act, CAP C20 LFN 2004
- (c) The Society has used suitable accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates and that all applicable accounting standards have been followed.
- (d) They are satisfied that the financial statements are prepared on a going-concern basis, unless it is presumed that the Society will not continue in business in the foreseeable future.

Signed on Behalf of the Management Committee by the

General Secretary



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NNPC STAFF MULTI - PURPOSE COOPERATIVE SOCIETY, ABUJA

Report on the Financial Statements

We have audited the accompanying Financial Statements of NNPC Staff Multi - Purpose Co-operative Society, Abuja which comprises the Statement of Financial Position as at 31st December, 2018, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year then ended and notes to the financial statements comprising a summary of significant accounting policies and other explanatory information.

Management Committee's Responsibility for the Financial Statements

The Management Committee is responsible for the preparation and fair presentation of these Financial Statements in accordance with the International Financial Reporting Standards and with the requirements of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria and in Compliance with the Financial Reporting Council of Nigeria Act, 2011 and for such internal controls as the committee determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

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

Elijah Oguobi Ogbuokiri
FRC/2014/ICAN/00000007703
OGUOBI OGBUOKIRI & CO. (CHARTERED ACCOUNTANTS)
...../...../2019 LAGOS, NIGERIA

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

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

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Cooperative Society as at 31st December, 2019. The financial performance and cash flows for the year then ended are in agreement with the Statements of Accounting Standards applicable in Nigeria and in the manner required by the Companies and Allied Matters Act of Nigeria.

Report on Other Legal Regulatory Requirements

Compliance with the Requirements of Nigeria Co-operative Society Act.

In our opinion, proper books of account have been kept by the Society, so far as appears from our examination of those books and the Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income are in agreement with the books of account.



STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2019

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2019

	NOTES	2019 =N=	2018 =N=
NON-CURRENT ASSETS			
Property, Plant and Equipment	4	651,507,542	251,277,325
Investment Equity Shares	5	255,468,219	263,476,229
Investment Property	6	9,404,273,781	9,013,487,860
Fixed Deposit		321,187,479	269,599,649
Intangible Assets	7	11,640,917	13,096,032
Members Long-Term Loan	8	8,785,964,521	9,140,665,264
Other Long-Term Loans	9	1,712,715,435	1,928,943,176
		21,142,757,895	20,880,545,534
CURRENT ASSETS			
Inventory	10	15,988,998	17,398,195
Cash and Cash Equivalents	11	227,750,450	208,091,568
Accounts Receivables -SBUs	12	121,583,841	237,688,826
Other Receivables and Prepayments	13	1,027,445,210	662,985,949
Members Short-Term Loan		1,578,299,483	1,406,193,216
		2,971,067,982	2,532,337,754
TOTAL CURRENT ASSETS		2,971,067,982	2,532,337,754
TOTAL ASSETS		24,113,825,877	23,412,883,289
EQUITY AND LIABILITY:			
MEMBERS' EQUITY			
Share Capital	14	2,162,697	2,162,697
Education Fund		16,905,939	18,824,279
Community Concern Fund		62,478,334	92,070,075
Honorarium Fund		142,920,872	127,548,827
Revenue Reserve		1,620,997,673	1,001,139,906
Capital Reserve		843,658,340	851,666,349
TOTAL SHAREHOLDERS' EQUITY		2,689,123,855	2,093,412,134
NON-CURRENT LIABILITIES			
Members Savings		14,729,227,662	14,317,258,370
Long-Term Unearned Interest		1,752,742,832	1,811,910,210
Advance Receipts on Land Projects	15	3,787,501,677	3,678,944,602
Abucoop Loan		180,000,000	200,000,000
TOTAL NON-CURRENTS LIABILITIES		20,449,472,170	20,008,113,181
CURRENT LIABILITIES			
Accounts Payables	16	15,000,001	13,580,540
Other Payables and Accruals	17	295,537,096	223,767,656
Short-Term Unearned Interest		432,574,556	347,671,487
Deferred Income on Rent to Own (Karfe)		231,961,172	281,961,172
Dividend Payable		157,028	444,377,118
TOTAL CURRENTS LIABILITIES		975,229,852	1,311,357,973
TOTAL LIABILITIES		21,424,702,022	21,319,471,154
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		24,113,825,877	23,412,883,289

The financial statements were approved by the Management Committee on and signed on #

FRC/201../...../.....
President

FRC/201../...../.....
Treasurer

The accounting policies & notes on pages 12-42 form an integral part of these financial statements



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER, 2019

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER, 2019

	NOTES	2019 =N=	2018 =N=
Income:	18		
Operating Income	18a	1,057,708,888	1,117,946,505
Investment Income	18b	24,425,869	12,968,309
Other Income	18c	35,337,343	27,805,487
Total Income		1,117,472,101	1,158,720,302
Administrative and Operating Expenses	19	(385,631,872)	(332,620,175)
Excess Income from Operating Activities		731,840,229	826,100,127
Finance Income	20	8,729,000	-
Finance Charges	21	(64,331,676)	(73,128,964)
Excess Income Over Expenditure Before Appropriations		676,237,554	752,971,162
Education Fund (2.5% of Surplus)		16,905,939	18,824,279
Honorarium Fund (10% of Surplus)		67,623,755	75,297,116
Community Concern Fund		33,811,878	37,648,558
Proposed Surplus Distribution		388,836,593	432,958,418
Revenue Reserves		169,059,388	188,242,791
		676,237,554	752,971,162
Other Comprehensive Income			
Gain/(Loss) on Investment		(8,008,010)	(3,717,633)
Revaluation Surplus		-	830,368,156
Total Other Comprehensive Income		(8,008,010)	826,650,522
Total Comprehensive Income for the Year		668,229,544	1,579,621,685

The accounting policies & notes on pages 12-42 form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER, 2019

	Share Capital	Education Fund	Revenue Reserve	Community Concern Fund	Honorarium Fund	Revaluation/Capital Reserve	Total
	₦	₦	₦	₦	₦	₦	₦
Balance At 1 January, 2018	2,162,697	19,320,744	1,308,820,385	77,921,517	207,251,711	25,015,827	1,640,492,881
Prior Year Adjustment	-	-	(33,063,842)	-	-	-	(33,063,842)
Excess of Income Over Expenditure For the Year Appropriations	-	18,824,279	62,201,209	376,483,538	75,297,116	-	752,971,162
Disbursement/Payment from Funds	-	(19,320,744)	(895,827,846)	(23,500,000)	(155,000,000)	-	(1,093,648,590)
Other Comprehensive Income for the Year	-	-	-	-	-	826,650,522	826,650,522
Balance At 31 December, 2018	2,162,697	18,824,279	1,001,339,906	92,070,075	127,548,827	851,666,349	2,093,412,134
Balance At 1 January, 2019	2,162,697	18,824,279	1,001,339,906	92,070,075	127,548,827	851,666,350	2,093,412,134
Prior Year Adjustment	-	-	61,961,784	-	(52,251,711)	-	9,710,073
Excess of Income Over Expenditure For the Year Appropriations	-	16,905,939	557,865,992	33,811,878	67,623,755	-	678,237,554
Disbursement/Payment from Funds	-	(18,824,279)	-	(63,403,618)	-	-	(82,227,897)
Other Comprehensive Income for the Year	-	-	-	-	-	(8,008,010)	(8,008,010)
Balance At 31 December, 2019	2,162,697	16,905,939	1,620,997,673	62,478,334	142,920,872	843,658,340	2,689,123,655

Note: Prior Year Adjustment refers to correction of interest earned on Build & Sale Projects in 2018 and omitted previous year honorarium paid.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER, 2019



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER, 2019

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER, 2019

	NOTES	2019 =N=	
OPERATING ACTIVITIES		676,237,554	752,971,162
Excess of Income Over Expenditure			
Adjustments for items not involving movement of cash:			
Provisions		8,000,000	22,000,000
Share Appreciation/Depreciation		-	(3,717,633)
Gain on Sale of Properties		-	(4,000,000)
Revaluation Surplus		-	830,368,156
Prior Year Adjustments		61,961,784	(33,053,842)
Depreciation/Impairment		13,354,940	7,387,929
OPERATING SURPLUS BEFORE WORKING CAPITAL CHANGES		759,554,279	1,571,955,772
(Increase) / Decrease in Inventory		1,409,197	(5,082,647)
(Increase) / Decrease in Accounts (SBU) Receivables		116,084,985	(131,273,640)
(Increase) / Decrease in Trade, Other Receivables & Prepayment		(364,459,261)	(488,418,833)
Increase / (Decrease) in Trade, Other Payable		65,188,900	57,097,089
NET CASHFLOW FROM OPERATING ACTIVITIES		577,778,101	1,004,277,741
INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipments		(412,130,043)	(82,448,433)
Investment in Land Projects		(390,785,921)	(722,085,410)
Investment in Fixed Deposit		(51,587,830)	(1)
Investment Disposed/Reclassified		(50,000,000)	1,653,349,477
Investment in Hotel		-	(2,500,000,000)
Members Loans		424,557,907	100,482,411
NET CASHFLOW FROM INVESTING ACTIVITIES		(479,945,886)	(1,550,701,955)
FINANCING ACTIVITIES			
Members Savings		411,969,292	920,005,349
Surplus Distribution Paid		(444,220,091)	(451,450,728)
Honoraria Paid		(52,251,711)	(155,000,000)
Education Fund		(18,824,279)	(19,320,744)
Community Concern Paid		(63,403,618)	(23,500,000)
Statutory Audit Fees		-	(9,584,303)
Abucoop Loan Repayment		(20,000,000)	-
Advance Receipts/(Refund) on Land Projects		108,557,075	65,999,532
NET CASH INFLOWS FROM FINANCING ACTIVITIES		(78,173,332)	327,149,106
Net Increase in Cash and Cash Equivalents		19,658,882	(219,275,108)
Cash and Cash Equivalents at 1 January		208,091,568	427,366,676
NET CASH AND CASH EQUIVALENTS AT 31 DECEMBER		227,750,450	208,091,568
Represented by:			
CASH AND CASH EQUIVALENTS		227,750,450	208,091,568

The accounting policies & notes on pages 12-42 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER, 2019

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER, 2019

4 PROPERTY, PLANT AND EQUIPMENT

	CONSTRUCTION IN PROGRESS		LAND & BUILDING		COMPUTER EQUIP/FACILITIES	OFFICE EQUIPMENT	FURNITURE & FITTINGS		MOTOR VEHICLES		PLANT & MACHINERY		TOTAL
	5%	WIP	20%	20%	20%	10%	10%	25%	10%				
COST													
At 1 January, 2019	-	230,480,000	48,987,348	5,890,210	15,733,580	14,648,167	28,875,510						343,914,815
Additions	176,000,000	218,464,793	11,326,250	1,440,000	4,899,000	-	-	-	-	-	-	-	412,130,043
At 31 December, 2019	176,000,000	448,944,793	60,313,598	6,630,210	20,632,580	14,648,167	28,875,510						756,044,858
DEPRECIATION													
At 1 January, 2019	-	-	44,193,754	4,428,413	10,349,564	14,388,895	19,266,765						92,637,490
Charge for the year	-	-	5,890,313	1,858,516	1,931,418	249,162	2,887,551						12,816,950
At 31 December, 2019	-	0	50,084,067	6,286,929	12,280,972	14,648,167	22,154,316						105,454,441
CARRYING AMOUNT													
At 31 December, 2019	176,000,000	448,944,793	10,229,531	343,281	8,351,608	10	6,721,194						660,990,417
At 31 December, 2018	-	230,480,000	4,793,534	761,797	5,384,016	249,172	9,608,745						251,277,325



NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER, 2019

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER, 2019

	2019 =N=	2018 =N=
5 INVESTMENT IN EQUITY SHARES		
Access Bank	2,015,060	1,370,241
Beta Glass Company	9,273,829	11,773,281
Cadbury Plc	121,536.00	115,200
Dangote Sugar	6,038,400	6,771,000
First Bank	2,122,568	2,743,807
Guaranty Trust bank	11,137,500	12,975,000
Japaul Oil & Marine Services	35,000	36,750
National Salt Company Plc	2,590,000	3,600,000
Nigeria Bags Company Plc(Flour Mills)	351,054	411,642
Oando Plc	334,163	414,563
Transcorp	519,750	693,000
Unilever Nigeria Plc	1,100,000	1,850,000
WAPIC	10,137	12,522
Zenith Bank Plc	3,720,000	4,610,000
Abucoop MFB	216,099,223	216,099,223
	255,468,219	263,476,229
6 INVESTMENT PROPERTY		
Investment in Sabon Lugbe Land	1,077,740,970	1,077,740,970
Investment in Idogwari Land	3,795,082,144	3,626,054,438
Investment in Kaduna Land	1,877,416,031	1,655,657,817
Investment in New Land (FCDA)	10,530,000	10,530,000
Investment in Gwarimpa Property	143,504,635	143,504,635
Investment in Hotel Project	2,500,000,000	2,500,000,000
	9,404,273,781	9,013,487,860
7 INTANGIBLE ASSETS		
Computer Software	14,551,147	14,551,147
Amortization	-2,910,230	-1,455,115
	11,640,917	13,096,032
8 MEMBERS LONG TERM LOANS		
Long Term Loans	8,785,964,521	9,140,665,264
	8,785,964,521	9,140,665,264



NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER, 2019

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER, 2019

	2019 =N=	2018 =N=
9 OTHER LONG TERM LOANS		
Mortgage Loan	1,298,632,252	1,613,000,336
Upfront Loan	414,083,183	315,942,840
Skye Bank Loan	-	(0)
	1,712,715,435	1,928,943,176
10 INVENTORY		
Supermart Stock	9,271,919	12,368,895
Supermart Stock-In-Transit	6,717,079	5,029,300
	15,988,998	17,398,195
11 CASH AND CASH EQUIVALENTS		
Cash at Hand	241,420	280,800
Access Bank	22,904,303	17,678,014
Eco Bank	17,932,682	7,731,571
Fidelity Bank Plc	35,197,103	28,910,605
First Bank	36,746,519	5,761,373
First City Monurment Bank	39,727,465	7,051,711
First City Monurment Bank Project Account	16,396,956	67,436,225
Guaranty Trust Bank	11,350,460	3,414,643
UBA Plc - ATM/POS	1,649,833	1,260,085
Zenith Bank	1,631,685	50,054,819
Abucoop MFB (Supermart)	5,329,714	15,100
Abucoop MFB (Filling Station)	1,552,875	1,552,895
Abucoop MFB (Operations)	7,325,124	8,612,439
Abucoop MFB (Idogwari Land Project)	10,569,583	6,319,679
Abucoop MFB (Soban Lugbe)	1,434,935	1,434,935
Abucoop MFB (Trevo)	576,675	576,675
First City Monurment Bank NAC Funding	494,746	-
Zenith Bank 2	15,510,966	-
First City Monurment Bank (Dollar Account)	1,177,409	-
	227,750,450	208,091,568
12 SBU RECEIVABLES		
Pension	-	(80,994)
PHRC	25,062,775	-
Corporate Headquarters	-	154,770,754
NAPIMS	50,139,674	26,383,794
NPDC Benin	-	(0)
Hyson	77,292	-
NGC Warri	-	14,185,827
Pension Staff	-	2,453,647
PPMC Abuja	-	17,117,648
Abucoops	435,772	-
Pension 2	1,058,819	1,217,778
Retail	-	2,359,128
MPCS Staff	1	1
LNG	2,924,052	7,160,052
Brass	-	499,750
NGMC	-	11,601,443
NPSC	41,885,456	-
	121,593,841	237,668,826



NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER, 2019

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER, 2019

	2019 =N=	2018 =N=
13 OTHER RECEIVABLES & PREPAYMENTS		
(a) Trade Receivables		
Debtors - Abucoop MFB	201,022,651	176,318,186
Debtors - Supermart	41,930	34,900
	<u>201,064,581</u>	<u>176,353,086</u>
(b) Receivables From Land Project		
Debtors of Gaduwa Land Project	23,040,572	23,040,572
Debtors of Lokogoma Land Project	16,020,000	16,020,000
Debtors of Mabuchi Land Project (IBPLC)	15,000,000	15,000,000
Debtors of Wuye Shopping Complex	3,300,000	3,300,000
	<u>57,360,572</u>	<u>57,360,572</u>
(c) Receivables From Land Projects Maintenance		
Debtors of Mabuchi Shops	5,103,710	5,103,710
Debtors of Wuye Project	16,375,938	16,375,938
	<u>21,479,648</u>	<u>21,479,648</u>
(d) Receivables From Hotel Projects		
Debtors on Hotel Projects	830,253,293	483,225,290
	<u>830,253,293</u>	<u>483,225,290</u>
(e) Prepayments		
Rent	3,917,972	3,771,573
	<u>3,917,972</u>	<u>3,771,573</u>
Total Other Receivables & Prepayments	1,114,076,066	742,190,169
Less: Bad Debt	(86,630,856)	(79,204,219)
Net Other Receivables & Prepayments	<u>1,027,445,210</u>	<u>662,985,950</u>
Note: Bad Debt refers to Long Outstanding Land Project Receivables as presented in note 13(b & c)		
14 REGULATORY CAPITAL/CONTRIBUTION		
Share Capital Contribution		
2,162,697 ordinary shares at =N=1 each	<u>2,162,697</u>	<u>2,162,697</u>
Allotted, issued, called up and fully paid:	<u>2,162,697</u>	<u>2,162,697</u>
	<u>2,162,697</u>	<u>2,162,697</u>
15 ADVANCE RECEIPTS ON LAND PROJECTS		
Sabon Lugbe Land	1,134,201,070	1,133,711,070
Idogwari Land	2,558,536,532	2,480,723,532
Kaduna Land	90,264,075	64,510,000
Freehold Land	4,500,000	-
	<u>3,787,501,677</u>	<u>3,678,944,602</u>
16 ACCOUNTS PAYABLES		
Provision for Consultancy & Accountancy Fees	15,000,000	15,000,000
NNPC Retail	-	-
NNPC Properties Ltd	-	914,375
Creditors on Commission on Snacks	-	(2,333,835)
	<u>15,000,001</u>	<u>13,580,540</u>





NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER, 2019

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER, 2019

	2019 =N=	2018 =N=
17 OTHER PAYABLES AND ACCRUALS		
Other Creditors	243,081,926	121,100,166
Accrued Audit Expenses	2,000,000	374,930
Accrued Staff PAYE	1,005,870	546,070
Provision for AGM Expenses	34,449,300	94,746,490
Provision for Statutory Audit Fees	15,000,000	7,000,000
	295,537,096	223,767,656
PROPOSED SURPLUS DISTRIBUTION		
The Management Committee has proposed the declaration of =N=388.84 million as Surplus Distribution in the accounting year for approval.		
	388,836,593	432,958,418
18 INCOME ANALYSED AS FOLLOWS		
18a Operating Income		
Membership Fees	125,000	150,000
Interest on Short Term Loans	168,093,310	130,379,387
Interest on Long Term Loans	724,054,436	761,249,016
Interest on Ram, Rice & DSTV Loans	892,292	9,177,470
Interest on Mortgage & Skye loan	116,290,851	150,765,478
Estate Maintenance Income	-	1,258,153
Interest of Drawings	6,337,000	5,214,000
Service Charge of Special Loan	41,916,000	59,753,000
	1,057,708,888	1,117,946,505
18b Investment Income		
Income From Filling Station	-	2,000,000
Surplus on Build & Sale Property	-	4,000,000
Interest Income	42,496	-
Dividend Received	24,383,374	6,968,309
	24,425,869	12,968,309
18c Other Income		
Gross Income from Trading Activities	35,182,343	18,143,840
Sundry Income	155,000	4,199,648
Rental Income	-	5,462,000
	35,337,343	27,805,487

Sundry Income relates to income from change of land ownership from the subscribers



NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER, 2019

18d TRADING, PROFIT OR LOSS ACCOUNTS	SUPERMART	SHOP COMMISSION	TOTAL TRADING ACTIVITIES
SALES/COMMISSION	80,125,672	4,365,235	84,490,907
OPENING STOCK	17,398,195	-	17,398,195
ADD: PURCHASES	47,899,367	-	47,899,367
ADD: CARRIAGE INWARDS			-
LESS:			
GOODS WITHDRAWN/DAMAGED	-	-	-
PURCHASES RETURNS			-
GOODS AVAILABLE FOR SALES	65,297,562	-	65,297,562
LESS: CLOSING STOCK	(15,988,998)	-	(15,988,998)
COST OF GOODS SOLD	49,308,564	-	49,308,564
GROSS PROFIT	30,817,108	4,365,235	35,182,343



NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER, 2019

	NOTE	2019 =N=	2018 =N=
19 Administrative and Operating Expenses			
Transport/Travelling & Hotels Accommodation		37,826,668	23,285,186
Salaries and Wages		56,108,821	54,078,822
Allowances	19a	67,311,221	64,788,529
Management Expenses		8,070,000	1,620,000
Public Relations		3,608,100	10,440,550
Telephone and Postage		604,897	446,823
Printing and Stationaries		9,322,528	5,391,000
Entertainment		1,951,300	2,017,490
Mgt. Consultancy & Professional Fees		16,850,000	8,500,000
Repairs & Maintenance		13,509,317	1,725,500
Vehicle Maintenance		957,775	880,100
Electricity & Water		2,702,000	4,843,943
Legal Fees		48,610,000	20,450,000
Computer Accessories		723,500	32,350
Office Running Expenses		8,134,537	10,349,521
Provision for AGM Expenses		-	34,449,300
Provision for Statutory Audit Fees		8,000,000	7,000,000
IT Consultancy/Subscription & Internet		2,643,000	2,772,250
Insurance		1,217,900	708,984
Audit and Accountancy Fees		12,000,000	11,000,000
Charity/Condolence		4,400,000	5,350,000
Staff Pension (Employer's Contribution)		5,260,557	5,227,886
Rent & Rates		17,366,974	13,523,657
NYSE / SIWES		150,000	-
Depreciation & Impairments		13,354,940	7,387,929
Training & Development		29,837,371	12,559,856
Estate Maintenance Expenses		-	16,459,000
Bad Debt		7,790,636	-
Utilities		7,319,830	7,331,500
		385,631,872	332,620,175
19a Allowances			
Bonuses		4,383,795	4,595,295
Meal Subsidy		15,277,896	14,990,946
Leave Allowance		6,528,469	6,571,747
Rent Subsidy/Housing Allowance		17,229,025	18,029,025
Medical Allowance		13,776,120	13,776,125
Transportation Allowance		10,115,915	6,825,390
		67,311,221	64,788,529
20 Finance and Other Income			
Interest Income on Fixed Deposit		8,729,000	-
		8,729,000	-
21 Finance Charges			
Bank Charges		52,872,770	50,800,655
Interest on Bank Loan		11,458,905	22,328,310
		64,331,676	73,128,964



NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER, 2019

	2019	2018
22 Employees		
(a) The average number of employees of the Society during the year was	35	34
(b) The aggregate payroll cost of the employees were:	56,108,821	54,078,822
(c) The employees earnings are categorised within the underlisted bands:		
N 50,000 - N100,000	7	6
N101,000 - N200,000	22	22
N201,000 & Above	6	6
23 Contingent Liability		
There were no contingent liabilities and so no provision was made in the accounts.		
24 Education Fund		
The bye law stated that 2.5% of Excess of Income Over Expenditure annually should be provided as Education Fund for training of staff and members of the Society as well as the promotion of the co-operative principles and values.		
25 Community Concern Fund		
The bye law established that not more than 5% of Excess of Income Over Expenditure annually should be provided as Community Concern Fund for Corporate Social Responsibility and facilitation of donations to benevolent matters as the Management Committee deems fit.		
26 Commitments		
Commitments in respect of undisbursed Loans and withdrawals as at 31st December 2019 amounted to N229.13Million and N37.38Million respectively.		



RISK MANAGEMENT REPORT

Overview

The Society regards risk management as a collective responsibility of the Management Committee and staff. Hence, the Society ensures that adequate measures are designed to identify potential risk events that may affect it, control its risk appetite and provide reasonable assurance regarding the achievement of its set objectives. Continuous education and awareness of risk management has strengthened the risk management culture among staff and members of the Society.

The Society has exposure to the following risks from its use of financial instruments:

- " Credit Risk
- " Liquidity Risk
- " Market Risks
- " Operational Risks.

The explanations to each of the above risks, the Society's objectives, policies and processes for measuring and managing risk, as well as the management of capital are presented below. Financial assets of the Society include cash resources, accounts receivable, investments, loans and mortgages to members. Financial liabilities include savings of members, accounts payable and accrued expenses.

(a) Credit Risk: Credit risk is the risk of financial loss to the Society if a member or counterparty to a financial instrument fails to meet its contractual obligations, and as such leads to a financial loss. It is exposed to this risk from its operating activities majorly on loans to members, cash resources and investment securities.

The Society manages credit risk as follows:

- (i) It ensures that cash and cash equivalent are deposited with registered Banks which are regulated by the Central Bank of Nigeria.
- (ii) Loans are granted to members in strict adherence to the sections (33 & 34) of the bye law. Recoveries are made through payroll deductions from NNPC HR directorate. There is regular monitoring of the loan balances to identify non-performing loans and ensure that efforts are made to recover them. The loans are shown net of provision for bad and doubtful loans.
- (iii) It limits its exposure to credit risk by investing only in entities that have high credit ratings.

Exposure to Credit Risk

S/N	DETAILS	CARRYING AMOUNT (=N=)	
		2019	2018
1	Long Term Loan	8,785,964,521	9,140,665,264
2	Short Term Loan	1,578,299,483	1,406,193,216
3	Other Long-Term Loans	1,712,715,435	1,928,943,176
4	SBU Receivables	121,583,841	237,668,826
5	Other Receivables	1,027,445,210	662,985,949
6	Investment in Shares	255,468,219	263,476,229
7	Cash & Cash Equivalent	227,750,450	208,091,568
	Total	13,709,227,159	13,848,024,228



RISK MANAGEMENT REPORT (CONTINUATION)

Liquidity Risk

This is the risk that the Society will encounter difficulty in meeting obligations from its financial liabilities as they become due. The Society monitors its risk to a shortage of funds using a recurring liquidity planning tool. The Liquidity risks arise from the mismatch in cash flows. The Society manages its liquidity risk by matching its cash inflows to its cash outflows. Short to medium term loans have been introduced to ensure that timing of cash inflows is matched to loan disbursements. The cash balances are monitored on a daily basis.

DETAILS	CARRYING AMOUNT (=N=)	
	2019	2018
Total Member Savings	14,729,227,662	14,317,258,370
Less:		
Long Term Loan	8,785,964,521	9,140,665,264
Other Long-Term Loans	1,712,715,435	1,928,943,176
Short Term Loan	1,578,299,483	1,406,193,216
Total Loan Balances	12,076,979,439	12,475,801,656
Liquidity Gap	2,652,248,223	1,841,456,714

Market Risk

Market risk is the risk of adverse financial impact due to changes in fair values or future cash flows of financial instruments from fluctuations in interest rates, foreign currency exchange rates, commodity prices, equity prices. Market risk also arises in business units due to fluctuations in both the value of liabilities and assets held. The objective of market risk management is to control market risk exposures within acceptable parameters, while optimizing the Society's return.

Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to this risk because changes in market interest rates affect its income. The Management Committee and members periodically review and approve the rates set to ensure they are well priced to control these risks.

Foreign Currency Risk

The Society's financial statements are expressed in Naira and none of its businesses is presently conducted in other currencies. Hence, there is no effect of changes in exchange rates recorded.





RISK MANAGEMENT REPORT (CONTINUATION)

Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to this risk because changes in market interest rates affect its income. The Management Committee and members periodically review and approve the rates set to ensure they are well priced to control these risks.

Foreign Currency Risk

The Society's financial statements are expressed in Naira and none of its businesses is presently conducted in other currencies. Hence, there is no effect of changes in exchange rates recorded.

Equity Price Risk

The Society is exposed to equity securities price risk because it has some investments in quoted shares.

Operational Risks

Operational risk involves direct or indirect loss arising from a wide variety of causes associated with the Society's processes, personnel, technology and infrastructure, as well as external factors other than credit, market and liquidity risks such as legal and regulatory requirements





NON - IFRS COMPLIANT STATEMENT

1. STATEMENT OF VALUE ADDED FOR YEAR ENDED 31 DECEMBER 2019

	2019 =N=	%	2018 =N=	%
Revenue	1,117,472,101		1,158,720,302	
Bought-in Materials and Services	(248,856,890)		(206,364,895)	
Value added by Operating Activities	868,615,211		952,355,406	
Other Income	(55,602,675)		(73,128,964)	
Value Added	<u>813,012,536</u>	<u>100</u>	<u>879,226,442</u>	<u>100</u>
Applied as follows:				
To Government: -As Taxes		0	-	0
To Employees: -As Salaries and Wages and Other Benefits	123,420,042	15	118,867,351	14
Retained in the Business:				
-For Replacement of Property, Plant and Equipment	13,354,940	2	7,387,929	1
-To Augment Reserves	676,237,554	83	752,971,162	86
	<u>813,012,536</u>	<u>100</u>	<u>879,226,442</u>	<u>100</u>

The value added statement represents the distribution of the wealth created by the Cooperative through the use of its assets and the efforts of the employees.



NON - IFRS COMPLIANT STATEMENT

2. FIVE (5) YEAR FINANCIAL SUMMARY

YEARS	2019 =N=	2018 =N=	2017 =N=	2016 =N=	2015 =N=
TOTAL INCOME	1,126,201,101	1,158,720,302	1,156,541,330	1,226,697,220	940,190,482
TOTAL EXPENDITURE	449,963,548	405,749,139	383,711,560	441,096,654	426,103,712
EXCESS OF INCOME OVER EXPENDITURE:	676,237,554	752,971,162	772,829,770	785,600,566	514,086,770
DIVIDENDS	388,836,593	432,958,418	618,263,816	628,480,453	435,269,416
PROPERTY, PLANT & EQUIPMENTS	651,507,542	251,277,325	1,824,393,550	2,215,967,753	2,069,259,024
INVESTMENTS	9,980,929,479	9,546,563,738	6,328,195,960	4,983,088,228	5,794,859,314
INTANGIBLE ASSETS	11,640,917	13,096,032	14,266,147	17,832,684	6,335,000
MEMBERS LOANS	8,785,964,521	9,140,665,264	9,413,270,770	9,344,188,019	8,430,108,143
OTHER LONG-TERM LOANS	1,712,715,435	1,928,943,176	2,016,734,745	1,548,410,424	-
TOTAL NON CURRENT ASSETS:	21,142,757,895	20,880,545,534	19,596,861,172	18,109,487,109	16,300,561,480
CURRENT ASSETS:					
INVENTORY	15,988,998	17,398,195	12,315,547	21,298,924	16,182,395
CASH AND CASH EQUIVELENTS	227,750,450	208,091,568	430,366,677	353,236,997	507,922,691
ACCOUNTS RECEIVABLES	121,583,841	237,668,826	106,395,186	608,203,237	1,024,904,680
OTHER RECEIVABLES & PREPAYEMNTS	1,027,445,210	662,985,949	187,295,039	158,654,211	79,824,275
DEBTORS FOR LAND PROJECTS MAINTENANCE	-	-	62,666,110	21,879,648	21,879,648
DEBTORS ON LAND PROJECTS	-	-	3,810,187	63,666,110	54,666,110
MEMBERS SHORT-TERM LOAN	1,578,299,483	1,406,193,216	972,631,040	830,148,251	725,432,442
	2,971,067,982	2,532,337,754	1,775,479,787	2,057,087,379	2,430,812,241
CURRENT LIABILITIES:					
BANK OVERDRAFT	-	-	-	-	-
ACCOUNTS PAYABLE & OTHERS	310,537,096	237,348,196	79,484,617	163,317,089	35,413,000
SHORT-TERM UNEARNED INTEREST	432,574,556	347,671,487	231,934,184	152,809,817	121,045,353
DEFERRED INCOME ON RENT TO OWN (KARFE)	231,961,172	281,961,172	282,561,172	300,440,437	-
PROVISION FOR AGM	-	-	94,766,490	82,832,890	215,000,000
PROPOSED DIVIDEND PAYABLE	157,028	444,377,118	1,281,134,297	1,097,123,993	1,184,737,215
HONORARIA PROVISION	142,920,872	127,548,827	207,267,461	129,968,734	141,858,587
PROVISION FOR STATUTORY AUDIT FEES	-	-	6,000,000	6,000,000	5,000,000
	1,118,150,724	1,438,906,800	2,183,148,220	1,932,492,960	1,703,054,155
NET CURRENT ASSETS	1,852,917,259	1,093,430,954	(407,668,433)	124,594,419	727,758,086
CAPITAL EMPLOYED	22,995,675,153	21,973,976,488	19,189,192,738	18,234,081,528	17,028,319,566
FUNDS EMPLOYED					
SHARE CAPITAL CONTRIBUTION	2,162,697	2,162,697	2,162,697	2,162,697	2,162,697
LONG TERM UNEARNED INTEREST	1,752,742,832	1,811,910,210	1,748,299,305	1,777,925,886	1,462,982,740
MEMBERS SAVINGS	14,729,227,662	14,317,258,370	13,397,253,021	12,548,192,973	11,343,888,985
ADVANCE RECEIPTS ON LAND PROJECTS	3,787,501,677	3,678,944,602	3,612,345,070	3,557,345,070	3,581,945,070
BANK LOANS	180,000,000	200,000,000	200,000,000	200,000,000	533,333,333
COMMUNITY CONCERN FUND	62,478,334	92,070,075	77,921,517	39,280,028	-
EDUCATION FUND	16,905,939	18,824,279	19,320,744	19,640,014	33,977,500
REVENUE RESERVE	1,620,997,673	1,001,139,906	184,796,074	124,303,322	65,517,675
CAPITAL RESERVE	843,658,340	851,666,349	25,015,827	4,511,566	4,511,566
TOTAL EQUITY	22,995,675,153	21,973,976,488	19,267,114,255	18,273,361,556	17,028,319,566
STATISTICS:					
Earnings Per N1 Savings	0.05	0.05	0.06	0.06	0.05
Dividends Per N1 Savings	0.03	0.03	0.05	0.05	0.04
Networth Per N1 Savings	1.56	1.53	1.43	1.45	1.50
Current Ratio	2.66	1.76	0.81	1.06	1.43
Ratio of Loans to Savings	0.82	0.87	0.93	0.93	0.81