



2020

Annual Report
& Financial Statements



SOCIETY FOR CORPORATE GOVERNANCE NIGERIA
...committed to the development of corporate governance

ABOUT THE SOCIETY

The Society for Corporate Governance NigeriaSM (SCGN) Limited by Guarantee is a registered (Not-for-profit No 620,268) organization committed to the development of corporate governance and best practices in Nigeria.

It is the foremost institution committed to the development and promotion of corporate governance best practices in Nigeria. It aims to be the recognized reference point both nationally and internationally in matters relating to corporate governance and provide a template for formulation and enforcement of corporate governance standards for Nigeria and other emerging economies, using the tools of rankings, seminars, workshops and trainings.

OUR VISION

- The Society aims at being the leading role player in the development and promotion of corporate governance best practices in the Federal Republic of Nigeria.
- To be the recognized reference point both nationally and internationally in matters relating to corporate governance

OUR MISSION

To become a template for formulation and enforcement of corporate governance standards for Nigeria.

OUR BOARD

- **Mr. Mouhammad K. Ahmad, OON** – *President*
- **Professor Juan M. Elegido** – *Vice President*
- **Professor Pat Utomi**
- **Professor Chris Ogbechie**
- **Professor Fabian Ajogwu SAN**
- **Mrs. Clare Omatseye**
- **Mr. Ibrahim Dikko**
- **Mr. Tijjani Borodo**
- **Mr. Adetunji Oyebanji**
- **Mrs. Nkemdilim Uwaje Begho**

OUR PROGRAMMES

The Society for Corporate Governance Nigeria, as a part of its contribution to the development and promotion of Corporate Governance offers the following:

- **CORPORATE GOVERNANCE SERIESSM**

This is a set of Programmes for Directors, Board Chairmen, Audit Committees and Company Secretaries. The series have greatly impacted on the participants by improving their knowledge and understanding of corporate governance and sharing experiences on the subject. The specific programmes that make up the Corporate Governance SeriesSM are:

- **Leading an Effective BoardSM:**

This is a program for Board chairmen covering the role of the Board Chairmen, fiduciary duties and provision of the Board leadership that is a prerequisite for good corporate governance. This programme is held in collaboration with the International Finance Corporation (IFC), World Bank.

- **Making Boards more EffectiveSM:**

This program is intended exclusively for company directors and senior executives and concentrates on cutting-edge techniques, strategies, and action plans for improving board design, refining approaches, maximizing individual contributions, and enhancing corporate governance.

- **BEING AN EFFECTIVE MEMBER OF AN AUDIT COMMITTEESM:**

This program prepares audit committee chairs and members, as well as the CFOs working with them, to operate successfully amid new regulations and emerging governance trends. It helps them examine the current regulatory environment, identify and address critical issues. In addition, they are better equipped to rethink their committee's activities and formulate approaches for dealing with the many challenges that audit committees face in this new governing environment.

- **Programme for Company Secretaries and Board EffectivenessSM:**

This seminar is designed exclusively for company secretaries in both public and private companies to enable them acquire interpersonal skills, understand how to deal with diverse investors, have a basic understanding of financial reports, be in a position to facilitate the running of an efficient board and understand the role of company secretary in enhancing good corporate governance.

- **Strategic Corporate Social ResponsibilityTM:**

This program is designed to give a better understanding of the changing social pressures and legislative requirements that are redefining the relationships between government, business and civil society. It will enable participants acquire new tools and techniques that have been developed to help them be more creative and effective in CSR, gain insight into best practices by sharing the experience of a wide range of practitioners, be in a position to make better business cases for their CSR activities and put together a CSR strategy and implement it effectively.

- **BOARD ENHANCEMENT PROGRAMMES**

These are specially designed programmes for boards of organizations to address specific needs. They are in-plants aimed at resolving salient issues that are unique to the particular organization that the Society has been called to assist.

- **SEMINARS, WORKSHOPS, BREAKFAST MEETINGS, TRAININGS**

Apart from the Corporate Governance SeriesSM, the Society for Corporate Governance Nigeria also organizes specialized programmes for Boards and Top Management of Corporate organizations to suit their particular demands covering topics in Risk Management and Ethics.

The Society also organizes induction for newly appointed Non –Executive Directors of organizations.

- **ANNUAL CONFERENCE ON CORPORATE GOVERNANCE**

The Society hosts the annual conference on corporate governance. This is a forum that enables shareholders of companies, board chairmen/directors, regulatory bodies (Central Bank of Nigeria, Securities and Exchange Commission and the Nigerian Stock Exchange etc) and stakeholders to discuss issues that arise in the course of the practice of good governance.

- **BOARD EVALUATION**

Being a statutory requirement for corporate organisations, the Society for Corporate Governance assists organisations to evaluate their board to foster effectiveness.

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SOCIETY FOR CORPORATE GOVERNANCE NIGERIA

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NOTICE OF THE 11TH ANNUAL GENERAL MEETING OF THE SOCIETY FOR CORPORATE GOVERNANCE NIGERIA LTD/GTE (RC 620268)

NOTICE IS HEREBY GIVEN that the 11th Annual General Meeting of the Society for Corporate Governance Nigeria Ltd/Gte (“the Society”) shall be held virtually via Zoom Teleconference on Wednesday, November 11, 2020, at 11:00 am to transact the following business:

ORDINARY BUSINESS

1. To receive the Report of the Directors, the Financial Statements for the year ended June 30, 2020, and the Report of the Auditors thereon;
2. To approve the appointment of additional directors for the Society;
3. To authorize the Directors to fix the remuneration of the Auditors.

Proxy

In view of the COVID-19 pandemic, attendance at the Annual General Meeting shall only be by virtual attendance or by proxy. All members of the Society entitled to attend and vote are advised to do so virtually or to appoint a Proxy to attend virtually and vote in their stead:

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/ her/ its stead. A Proxy need not be a member of the Society. A proxy form is attached. Where a Proxy is used, the proxy form must be duly stamped and lodged at the registered Office of the Society at 5B, Lawani Oduloye Street, Oniru, Victoria Island, Lagos not later than 48 hours before the time fixed for the meeting.

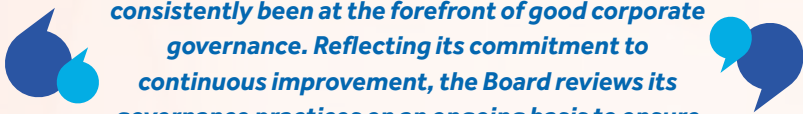
This Notice is given this 14th day of October 2020 by Order of the Board.

KP NOMINEES LTD.
COMPANY SECRETARY
KP NOMINEES LTD
FRC/2014/00000003803
Company Secretary

Board of Directors: Muhammed K. Ahmad - OON (President & Chairman of the Board)

Professor Juan Elegido (Vice President II), Professor Pat Utomi, Professor Chris Ogbachie, Professor Fabian Ajogwu SAN, Mrs Clare Omatseye, Mr Tijani Borodo, Mr Ibrahim Dikko, Mr Tunji Oyebo, Mrs Nkemdim Uweje Begho
The Society for Corporate Governance Nigeria Limited Guarantee (Registered Not-for-profit No. 620,268) is committed to the development of Corporate Governance

LETTER FROM THE PRESIDENT OF THE SOCIETY



“The Directors have confidence that the Society has consistently been at the forefront of good corporate governance. Reflecting its commitment to continuous improvement, the Board reviews its governance practices on an ongoing basis to ensure that they promote stakeholder value.”

Dear Distinguished Fellows & Members,

On behalf of the Board of Directors of the **Society for Corporate Governance Nigeria (“The Society”)**, I am delighted to welcome you all to the Eleventh (11th) Annual General Meeting of the Society for Corporate Governance Nigeria. As this meeting progresses, our Auditors, KPMG shall be presenting the Financial Statements of the Society for the year under review, as well as Directors' Report.

Today marks my first Annual General Meeting as the President/Chairman of the Board of the Society for Corporate Governance Nigeria. I feel honoured to be in your midst.

I sincerely acknowledge and deeply appreciate the immense contributions of the immediate past President Mr. Pascal Dozie, CON, who has handed over a valuable legacy and has made the transition easy for my role.

It is also noteworthy that the Management recently experienced a change in its leadership. It is in this regard that I would like to thank the immediate past Chief Executive Officer, Mrs. Hilda Nkor for all her notable efforts and contributions to the Society in the last 12 years and congratulate Mrs. Chioma Mordi, who has just received the borton.

It is exultant to note that the Society's objective of promoting good corporate governance culture and best practices across business sectors has continued to be

recognized and the level of acceptability by the corporate world has increased significantly. All of these and more were reflected in the Society's activities during the period under review.

I would like to acknowledge the fact that business environment in Nigeria has been challenging exacerbated by the CoVID-19 pandemic. In effect, it has become pertinent for every organisation and business including the Society to review, update, develop, implement and drive new strategies to guarantee sustainability and business performance.

It is in this light that the Society for Corporate Governance Nigeria was able to put together programmes such as; **“Driving Strategies For Business Sustainability”**; **“Effective Leadership: Best Practices for Boards And Executive Management”**; **“Understanding The Changing Dynamics of Regulatory Compliance (I)”**; **“IT Governance: Implementing Governance Structures for Data Protection And Cyber Security”**; **“Understanding the Changing Dynamics Of Regulatory Compliance (II)”**; **“Board Audit and Risk Committee Effectiveness: Managing the Impact of a Changing Business Environment”**; **“Effecting Optimum Board Performance: The Fundamentals of Creating Value”**; among others which were hosted to help its members and businesses overcome the impacts of the pandemic. I must not fail to point

out that the offerings of the Society were so rich in content and commend it for being able to attract a satisfactory amount of attendees to her training Programmes despite the pandemic.

As organizations confront the disruptions brought on by the pandemic, the 'new normal' has displaced 'business as usual.' This is the reality for Boards and their committee. In order to assist organisations in this regard, I am pleased to state that the Society successfully handled 21 Board Evaluations, 1 Board Enhancement Programme and 1 Board Retreat and Assessment exercises for companies.

The Society also successfully hosted her Annual Corporate Governance Conference. The 2020 Annual Corporate Governance Conference had as its theme: **‘Corporate Governance in the Age of Digital Transformation’**. We sincerely appreciate discussants who took part in this year's discussion, which included a distinguished panel comprising of Keynote speaker, Dr. Evans.E. Woherem, FCIS, Chairman, ChamsAccess Limited; Mrs. Ndidi O. Nwuneli, Founder, Leap Africa and Managing Partner Sahel consulting; Mr. Chinenye Mba-Uzokwu, Managing Director/CEO, Infographics Nigeria Limited and Mrs. Nkedilim Uwaje Begho, CEO Future Software Resources Limited (Futuresoft) who moderated the discussions.

Our heartfelt gratitude goes to our esteemed members, donors and partners who through their grants, donations and advice, we were able to host our programmes and conferences successfully. I would like to also thank all our sponsors/ supporters including Zenith Bank Plc; Polaris Bank Limited; NPF Microfinance Bank Plc; KPMG; Bank of Industry, Kenna Partners and

Stanbic IBTC amongst others.

I would like to state that the Society's research and publication department was also very innovative during the year with a marginal progression having successfully produced three (3) insightful publications- The "22nd Edition of the Journal of Corporate Governance"; with Prof. Bankole Sodipo, Olaniyi Arije; Mr. Ituah Imhanze; Ms. Sotonye Belonwu; Dr. Anthonia Odeleye; Mr. Tobenna Igweonu; Mr. Adebisi Sanda; Dr. Kunle Aina; Mrs. Bolanle Adejugbe as the contributors. "Corporate Governance & Sustainability Reporting: A Review of the Top 30 Most Capitalized Companies on the Nigerian Stock Exchange" with a foreword by Mr. M.K. Ahmed OON, my humble self; with practitioners from Deloitte and Touche: Mrs Ibukun Beecroft, Mrs Constance Okhilua and Ebuka Onunaiwu as contributors, and "Corporate Governance Regulatory Compliance in Nigeria: The Regulator, The Regulation and the Regulated" with a foreword by Mrs Ozofu Ogiemudia, Chairperson of the technical advisory committee on the CAMA Bill with Mrs. Bunmi Malik and members of the Research and Publication team as contributors. It

is worthy to note that the books are in sales and are getting extensive readership.

The Society's membership community/ network has also experienced more visibility and expansion within this period of review as over 35 individuals will be inducted today as Members in addition to the 448 existing members and will continue to increase its visibility by creating more awareness of its existence and programmes.

The Directors have confidence that the Society has consistently been at the forefront of good corporate governance. Reflecting its commitment to continuous improvement, the Board reviews its governance practices on an ongoing basis to ensure that they promote stakeholder value. It is in this light that the Directors will continue to put in effort at increasing the impact of the Society in the development of corporate governance in Nigeria and create more opportunities for positive collaborations with international organizations that pursue the same objectives.

Our Board has been fortunate to enjoy the support of our Esteemed Fellows and Members of the Society

during this period, and we believe that, with your continued cooperation, the Society will attain greater heights in the nearest future.

I wish to appreciate my colleagues on the Board, the Management and Staff for their unwavering support, dedication, and commitment to move the Society forward.

Once again, welcome you to this year's Annual General Meeting and thank you for taking out time to be present.




Mr. Muhammed K. Ahmad, OON
President & Chairman, Board of Directors
Society for Corporate Governance Nigeria

FROM THE MANAGEMENT DESK



(The Society) has strongly sustained as being a reference point on issues of corporate governance in Nigeria, deliberately working towards the development of good corporate governance with the Society recording growth in membership, upturn and expansion in its publications among others.



It is with great honour and delight that I present this letter from the management desk as today marks my first Annual General Meeting as the Chief Executive Officer of the Society for Corporate Governance Nigeria having received the official Barton from Mrs. Hilda Nkor, the immediate past CEO who I must commend for all her efforts and reputable impact over the years.

Over the years, the Society for Corporate Governance Nigeria (The Society) has strongly sustained as being a reference point on issues of corporate governance in Nigeria, deliberately working towards the development of good corporate governance with the Society recording growth in membership, upturn and expansion in its publications among others.

I am pleased to notify you that despite the changes in business operations brought by the advent of the Covid-19 Pandemic, the Society has strived as an organization and has been able to identify pathways for other organisations to enable them work more efficiently and effectively. We were able to achieve this through our well organised training programmes, and insightful publications.

As part of the boards initiative, the Society successfully hosted its Annual Corporate Governance. The 2020 Annual Corporate Governance Conference had as its theme: **"Corporate Governance in the Age of Digital Transformation"** An array of discussants who took part in this year's discussion was a distinguished panel comprising of Keynote speaker, Dr. Evans E. Woherem, FCIS, Chairman, ChamsAccess Limited; Mrs. Ndidi O. Nwuneli, Founder, Leap Africa and Managing Partner Sahel consulting; Mr. Chinenye Mba-Uzokwu, Managing Director/CEO, Infographics Nigeria Limited and Mrs. Nkedilim Uwaje Begho, CEO Future software Resources Limited (Futuresoft) who moderated the discussions. The conference was well

attended with about 800 registered attendees, over 389 Attendees present and about 200 viewers on Facebook, of which positive reviews were received.

Furthermore, the Society in addition to her existing publications, produced three (3) publications this year. The following new publications were presented by the Society for Corporate Governance Nigeria to the general public:

1. 22nd Edition of the Annual Corporate Governance Journal:

In the period under review, the '*Journal of Corporate Governance*' - a foremost and only peer-reviewed bi-annual corporate governance Journal, has continued to improve over the years. The readership has continued to expand beyond boards, top managers, private individuals with profound interest in corporate governance to include institutions of higher learning (as reference material for management studies). The 22nd edition published in the period under review enjoyed contributions, on different topics, from seasoned experts in the field of Corporate Governance.

2. Corporate Governance and Regulatory Compliance: The Regulator, Regulations and the Regulated:

The book with a foreword by Mrs. Ozofu Ogiemudia, Chairperson of the technical advisory committee on the CAMA Bill, presented a guide on understanding the core and significance of compliance, minimizing regulatory hurdles, building effective relationships with regulators, improving compliance within regulated entities, practical insights into corporate governance, effective regulatory compliance, and the use of regulatory technology in regulatory compliance.

3. Corporate Governance and Sustainability Reporting in Nigeria: A Review of Thirty Most Capitalized Companies on NSE:

The Society for Corporate Governance

Nigeria has put together a book that stresses and examines the corporate governance and sustainability reporting structures of the top thirty (30) most capitalized companies on the Nigerian Stock Exchange, giving understanding to the rules that apply to those structures. The book has a foreword by Muhammad Ahmad, OON, FRCN NCCG Chairman, Technical Committee and President, Society for Corporate Governance Nigeria.

The Society also published (04) editions of the C- Governance Newsletter, an online publication showcasing topical issues in corporate governance and the weekly CorpGov Report which contains weekly news clips of corporate governance-related issues.

The Society's programme department also successfully conducted 21 Board Enhancement Programmes, 1 Board Enhancement Programme and 1 Board Retreat and Assessment exercises for companies. Since the commencement of the Board Enhancement programme, more company's board of directors are becoming aware of the need to re-evaluate their processes against the backdrop of insights gained in the course of the programme.

During the year, the Society successfully hosted 7 virtual training programmes for her members and the general public from different sectors, which included the following:

1. DRIVING STRATEGIES FOR BUSINESS SUSTAINABILITY:

This virtual training on Driving Strategies for business sustainability took place on Thursday, May 18, 2020. This was due to the series of upheavals and rapid changes experienced as a result of health, social and economic crisis as a result of the COVID 19 Pandemic. The two-hour event was facilitated by Professor Chris Ogbechie and had 70 participants in attendance who considered the training useful and relevant, as their knowledge on scenario planning and strategies to deploy for business sustainability was greatly increased by the session.

EFFECTIVE LEADERSHIP: BEST PRACTICES FOR BOARDS AND EXECUTIVE MANAGEMENT – JUNE 4, 2020

The Society organized a webinar on Effective Leadership: Best Practices for

Boards and Executive Management with the aim of helping attendees assess the effectiveness of their organization's structure and processes. The webinar held on Thursday, June 4, 2020. It was an interactive session and had three speakers namely, Dr. Ernest Ndukwe, OFR - Chairman, MTN Nigeria Plc; Mrs Audrey Joe-Ezigbo - Co-founder & Deputy Managing Director Falcon Corporation Ltd and Mr. Frank Aigbogun - CEO, Businessday Media Ltd. A total of 112 participants were recorded. Attendees at the end of the training commended the wealth of knowledge of speakers and the Society for Corporate Governance Nigeria.

UNDERSTANDING THE CHANGING DYNAMICS OF REGULATORY COMPLIANCE 1 – JUNE 18, 2020:

In a constantly and rapidly changing environment, it is important for organizations to ensure effective compliance and understand how changing regulations can affect business models and processes. It is in this light that the Society for Corporate Governance Nigeria organized this webinar which had as speakers; Mr. Alhassan Suleiman, Head of Department, Financial Standard and Corporate Governance, Securities and Exchange Commission; Mr. Godstime Iwenekhai, the Head of Listings Regulation Department, Nigerian Stock Exchange; Ms. Ngozi Njemanze, Manager, Financial Policy and Regulation, Central Bank of Nigeria; and Mrs. Tomi Adepoju, Partner & Head, Internal Risk and Compliance Services, KPMG, Lagos. 273 participants were in attendance

IT GOVERNANCE: IMPLEMENTING GOVERNANCE STRUCTURES FOR DATA PROTECTION AND CYBER SECURITY – JULY 2, 2020:

The importance of IT Governance structures cannot be over-emphasized, especially as companies have had to revert to remote operations. In view of this, the Society for Corporate Governance Nigeria brought together experts to discuss on the topic. The panelists were Professor Olayinka David-West, Program Lead, Sustainable and Inclusive Financial Services Initiative and Academic Director, Lagos Business School; Mr. Adeseye Adeyemi, the Data Protection

Manager, the Page Group, United Kingdom; and Mr. Eyetan Walter, Head of Cybersecurity, Senior Security, Architect and Consultant. Participants considered the training as enlightening as they gained insights on the subject matter.

UNDERSTANDING THE CHANGING DYNAMICS OF REGULATORY COMPLIANCE (II) – JULY 16, 2020:

The concluding part of this webinar brought together an array of regulators, comprising: Mr. Ephraim Nwokonneya, Head, Compliance Monitoring, Nigeria Communications Commission, Mr. Leonard Akah, Director, Governance Enforcement and Compliance, National Insurance Commission, Mr. Abdulqadir Dahiru, Head, Inspection of Investigation, National Pension Commission, and Dr. Nelson Anumaka, Director Corporate Governance Directorate, the Financial Reporting Council of Nigeria. A total of 150 people was in attendance. The speakers enlightened attendees on the role of effective regulations and regulatory compliance in ensuring best corporate governance practices.

BOARD AUDIT AND RISK COMMITTEE EFFECTIVENESS: MANAGING THE IMPACT OF A CHANGING BUSINESS ENVIRONMENT – AUGUST 20, 2020:

Targeted audience – Board Members and Audit Committee Members. The Society organized its first paid training during the pandemic with the aim to provide a platform for Board members and Audit and Risk Committee members to learn how to mitigate the impact of risk exposures and equip them with skills for modelling and amending business processes for effectiveness. The training had three sessions with seasonal facilitators. Each session was interactive as participants were allowed to ask questions after each session. Useful reading materials, recorded video and presentation slides were sent out to all attendees. Certificates of attendance were awarded.

2. EFFECTING OPTIMUM BOARD PERFORMANCE: THE FUNDAMENTALS OF CREATING VALUE – SEPTEMBER 17, 2020

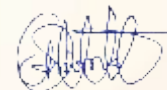
Targeted Audience – Board Members. Traditionally, a director who is an agent of its shareholders is saddled with the leadership and economic responsibility towards ensuring the interest of the

stakeholder groups are met. As a result, it is crucial for directors to understand the implications of their roles and decision-making as well as the various expectations of shareholder groups in order to ensure the success of their organizations. Hence, the importance of optimal board performance in achieving organizational success. It is in this light that the Society for Corporate Governance Nigeria designed this training. The sessions and facilitators. Presentation slides and recorded video from the training were shared with the participants. Certificates of participation were awarded.

Also, in the year under review, the Society was dedicated to an expansion of her membership base, establishing a better and more visible relationship with prospective members, increasing its visibility by creating more awareness of its existence and today over 30 individuals will be inducted as members of our organization.

Over the years, as an organization we have been committed to the promotion of good corporate governance culture and best practices in Nigeria and to constantly achieve this objective, the Society will continue to identify and organize more impactful learning programmes, workshops, conferences and industry specific seminars/breakfast meeting. It will also expand its research work to cover uncharted areas about corporate governance.

It is at this juncture, that we would like to genuinely appreciate our Board members for their support and guidance, the Fellows and Members of the Society for their commitment, our partners, organizations and friends who contributed, in no small measure, to make 2020 an awesome year.



Mrs Chioma Mordi
Managing Director/CEO
Society for Corporate Governance Nigeria

RESEARCH AND PUBLICATIONS

Over the last decade, the Society for Corporate Governance Nigeria, committed to the vision of promoting high corporate governance standards, and rebuilding investor trust in the Nigerian economy, has remained dedicated to in-depth research on practical issues of corporate governance.

The resulting publications from the Society's research projects are specifically written for practitioners, as well as for education and training purposes; providing a comprehensive up-to-date reference for implementation and sustainability of high corporate governance standards.

The resources are intended to sensitise and equip Board directors, Chairmen, Company Secretaries, etc. of public and private organisation, Operation Managers/Process Managers, Middle Managers, Ethics and Compliance Officers, non-governmental organisations, etc. with an up-to-date template for formulation, implementation and enforcement of corporate governance standards in Nigeria. The resources are reflected in the list below:



BI-ANNUAL 'JOURNAL OF CORPORATE GOVERNANCE'^{SM4}

is a peer-reviewed journal which has an editorial committee comprising of prolific and seasoned professionals, such as Dr. Oladimeji Alo, Professor Fabian Ajogwu SAN, Professor Joseph Nnanna among others.

Over the past decade, the journal of corporate governance has enticed a diverse and premium crop of

contributors from university lecturers, professors, senior advocates of Nigeria, legal practitioners, company secretaries, compliance professionals and others from professional disciplines both within and outside the country.

In addition, the journal contains well researched and topical issues on corporate governance, some of which includes, understanding the challenges to good corporate governance in Nigeria, corporate governance in private universities in Nigeria, balancing and strengthening investor protection through corporate governance, the governance of information technology in Nigeria, running effective boards in small and medium scale enterprises, imperatives for a shift to sustainable governance by Nigerian companies, revisiting professor Adolf Bernie's theory of shareholder protectionism and its relevance under compulsory Nigerian corporate governance codes.

Complimentary copies of the journal are distributed to all Nigerian Universities' libraries. (Editions 3 - 22 Available)



COMPANY SECRETARY'S GUIDE ON CORPORATE GOVERNANCE (2ND EDITION) (ISBN 978-978-974-998-0)

This book with a foreword by Mr. Abubakar B. Mahmoud, SAN, former president of the Nigerian Bar Association, outlines essential roles, duties, and guiding principles to execute the modern company secretary's functions in the governance framework. The idea

behind the book stemmed from the evolved role of the company secretary as the chief governance officer and practical situations and issues that company secretary; compliance officers, legal advisors, and general counsel are involved in the system of corporate governance. It contains the practical issues plaguing the company secretary of the 21st century, either as corporate

governance professional or fulfilling his statutory duties. It also offers a practical approach in contending with such issues, in a manner that fosters governance and a governance culture in their organizations. The electronic copy is available on Okadabooks, Kobowriting life and Amazon stores.



CORPORATE GOVERNANCE AND REGULATORY COMPLIANCE: THE REGULATOR, REGULATIONS AND THE REGULATED (ISBN: 978-978-985-851-4)

The book was presented at the 2020 annual corporate governance conference and carries a foreword by Mrs. Ozofu Ogiemudia, Chairperson of the technical advisory committee on the CAMA Bill. The book is pertinent to

our current climate, given the heightened rate of regulations and the resultant effect to the internal corporate governance of businesses. The book employs a retrospective and advanced analysis concerning topics and practice of regulatory compliance which will amplify the practice of regulatory compliance by firms and enhance the role of regulatory compliance in improving corporate governance best practices. It provides practical steps on minimising regulatory hurdles and building effective relationships with regulators. It also addresses internal compliance mechanisms to enable organisations achieve effective compliance with relevant laws, regulations and codes. In addition, the book proffers insights from the point of view of regulators and the regulated, thus providing a balanced view that promotes the concept of 'smarter regulation.' Furthermore, the book contains an extensive literature on the evolution of corporate governance, trends of regulatory compliance, the CAMA 2020 and electronic copies are available on Okadabooks, Kobowriting life and Amazon stores.



CORPORATE GOVERNANCE AND SUSTAINABILITY REPORTING IN NIGERIA: A REVIEW OF THIRTY MOST CAPITALISED COMPANIES ON NIGERIAN STOCK EXCHANGE 2020 (ISBN: 978-978-985-850-7)

– The book with a foreword by Mr. Muhammad Ahmad, OON chairman FRCN, NCCG technical committee and president of the Society for Corporate Governance Nigeria, illuminates the

corporate governance structure, data, and sustainability reports of the thirty most capitalised companies on the Exchange. Based upon this extraction, the book analyses compliance of the featured companies' corporate governance and sustainability reporting against the provisions of the Nigerian Code of Corporate Governance 2018, and the Nigerian Stock Exchange Sustainability Guidelines 2018. It also contains a sectoral analysis of the thirty companies, a featured article on sustainability by practitioners at Deloitte & Touche, and electronic copies are also available on Okadabooks, Kobowriting life and Amazon stores.



CORPORATE GOVERNANCE REPORTING IN NIGERIA, 2019 (ISBN: 978-978-976-601-7)

The book with a foreword by Ms. Mary Uduk, FCIB, Former Acting Director-General of the Securities and Exchange Commission is a corporate governance description of the top 30 most capitalised companies on the Nigeria Stock Exchange aimed at creating awareness to investors and building their confidence. (2018-2016 editions available)



DIRECTORS' HANDBOOK ON CORPORATE GOVERNANCE (ISBN: 978-978-942-780-2 AND 978-978-976-600-0) (1ST AND 2ND EDITIONS)

The 257-page first edition is filled with salient issues which directors should gain a good understanding of, to efficiently discharge their duties. It also gives a panorama of how best to address the full spectrum of key governance and disclosure issues. It

carries a foreword by Dr. Christopher Kolade, CON, Pro-Chancellor, Pan-Atlantic University. The second edition adds identifiable value to the director's understanding of the essence of corporate governance as it acts a comprehensive manual on every aspect of a board, spanning from the individual director, the board chairman, the company secretary and various board committees. The book with a foreword by Atedo N.A. Peterside, CON, former chairman of Stanbic IBTC Bank Plc and Chairman of Cadbury Nigeria Plc, contains ample annotations on the 2018 Nigerian Code of Corporate Governance and a detailed comparison between the national code 2018 and other sector codes of corporate governance. Together, they act as a ready consult for quick guidance on salient issues that affect the practice of corporate governance in and outside the boardroom. The electronic copy for the second edition is available on Okadabooks, Kobowriting life and Amazon stores.



Leading an Effective Board: The Chairman's Guide (ISBN 978-978-962-098-2)

This seven-chapter publication contains a foreword by Mr. Pascal G. Dozie, CON, former president, Society for Corporate Governance Nigeria, gives an x-ray of the dynamic roles, responsibilities, and functions of the 21st Century Chairman in light of the ever-changing Nigerian

Business Environment. It examines the various dynamics and bottlenecks in the board's governance cycle, with an intent to guide both board chairman and board of directors. The book further examines various flexibilities of the board chairman's role and how it could spring up some corporate dilemma in making the right choice. This seven-chapter book, with useful appendices offers a simple but clear insight with substantive theories and standard corporate governance practices on leading an effective board. The electronic copy of the book is also available on the Okadabooks, Kobowriting life and Amazon stores



UNDERSTANDING FINANCIAL STATEMENTS & REPORTS: A GUIDE FOR DIRECTORS (ISBN: 978-962-099-9)

The book with a foreword by Mr. Kunle Elebute, Senior Partner, KPMG Nigeria & Chairman KPMG Africa provides a resource material for non-finance directors in the areas of financial reporting and accounts. It gives an insight into the principles

and regulations that guide financial reporting, evolving accounting conventions and relevance of accounting statements. It also examines the role of Directors in financial and national disclosures and demystifies the intricacies of corporate financial statements to the non-financial directors. Furthermore, it analyses several financial reporting concepts and tools that will help readers acquire knowledge on key elements of financial statements like assets, liabilities, equity, income, and expenses interplay in understanding the dynamics of financial statements and gaining better insight into what each of the indicators means to a business. Kindly visit the Okadabooks, Kobowriting life and Amazon stores, to obtain an electronic copy of the book.

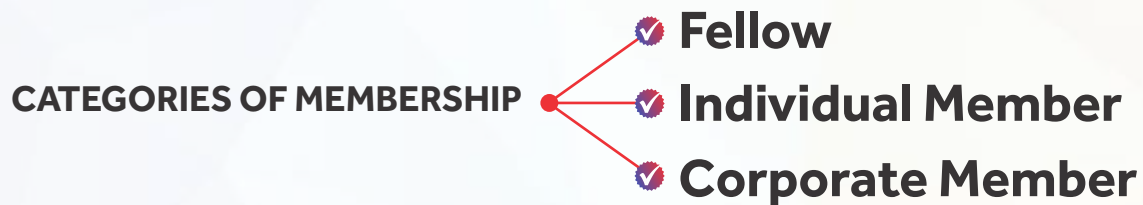
To order any of these title, please contact the Society

MAKE A POSITIVE IMPACT! JOIN THE NETWORK!!

PROMOTE GOOD CORPORATE GOVERNANCE!!! JOIN US TODAY!!!!

Membership of the Society is guided by the constitution of the Society and is open to:

Individuals who occupy managerial positions in their organizations.
All Corporate organizations (private, public, and registered firms.)



BENEFITS OF MEMBERSHIP

- Free copies of the Bi-annually published Journal of Corporate Governance, Nigeria which is a peer reviewed publication that deals with all aspects of Governance, Management and evolving trends/extant laws affecting Corporate Governance.
- A 15% discount on fee paying training programmes organized by the Society.
- An opportunity to have dinner with the President of the Society and network with other members of the Society annually.
- Highly discounted in-house programmes for the board of member-organizations.
- Free and unlimited access to the Christopher Kolade Corporate Governance Library.
- Free and Unlimited access to resource materials for research purposes.
- Free subscription to our quarterly published Newsletter and weekly published Corp Gov News.
- Periodic updates on the changes in the Corporate Governance and Business Regulatory Environment.
- Access to advice, business information, Corporate Governance update and platforms for networking for personal and organizational development.

PROGRAMMES

BREAKFAST MEETING



Breakfast Meeting - The Role of Good Governance in Business Growth and Sustainability for MSMEs

TRAINING



Driving Sustained Growth the Role of the Executive Director - September 5, 2019

ANNUAL CORPORATE GOVERNANCE CONFERENCE



2019 Annual Corporate Governance Conference - Book Launch

ANNUAL CORPORATE GOVERNANCE CONFERENCE



2019 Annual Corporate Governance Conference 1

BOARD TRAINING



Board Training for First Pensions Custodian - 2019

Society for Corporate Governance Nigeria Ltd/Gte

Annual Report **30 June 2020**



Financial Statements for year ended 30 June 2020, Together with Directors' and Auditor's Reports

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DIRECTORS' REPORT

For the year ended 30 June 2020

The directors present their report on the affairs of Society for Corporate Governance Nigeria Ltd/Gte ("the Society"), together with the financial statements and independent auditor's report for the year ended 30 June 2020.

LEGAL FORM

Society for Corporate Governance Nigeria Ltd/Gte, ("the Society") is a not-for-profit organisation incorporated on 31 March 2005 as a company limited by guarantee under Part C of the Companies and Allied Matters Act, CAP C 20, Laws of the Federation of Nigeria, 2004.

PRINCIPAL ACTIVITIES AND OPERATIONS REVIEW

The Society is domiciled in Nigeria and was set up to develop and promote corporate governance best practices in Nigeria using the tools of rankings, seminars, publication, research, workshops and trainings.

To achieve its objectives, the Society organized the following programmes and workshops during the year:

- Board Enhancement Programmes
- Corporate Governance Conference
- President's Dinner/Induction
- Breakfast Meetings

The Society earned ₦23.8 million from the workshops, seminars and donations during the year (2019: ₦33.4 million).

In addition, the Society publishes various articles, online newsletters and periodicals which are disseminated to the general public free of charge. The flagship publication of the Society, 'Journal of Corporate Governance' is generally sold to the public at a predetermined price, complimentary copies of the journal are distributed to members, all Nigerian universities' libraries as well as other well-wishers of the Society as the Directors might deem fit. Other publications issued during the period were - "Understanding Financial Statements" and "Corporate Governance Reporting in Nigeria".

Income earned from the sale of the publications as well as donations received from various corporate bodies in support of the production of its publication - "Corporate Governance Reporting in Nigeria" amounted to ₦4.2 million (2019: ₦2.39 million).

The Society also earned ₦10.4 million from registration fees and membership subscription dues (2019: ₦9.9 million).

OPERATING RESULTS

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

<i>In naira</i>	Year ended 30 June 2020	Year ended 30 June 2019	% Change
Revenue	81,215,833	97,079,606	-16%
Other income	331,046	-	
Impairment (loss)/reversal on receivables	(1,418,735)	258,750	-596%
Expenses	(85,926,273)	(89,693,388)	-4%
Results from operating activities	(5,798,129)	7,671,968	-176%

DIRECTORS AND THEIR INTERESTS

The directors who served during the year ended 30 June 2020 were as follows:

- | | | |
|---|---------------------------------|---------------------------|
| 1. Mr. Muhammed K. Ahmed OON
(President) (Appointed Wed 5 February 2020) | 3. Prof. Juan Elegido (Spanish) | 7. Mrs. Clare Omatseye |
| 2. Mr. Pascal Dozie CON (President)
(Resigned Tue 31 December 2019) | 4. Prof. Pat Utomi | 8. Mr. Ibrahim Dikko |
| | 5. Prof. Chris Ogbechie | 9. Mr. Tijjani Borodo |
| | 6. Prof. Fabian Ajogwu, SAN | 10. Mr. Adetunji Oyebanji |

The Society is limited by guarantee and has no share capital, hence the directors have no financial interests in the Society that are required to be disclosed under Section 275 of the Companies and Allied Matters Act, Cap C. 20, Laws of the Federation of Nigeria, 2004.

In accordance with Section 277 of the Companies and Allied Matters Act, Cap C. 20, Laws of the Federation of Nigeria, other than as disclosed in note 16(b), none of the directors has notified the Society of any declarable interests in contracts with the Society (2019: Nil).

RECORDS OF DIRECTORS' ATTENDANCE

Further to the provisions of Section 258 (2) of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, the record of directors attendance at Board Meetings held during the period will be available at the Annual General Meeting for inspection.

PROPERTY, PLANT AND EQUIPMENT

Information relating to changes in property, plant and equipment is disclosed in Note 7 to the financial statements

CHARITABLE DONATIONS

No charitable donations were made by the Society during the period (2019: Nil).

In compliance with Section 38 (2) of the Companies and Allied Matters Act, Cap C. 20, Laws of the Federation of Nigeria, the Society did not make any donation or give gifts to any political party or association or for any political purpose during the period (2019: Nil).

EVENTS AFTER THE REPORTING DATE

There are no events after the reporting date which could have had a material effect on the financial position of the Society as at 30 June 2020 which have not been adequately recognised or disclosed in these financial statements

EMPLOYMENT AND EMPLOYEES

(a) Employment of Physically Challenged Persons

The Society has no physically challenged persons in its employment. Applications for employment by physically challenged persons are always fully considered bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming physically challenged, every effort will be made to ensure that their employment with the Society continues and that appropriate training is arranged. It is the policy of the Society that the training, career development and promotion of physically challenged persons should, as far as possible, be identical with those of other employees.

(b) Dissemination of Information

In order to maintain shared perception of our goals, we are committed to communicating information to employees in fast and effective a manner as possible. We consider this critical to the maintenance of team spirit and high employee morale.

(c) Health, Safety and Welfare at work

The Society places a high premium on the health, safety and welfare of its employees in their place of work. To this end, the Society has various forms of insurance policies to adequately secure and protect its employees.

(d) Employee Involvement and Training

The Society places considerable value on the involvement of its employees and has a practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Society.

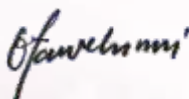
INDEPENDENT AUDITORS

The firm of KPMG Professional Services served as Independent Auditor during the year under review.

KPMG Professional Services has served as the Company's Independent Auditor for several years. The National Code of Corporate Governance requires that Independent Auditors are rotated after ten years; thus, KPMG Professional Services will not continue in office as the Society's Independent Auditors after the conclusion of the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD

KP NOMINEES LTD.
COMPANY SECRETARY



KP Nominees Limited
FRC/2014/00000003803
Company Secretary
8 Onigefon Road,
Off Palace Way, Oniru
Victoria Island, Lagos
October 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS


For the year ended 30 June 2020

The directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act, Cap C. 20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act, Cap C. 20, Laws of the Federation of Nigeria, 2004 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The directors have made an assessment of the Society's ability to continue as a going concern and have no reason to believe the Society will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Mr. Muhammed K. Ahmad, OON
FRC/2017/IODN/00000002851

14 October 2020



Prof. Fabian Ajogwu, SAN
FRC/2014/NBA/00000006868

14 October 2020



KPMG Professional Services
 KPMG Tower
 Bishop Abiodun Cole Street
 Victoria Island
 PMB 40014, Falomo
 Lagos

Telephone 234 (1) 271 8955
 234 (1) 271 8599
 Internet home.kpmg/ng

INDEPENDENT AUDITOR'S REPORT

To the Members of the Society for Corporate Governance Nigeria

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Society for Corporate Governance Nigeria (the Society), which comprise the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended and notes, comprising significant accounting policies and other explanatory information, as set out on pages 18 to 37.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Society as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Director's Report, Statement of Director's Responsibilities, and other National Disclosures, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

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Partners:

Adegoke A. Oyelami	Adesola A. Eshute	Adesola P. Adeyemi	Adeyemi K. Ajayi
Ajibola O. Olorunsola	Akinyemi Ashade	Ayobami L. Salami	Ayodele A. Soyinka
Ayodele H. Oshinwa	Chibuzor N. Anyanachi	Chiname B. Nwigo	Eliah O. Olatunmbayo
Goodluck C. Ota	Itimimi M. Adesoku	Isaaru T. Emeka-Ezigho	Joseph O. Teguie
Kibir D. Oluwalade	Lawrence C. Amadi	Martina I. Aroge	Mohammed M. Adams
Nneke C. Eluma	Ogunbayo I. Ogungbesoro	Dabirape S. Alcabari	Oladunsi T. Salaukan
Oranika I. James	Olufole A. Babem	Oluwale O. Olayinka	Oluwole A. Sowande
Olutoyin I. Oguntowo	Oluwalafemi O. Aworoye	Oluwatoyin A. Otagi	Temitope A. Oritan
Tolulope A. Odajale	Victor U. Onwika		



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004

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 Society's statement of financial position and statement of comprehensive income are in agreement with the books of account.

Signed:

Goodluck C. Obi, FCA
FRC/2012/ICAN/00000000442
For: KPMG Professional Services
Chartered Accountants
29 October 2020
Lagos, Nigeria



STATEMENT OF FINANCIAL POSITION

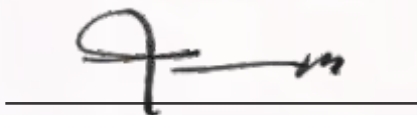
As at 30 June

<i>In naira</i>	Note	2020	2019
Assets			
Property, plant and equipment	7	4,256,365	7,577,840
Total non-current assets		4,256,365	7,577,840
Inventories	12	6,522,770	5,477,833
Prepayments	11	566,822	416,674
Receivables and contract asset	8	9,965,413	8,646,500
Cash and cash equivalents	10	28,794,217	29,433,025
Total current assets		45,839,222	43,974,032
Total assets		50,095,587	51,551,872
Reserves			
Accumulated Surplus		36,500,228	38,913,475
Total Reserves		36,500,228	38,913,475
Liabilities			
Payables	9	13,595,359	12,638,397
Total current liabilities		13,595,359	12,638,397
Total reserves and liabilities		50,095,587	51,551,872

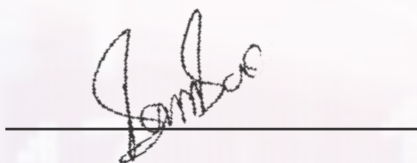
The financial statements were approved by the Board of Directors on 14 October, 2020 and signed on its behalf by:



Mr. Muhammed K. Ahmad, OON (President)
FRC/2017/IODN/00000002581
October 2020



Prof. Fabian Ajogwu, SAN (Director)
FRC/2014/NBA/00000006868
October 2020



Mrs. Hilda Nkor (Chief Executive Officer)
FRC/2016/NIM/00000015618
October 2020

The accompanying notes and significant accounting policies on pages 22 to 37 form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30

<i>In naira</i>	Note	2019	2018
Revenue	4	81,215,833	97,079,606
Other Income		331,046	-
Impairment loss (reversal) on receivables	13(a)	(1,418,735)	285,750
Expenses	6	(85,926,273)	(89,693,388)
Results from operating activities		5,798,129	7,671,968
Finance income	5	3,384,882	644,503
(Deficit)/Surplus for the year		(2,413,247)	8,316,471
Other comprehensive income		-	-
Total comprehensive (loss)/ income for the year		(2,413,247)	8,316,471

The accompanying notes on pages 22 to 37 form an integral part of the financial statements

STATEMENT OF CHANGES IN RESERVES

<i>In naira</i>	Note	Accumulated Surplus	Total Reserves
For the year ended 30 June 2019			
Balance as at 1 July 2018		30,597,004	30,597,004
Surplus for the year		8,316,471	8,316,471
Other comprehensive income		-	-
Total comprehensive income for the period		8,316,471	8,316,471
Balance as at 30 June 2019		38,913,475	38,913,475
For the year ended 30 June 2020			
Balance as at 1 July 2019		38,913,475	38,913,475
Deficit for the year		(2,413,247)	(2,413,247)
Other comprehensive income		-	-
Total comprehensive income for the year		(2,413,247)	(2,413,247)
Balance as at 30 June 2018		36,500,228	36,500,228

The accompanying notes on pages 22 to 37 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

For the year ended 30 June

<i>In naira</i>	Note	30 June 2020	30 June 2019
Cash flows from operating activities:			
(Deficit)/Surplus for the period		(2,413,247)	8,316,471
Adjustments for :			
- Depreciation	7	4,878,475	5,119,831
- Finance income	5	(3,384,882)	(644,503)
		919,654	12,791,799
Changes in:			
- Inventories		(1,044,937)	(1,476,889)
- Prepayments		(140,148)	291,116
- Receivables and contract asset		(1,318,913)	(3,670,000)
- Payables*		6,856,962	(6,735,080)
Cash generated from operation		3,433,310	1,200,946
Value added tax payed		(5,900,000)	(987,500)
Net cash (used in)/generated from operating activities		(2,466,690)	213,446
Cash flows from investing activities:			
Acquisition of property, plant and equipment	7	(1,557,000)	(560,000)
Interest received	5	1,335,447	644,503
Net cash (used in)/ generated from investing activities		(221,553)	84,503
(Decrease)/(increase) in cash and cash equivalents		(2,688,243)	297,949
Cash and cash equivalents at 1 January		29,443,025	29,135,076
Effect of movement in exchange rates on from cash and cash equivalent	5	2,049,435	-
Cash and cash equivalents as at 30 June	10	28,794,217	29,433,025

* Movement in payables have been adjusted for Value Added Tax (VAT) paid shown separately above

The accompanying notes on pages 22 to 37 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

1. REPORTING ENTITY

Society for Corporate Governance Nigeria Ltd/Gte ("the Society"), a Society limited by guarantee, not-for-profit organisation was incorporated in Nigeria on 31 March 2005. The Society is domiciled in Nigeria and has its registered office address at 5B, Lawani Odunloye Street, Off Palace Way, Oniru, Victoria Island, Lagos. The principal activity of the Society is to develop and promote corporate governance best practices in Nigeria using the tools of rankings, seminars, publications, research, workshops and trainings.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Society have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act, Cap C. 20, Laws of the Federation of Nigeria and the Financial Reporting Council of Nigeria Act, 2011. The financial statements were authorised for issue by the Board of Directors on 14 October 2020.

(b) Basis of measurement

The financial statements have been prepared in accordance with the going concern assumption under the historical cost basis except for the following:

Item	Measurement basis
Inventories	- Lower of cost and net realisable value

(c) Functional and presentation currency

These financial statements are presented in Naira (₦), which is the Society's functional currency. All financial information presented in Naira has been rounded to the nearest thousand, unless stated otherwise.

(d) Use of estimates and judgments

Assumptions and estimation uncertainties

The preparation of the financial statements in conformity with IFRS requires management to make judgements, 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 recognised prospectively.

(i) Measurement of fair values

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 Society's accounting policies and disclosures require the measurement of fair values, for both financial and non financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

When measuring the fair value of an asset or liability, the Society uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments

(i) Recognition and initial measurement

Receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the entity becomes a party to the contractual provisions of the instrument. The Society's financial assets or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, financial assets (receivables) are classified as measured at: amortised cost. Financial assets are not reclassified subsequent to their initial recognition unless the Society changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model

Financial assets - subsequent measurement and gains and losses

Financial assets at amortized cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit and loss. Any gain or loss on derecognition is recognised in profit or loss.
---	---

Financial assets

The financial assets of the entity are classified as trade and other receivables and cash and cash equivalents. Trade and other receivables are non-derivative financial assets with fixed or determinable payment that are not quoted in an active market and that the Society does not intend to sell immediately or in the near term. Cash and cash equivalents comprise cash on hand and cash balances with banks.

Financial liabilities - Classification, subsequent measurement and gains and losses.

Financial liabilities are classified as measured at amortised cost and are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

The Society derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The Society derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(b) Impairment

(i) Non-derivative financial assets

The Society recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost and contract assets. Loss allowances for receivables and contract assets are measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that results from all possible default events over the expected life of a financial instrument.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Society considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Society's historical experience and informed credit assessment and including forward-looking information.

The Society assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Society considers a financial asset to be in default when:

- * the debtor is unlikely to pay its credit obligations to the Society in full, without recourse by the Society to actions such as releasing security (if any is held); or
- * the financial asset is more than 180 days past due.

Write-off

The gross carrying amount of a financial asset is written off when the Society has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Amount written off are recorded in the profit or loss. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(ii) Non-financial assets

At each reporting date, the Society reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating unit (CGUs).

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

(c) Property, plant and equipment

(i) Recognition, measurement and derecognition

The cost of an item of property, plant and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Derecognition

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the net proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised within other income in profit or loss.

(ii) Subsequent expenditure

The cost of replacing a part of an item of property, plant and equipment is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Society and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

Plant and machinery	-	5 years
Fixtures and fittings	-	4 years
Motor vehicles	-	4 years
Computer Equipment	-	3 years
Books	-	4 years

Depreciation methods, useful lives and residual values are reviewed at reporting date and adjusted if appropriate and the effect of any changes in estimate accounted for on a prospective basis.

(d) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Society and the revenue can be reliably measured. Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable or received for services provided and goods delivered, net of discounts and value added taxes (VAT) and where there is reasonable expectation that the income will be received and all attaching conditions will be complied with.

In these financial statements, surplus/deficit is used instead of profit or loss as the Society is not profit driven.

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns and trade discounts.

(ii) Rendering of services

Membership fees

Membership fees are recognised as income in the period when they are received from members due to the uncertainty about their collectibility. Membership fees received in advance are recognised in deferred income

Conferences, trainings and seminars

Revenue from conferences, trainings and seminars are accounted for when services are rendered. The Society recognises revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the statement of financial position date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;

- it is probable that the economic benefits associated with the transaction will flow to the Society;
- the stage of completion of the transaction at the statement of financial position date can be measured reliably; and
- the costs incurred for the transaction and the cost to complete the transaction can be measured reliably. When the outcome of the transaction involving the rendering of services can not be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

(iii) Donations

Donations are recognised as income when the Society obtains control over the assets comprising the donation or the right to receive the donation/grant, it is probable that the economic benefits derivable from the donation will flow to the Society and the amount can be measured reliably. This has been assessed as when the Society receives the cash or has an enforceable right to receive the donations

(e) Income Tax

Society for Corporate Governance Nigeria Limited is registered as a not-for-profit organisation. In accordance with Section 23(1) of the Company Income Tax Act (CITA) Cap C21, LFN 2007 (as amended), the organisation is exempted from corporate income tax when it acts for charitable purposes. However, when the organisation engages in profit-oriented activities, income tax is charged on taxable profits earned on such activities in accordance with the Companies Income Tax Act using the statutory tax rate of 30%. Tertiary education tax is assessed at 2% of assessable profits from the profit-oriented activities.

(f) Provisions and contingent liabilities

A provision is recognised, if, as a result of a past event, the Society has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cashflows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Society, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

(g) Finance income

Finance income comprise interest income on fixed deposits. Finance income is recognised as it accrues in profit or loss, using the effective interest method.

(h) Leases

Policy applicable from 1 January 2019

The Company has adopted IFRS 16 using the modified retrospective approach. The application of IFRS 16 however, did not have any effect on amounts and disclosures reported in these financial statements as the Company elected not to recognise right-of-use assets and lease liabilities as its leases are short-term without option to purchase, including its generator equipment rental, and property rental for key management personnel. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Policy applicable before 1 January 2019

For contracts entered into before 1 January 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset

if one of the following was met:

- * the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
- * the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
- * facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

(i) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are those wholly due within twelve months after the end of the reporting period. Such obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan (pensionfund) under which the Society pays fixed contributions into a fund. The Society has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee serve in the current and prior periods.

In line with the provisions of the Pension Reform Act 2014, the Society has instituted a defined contribution pension scheme for its staff. Employee contributions to the scheme are funded through payroll deductions while the Society's contribution is charged to profit or loss. The Society and employees contribute 10% and 8% respectively of the employees' basic salary, housing and transport allowances to the scheme.

(j) Foreign currency

Transactions in foreign currencies are translated into the respective functional currencies of the Society at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

(k) Statement of cash flows

The statement of cashflows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cashflows and other non-cash items, have been eliminated for the purpose of preparing the statement. Interest received is included in investing activities.

(l) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the First-In First-Out (FIFO) principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition including incidental cost.

(m) Contract asset and contract liability

When revenue is recognised under a contract with a customer before the Company becomes unconditionally entitled to the considerations under the relevant payment terms of the contract, a contract asset is recognised. Contract assets are reclassified to receivables when the right to consideration

becomes unconditional.

When consideration is received (or the right to consideration is unconditional) before the related revenue is recognised, a contract liability is recognised. For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

Receivables are recognised when the right to consideration under a revenue contract becomes unconditional regardless of billing date.

(n) New standards and interpretations not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2020 and early application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements.

- Amendments to References to Conceptual Framework in IFRS Standards.
- Definition of a Business (Amendments to IFRS 3)
- IFRS 17 Insurance Contracts
- Definition of Material (Amendments to IAS 1 and IAS 8).

4 REVENUE

An analysis of revenue is as follows:

<i>In naira</i>	Note	Year ended 30 June 2020	Year ended 30 June 2019
Membership subscriptions, induction and Registration fees	(a)	10,445,001	9,990,000
Workshops, seminars & donations	(b)	23,820,082	33,427,375
Publications and other materials	(c)	3,850,750	7,315,731
Board evaluation	(d)	43,100,000	46,346,500
		81,215,833	97,079,606

(a) Membership subscriptions, inductions and registration fees

Membership subscription and registration fees is analysed as follows;

<i>In naira</i>	30 June 2020	30 June 2019
Individual members' subscriptions and registration fees	6,195,001	3,990,000
Corporate members' subscriptions and registration fees	4,250,000	6,000,000
	10,445,001	9,990,000

(b) Workshops, seminars & donations

<i>In naira</i>	2020	2019
Workshops and seminars	23,820,082	20,827,375
Donations	-	12,600,000
	23,820,082	33,427,375

(c) Publications and other materials

<i>In naira</i>	2020	2019
Journals	589,900	2,808,500
Directors Handbook on Corporate Governance	615,000	268,500
Corporate Governance Reporting in Nigeria	950,350	429,331
Company's Secretary Guide on Corporate Governance	443,500	222,000
Leading Effective Board	98,000	109,500
Understanding Financial Statement	404,000	340,400
Advertisement	750,000	3,137,500
	3,850,750	7,513,731

(d) Board evaluation

The Society earned ₦43.1 million from board evaluation services rendered to corporate organisations during the period (2019: ₦46.3 million).

5 FINANCE INCOME

<i>In Naira</i>	2020	2019
Interest income on fixed deposit	1,335,447	644,503
Exchange gain	2049,435	-
	3,384,882	644,503

6. EXPENSES

Expenses analysed by nature is as follows:

<i>In naira</i>	Note	2020	2019
Publication expenses		3,140,131	2,964,982
Programmes expenses		13,658,311	20,021,836
Office rent		5,000,007	5,104,200
Transport and travel expenses		808,050	3,172,593
General office expenses		10,974,482	8,983,372
Motor vehicle maintenance		4,023,588	5,894,255
Employee benefit expenses	6(a)	41,894,877	36,193,240
Bank charges		198,062	242,918
Depreciation		4,878,475	5,119,831
Consultancy fees		15,000	234,000
Other professional fees		321,590	282,361
Audit fees	6(e)	-	-
Bad debt written off		421,500	1,479,800
Inventory write down		592,200	-
		85,926,273	89,693,388

(a) Employee benefit expenses are analysed as follows:

In naira

Wages and salaries

Other employee cost

	2020	2019
	38,102,859	32,693,240
	3,792,018	3,500,000
	41,894,877	36,193,240

(b) Paid employees of the society, other than directors, whose duties were wholly or mainly discharged in Nigeria, received annual remuneration (excluding pension costs and certain benefits) in the following ranges:

	2020	2019
	Number	Number
Less than ₦ 500,000	-	-
₦ 500,000 - ₦ 1,000,000	3	2
₦ 1,000,001 - ₦ 2,000,000	1	3
₦ 2,000,001 - ₦ 3,000,000	1	2
₦ 3,000,001 - ₦ 6,000,000	1	-
₦ 6,000,001 - ₦ 8,000,000	-	1
₦ 8,000,001 - ₦ 10,000,000	-	1
₦ 10,000,001 - ₦ 12,000,000	2	-
	8	9

(c) Number of persons employed on full time basis by the Society as at period end was as follows:

	2020	2019
	Number	Number
Administration Department	8	9

(d) The directors received no emoluments during the period (2019: Nil).

(e) Audit services are rendered pro bono to The Society by its auditors, KPMG Professional Services.

7. PROPERTY, PLANT AND EQUIPMENT

The movement in these accounts during the year was as follows:

(a) Reconciliation of carrying amount

	Computer Equipment	Plant & Machinery	Fixtures & Fittings	Books	Motor Vehicle	Total
<i>In naira</i>						
COST						
Balance at 1 July 2018	7,322,213	4,712,400	2,772,772	120,587	8,995,500	23,923,472
Additions	560,000	-	-	-	-	560,000
Balance at 30 June 2019	7,882,213	4,712,400	2,772,772	120,587	8,995,500	24,483,472
Balance at 1 July 2019	7,882,213	4,712,400	2,772,772	120,587	8,995,500	24,483,472
Additions	157,000	1,230,000	170,000	-	-	1,557,000
Balance at 30 June 2020	8,039,213	5,942,400	2,942,772	120,587	8,995,500	26,040,472
DEPRECIATION						
Balance at 1 July 2018	3,075,762	933,620	753,257	73,590	6,949,572	11,785,801
Charge for the period	2,242,261	942,480	662,443	30,147	1,242,500	5,119,831
Balance at 30 June 2019	5,318,023	1,876,100	1,415,700	103,737	8,192,072	16,905,632
Balance at 1 July 2019	5,318,023	1,876,100	1,415,700	103,737	8,192,072	16,905,632
Charge for the year	2,233,295	1,147,480	677,790	16,482	803,428	4,878,475
Balance at 30 June 2020	7,551,318	3,023,580	2,093,490	120,219	8,995,500	21,784,107
CARRYING AMOUNT						
At 30 June 2019	2,564,190	2,836,300	1,357,072	16,850	803,428	7,577,840
At 30 June 2020	487,895	2,918,820	849,282	368	-	4,256,365

(b) The Society had no contractual capital commitments as at the reporting date (2019: Nil).

(c) None of the Society's property, plant and equipment has restricted title or has been pledged as security for liabilities (2019: Nil).

8. RECEIVABLES AND CONTRACT ASSET

<i>In naira</i>	2020	2019
Board evaluation service receivable	9,900,355	6,300,000
Sundry receivable **	2,570,066	1,462,500
Inventory sales	376,228	421,500
Contract asset*	-	1,925,000
	12,846,648	10,109,000
Impairment loss***	(2,881,235)	(1,462,500)
	9,965,413	8,646,500

The Society's exposure to credit risk and impairment losses related to receivables is disclosed in Note 13.

*Contract assets represents amounts due from customer as a result of certain conditions and not passage of time;

**Sundry receivable represents withholding taxes erroneously deducted by customers. These have been fully impaired on the basis that the entity will not be able to utilize any resulting tax asset.

***Included in impairment loss is impairment of sundry receivables amounting to ₦2.53 million

9. PAYABLES AND CONTRACT LIABILITIES

<i>In naira</i>	2020	2019
Employee tax liabilities	1,394,408	909,337
Withholding tax payable	2,456,978	2,918,132
Employee pension payable	998,904	761,635
Accrued expenses	17,800	248,775
Advanced payment received	-	352,000
Interest received in advance	-	1,299,605
Value added tax payable	3,498,519	6,188,913
Related parties payables (Note 16b)	-	-
Contract liabilities	5,228,750	-
	13,595,359	12,638,397

*Contract liability is recognised when a payment for customer is due (or already received, whichever is earlier) before a related performance obligation is satisfied.

The Society's exposure to credit, liquidity and market risks is disclosed in Note 13.

10. CASH AND CASH EQUIVALENTS

<i>In naira</i>	2020	2019
Demand deposits in bank	25,725,346	2,431,542
Cash on hand	3,068,871	1,483
Fixed deposits	-	27,000,000
	28,794,217	29,433,025

The Society's exposure to credit, liquidity and market risks is disclosed in Note 13.

11 PREPAYMENTS

Payments comprise:

<i>In naira</i>	2020	2019
Prepaid rent	416,667	416,674
Generator servicing	140,155	-
	556,822	416,674

12. INVENTORIES

	2020	2019
Directors' Handbook on Corporate Governance	624,800	126,000
Company Secretary's Guide on Corporate Governance	508,200	40,000
Journal of Corporate Governance	1,322,370	1,057,800
Corporate Governance Reporting in Nigeria	3,635,000	3,373,833
Leading an Effective Board	153,000	540,315
Understanding Financial Statements	279,400	339,885
	6,522,770	5,477,833

The cost of inventories recognised in publication expenses amounted to ₦3.1 million (2019: ₦2.9million). There was write down of inventories in current year amounting to ₦592,200 (2019: Nil).

13 FINANCIAL INSTRUMENTS - FINANCIAL RISK MANAGEMENT AND FAIR VALUES

(a) Financial risk management

Risk management framework

The Society's board of directors has overall responsibility for the establishment and oversight of the Society's risk management framework. The board of directors has the responsibility to identify and analyse the risks faced by the Society, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The Society, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Society's exposure to the above risks, the Society's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

(i) 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 arises principally from the Society's receivables from members and other parties.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

<i>In naira</i>	2020	2019
Receivables and contract asset (Note 8)	12,846,648	8,646,500
Cash and cash equivalents *(Note 10)	25,725,346	29,431,542
	38,571,994	38,078,042

*Cash on hand is not included

Receivables

The Society's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The Society establishes an allowance for impairment that represents its estimate of incurred losses in respect of receivables. The main component of this allowance are a specific loss component that relate to individually significant exposures. The Society does not hold collateral as security for its receivables.

The ageing of receivables and related impairment losses including those that were past due was as follows:

As at 30 June 2020

	Weighted average loss rate	Gross carrying amount	Loss Allowance	Credit Impaired
In Naira				
Current (not past due)	0.00%	-	-	No
0-30 days	0.00%	-	-	No
31-60 days	0.00%	1,290,000	-	No
61-90 days	0.00%	-	-	No
91-180 days	0.02%	6,282,855	2,058	No
Greater than 180 days	14.14%	5,273,794	1,416,677	No
		12,846,649	1,418,735	

As at 30 June 2019

	Weighted average loss rate	Gross carrying amount	Loss Allowance	Credit Impaired
In Naira				
Current (not past due)	-	-	-	No
0-30 days	-	-	-	No
31-60 days	-	6,300,000	-	No
61-90 days	-	825,000	-	No
91-180 days	-	1,521,500	-	No
Greater than 180 days	-	-	-	No
		8,646,500		

Cash and cash equivalents

The Society held cash and cash equivalents of ₦28,794,217 as at 30 June 2020 (2019: ₦29,431,542), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with banks. The Society mitigates the credit risk exposure of its bank balances by selecting reputable banks with good credit rating and a history of strong financial performance.

(ii) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Society's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Society's reputation.

The Society aims to maintain the level of its cash and cash equivalent at an amount in excess of expected cash outflows of financial liabilities. The Society also monitors the level of expected cash inflows on accounts receivables together with expected cash outflows on other payables and accrued expenses.

In Naira

Non-derivative financial liabilities

30 June 2020

Payables*

30 June 2019

Payables*

	Carrying amount	Contractual cash flows in one year or less
	(5,246,550)	(5,246,550)
	(5,246,550)	(5,246,550)
	(1,900,380)	(1,900,380)
	(1,900,380)	(1,900,380)

* Excludes statutory deductions such as VAT, WHT, pension payable and employee tax of ₦8.35 million (2019: ₦10.7million).

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Society's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk

At the reporting date, the Society had no interest-bearing financial instruments.

Currency risk

The Society is exposed to currency risk on bank balances that are denominated in a currency other than the functional currency of the Society, the Naira. The currency in which these transactions are primarily denominated is US Dollar (USD).

The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates. The Society's policy is to ensure that its net exposure in respect of monetary assets and liabilities denominated in foreign currencies are kept to an acceptable level. Movement in foreign exchange rates is monitored on an ongoing basis and necessary actions are taken as appropriate. The Society's exposure to currency foreign currency risk as at period end was as follows:

	2020	2019
	USD	USD
Financial assets		
Cash and cash equivalents	17,741	1,323
Total exposure	17,741	1,323

The following significant exchange rates were applied during the period:

	REPORTING DATE EXCHANGE RATE	
	30 June 2020	30 June 2019
	USD	USD
<i>In Naira</i>		
Year end spot rate	386.75	360.56
Average rate	369.25	362.11

Sensitivity analysis

A five percent (10%) weakening of the Naira, as indicated below, against the US Dollar at reporting date would have affected financial instruments denominated in foreign currencies and increased profit by the amounts shown below.

This analysis is based on foreign currency exchange rate variances that the Society considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast of cash inflows and outflows.

	PROFIT OR (LOSS)	
	Strengthening	Weakening
30 June 2020		
<i>In Naira</i>		
USD (10% movement)	(686,135)	686,135
30 June 2019		
<i>In Naira</i>		
USD (5% movement)	(23,851)	23,851

(b) Fair values versus carrying amounts

The financial instruments of the Society are short term and are not measured at fair value. The carrying amounts are therefore reasonable approximation of fair value. Accordingly, no fair value information is presented.

14 CONTINGENT LIABILITIES

The Society had no contingent liabilities as at 30 June 2020 (2019: Nil).

15 EVENTS AFTER THE REPORTING DATE

On 11 March 2020, the World Health Organization declared the coronavirus (COVID – 19) outbreak a pandemic and most governments have taken restrictive measures to contain its further spread by introducing lockdowns, closures of borders and travel restrictions which has affected the free movement of people and goods. The Nigerian Centre for Disease Control (NCDC) has confirmed COVID -19 cases in Nigeria and this has resulted in lock down in certain states. The pandemic has caused a significant reduction in social interactions, disruption in economic activities while some public facilities have been shut down in a bid to reduce the spread of the virus.

The Company considers this outbreak to be a non-adjusting subsequent event. As the situation is fluid and rapidly evolving, the Directors do not consider it practicable to provide a quantitative estimate of the potential impact of this outbreak on the Mall and will continue to evaluate the impact of COVID-19 on the Company's operations, financial position and operating results.

As at the date these financial statements were authorised for issue, the Directors were not aware of any material adverse effects on the financial statements as a result of the COVID-19 outbreak. There were no other events after the reporting date that could have had a material effect on the financial statements of the Company that have not been provided for or disclosed in these financial statements

16 RELATED PARTIES

(a) Key management personnel compensation

Key management personnel compensation comprised the following:

	2020	2019
Short-term employee benefit: Salaries and wages	23,568,987	20,600,000
Long-term employee benefits: Pension	1,649,829	1,442,000
	25,218,817	22,042,000

(b) Other related party transactions

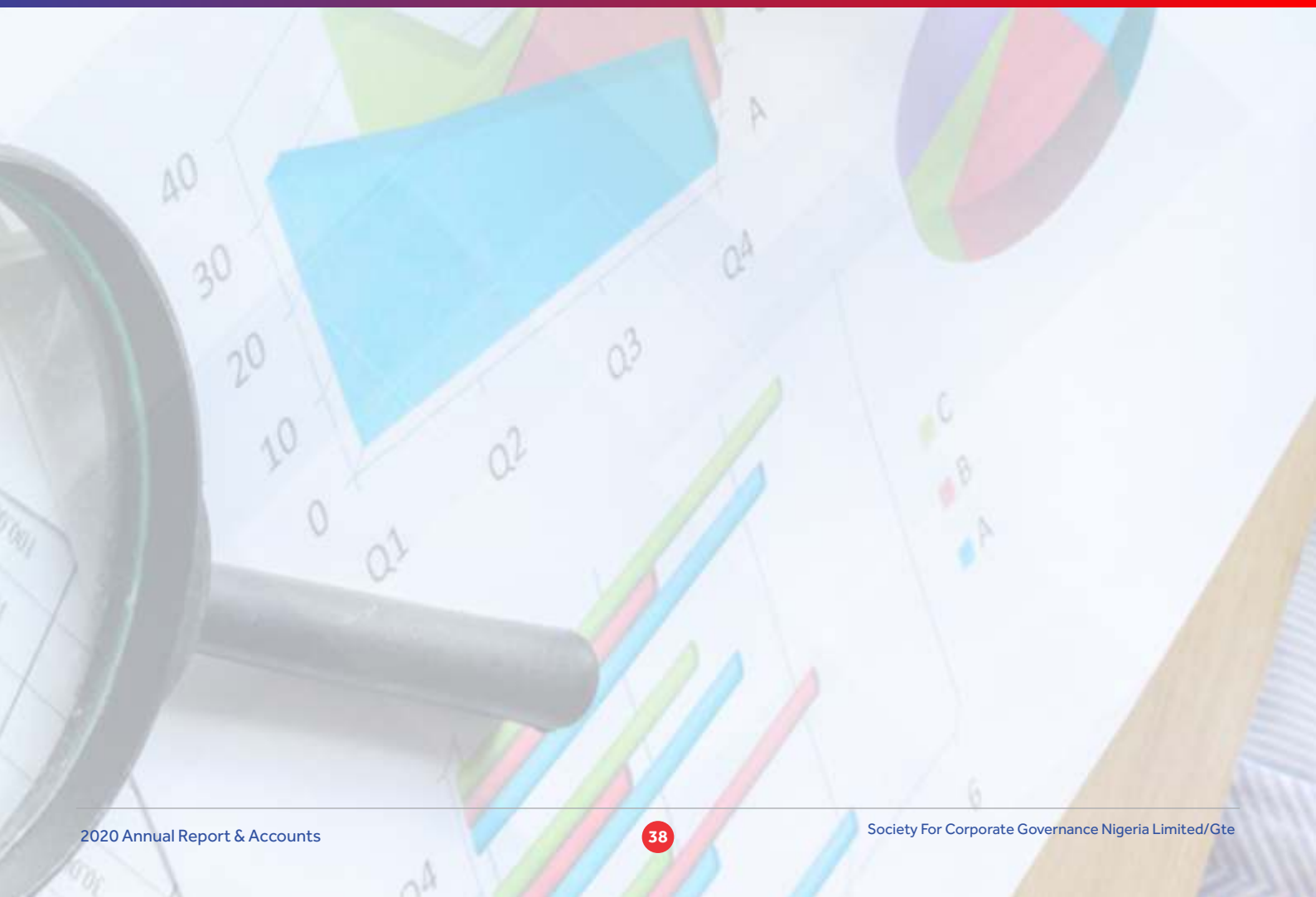
	Transaction values for the period		Balance outstanding	
	2020	2019	2020	2019
<i>In Naira</i>				
Sale of goods and services				
Pan Atlantic University (*)	150,000	-	-	-
Kenna Partners (*)	1,350,000	-	-	-
Other related parties	6,555,000	-	-	-
Purchases of goods and services				
Kenna Partners (*)	-	300,000	-	-
Sponsorships to the society				
MTN Nigeria Communications Ltd	-	1,000,000	-	-
Polaris Bank (*) (**)	1,300,000	-	-	-
FBN Holdings Plc	250,000	-	-	-

* Some member of board of directors of the society have significant influence over the identified related parties.

** A member of the board with significant influence in Polaris Bank was appointed as the chairman of the Society's board during the year.



OTHER NATIONAL DISCLOSURES



VALUE ADDED STATEMENT

For the year ended 30 June

<i>In Naira</i>	2020	%	2019	%
Revenue	81,215,833		97,079,606	
Bought in materials and services:				
- Local	(40,571,656)		(48,094,567)	
	40,644,177		48,985,039	
Other income	331,046		-	
Finance income	3,384,882		644,503	
Value added	44,360,105	100	49,629,542	100
Distribution of Value Added:				
To Employees:				
Employee benefit expenses	41,894,877	94	36,193,240	73
Retained in the business:				
For replacement of property, plant and equipment	4,878,475	11	5,119,831	10
To (deplete) augment reserve	(2,413,247)	(5)	8,316,471	17
Value added	44,360,105	100	49,629,542	100

Value added is wealth created by the efforts of the Society and its employees and its allocation between employees and re-investment for the creation of future wealth.

FIVE-YEAR FINANCIAL SUMMARY

For the period ended

<i>In Naira</i>	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016
Revenue	81,215,833	97,079,606	88,180,484	94,068,463	26,013,000
(Deficit)/Surplus for the period	(2,413,247)	8,316,471	(10,087,415)	23,026,199	4,157,000
Total comprehensive income for the year	(2,413,247)	8,316,471	(10,087,415)	23,026,199	4,157,000
<i>In Naira</i>	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016
Assets Employed					
Non-current assets	4,256,265	7,577,840	12,137,671	14,717,348	6,683,511
Net Current assets	32,243,863	31,335,635	18,459,333	25,967,071	10,974,709
	36,500,228	38,913,475	30,597,004	40,684,419	17,658,220
Financed by					
Accumulated surplus	36,500,228	38,913,475	30,597,004	40,684,419	17,658,220

BOARD OF DIRECTORS



1 Mr. Mouhammad K. Ahmad, OON
President

2 Professor Juan M. Elegido
Vice-Chancellor, Pan-Atlantic University

3 Professor Pat Utomi
Chairman, Centre for Values & Leadership (CVL)

4 Professor Chris Ogbechie
Deputy Dean, Lagos Business School

5 Professor Fabian Ajogwu SAN
Principal, Kenna Partners

6 Mrs. Clare Omatseye
Managing Director, JNC International Ltd

7 Mr. Ibrahim Dikko
Principal, Hitel Communications Limited

8 Mr. Tijjani Borodo
Chairman, FBN Nominees

9 Mr. Adetunji Oyebanji
Managing Director / CEO 11Plc

10 Mrs. Nkemdilim Uwaje Begho
CEO, Future Software Resources Limited

SPECIAL THANKS

The Society for Corporate Governance Nigeria wishes to thank the following individuals/organizations for their continued support of its activities.

ORGANIZATIONS

- KMPG Professional Services
- International Finance Corporation (IFC)
- First Bank of Nigeria Plc
- MTN Nigeria Limited
- GlaxoSmithKline Consumers Nig Plc
- Exxon Mobil
- Kenna Partners
- Lagos Business School
- Cutix Plc
- Bank of Industry
- Polaris Bank Plc
- Zenith Bank Plc
- Stanbic IBTC Holdings
- NPF Microfinance Bank Plc
- ARM Holdings and subsidiaries
- Custodian Group
- CrusaderSterling Pensions
- Unity Bank Plc
- Hasal microfinance Bank
- Finca MFB
- FBN Insurance Brokers Ltd
- Jubilee Life Mortgage bank
- Unitrust Insurance company limited
- Nigeria University Pension management company
- Total E&P Nigeria CPFA Limited
- Investment one financial services

INDIVIDUALS

- Dr Christopher Kolade, CON
- Chief Olusegun Osunkeye OFR
- Mr. Pascal Dozie CON
- Professor Juan Elegido
- Mr. Dayo Lawuyi, MON
- Professor Pat Utomi
- Professor Chris Ogbechie
- Mr. Ibrahim Dikko
- Mrs. Clare Omatseye
- Professor Fabian Ajogwu, SAN
- Mr. Goodluck Obi
- Mr. Tijjani Borodo
- Mr Tunji Oyebanji
- Mr. Uchenna Uwechia
- Mr. Isaac Orolugbagbe
- Mr. Olu Onakoya
- Ms. Abiye Tobin West
- Mrs. Joe-Audrey Ezigbo
- Mr. Frank Aigbogun
- Ms. Ngozi Njemanze
- Mr. Ebenezar Foby
- Dr. Ernerst Ndukwe, OFR
- Mr. Alhassan Suleiman
- Mr. Godstime Iwenekhai
- Mrs. Tomi Adepoju
- Proffesor Olayinka David-West
- Mr. Adeseye Adeyemi
- Mr. Eyetan Walter
- Mr. Ephraim Nwokonneya
- Mr. Leonard Akah
- Mr. Abdul Kadir Dahiru
- Dr. Nelson Anumaka
- Dr. Franklin Ngwu
- Dr. Romeo Savage
- Mrs. Bola Tinubu
- Mrs. Ann Okwuego

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- Mr. Ituah Imhanze
- Mr. Olaniyi Arije
- Ms. Sotonye Belonwu
- Mrs. Adejugbe Bolanle
- Mr. Adebisi Sanda
- Mr. Tobenna Igweonu

REGULATORS

- The Nigerian Stock Exchange (NSE)
- Nigerian Deposit Insurance Company (NDIC)
- Securities And Exchange Commission (SEC)
- Nigerian Communications Commission (NCC)
- National Insurance Commission (NAICOM)
- Central Bank of Nigeria (CBN)

MEDIA

- BusinessDay Newspaper

2021 CORPORATE GOVERNANCE SERIES

DIRECTORS' TRAINING CALENDAR

S/N	PROGRAMME TITLE	COURSE CONTENT	DATE
1	Corporate Governance in the Digital Age	<ul style="list-style-type: none"> • Technology as A Tool to Further Corporate Governance • Achieving Strong Corporate Governance through technology • Assessing company's cybersecurity programme • Mitigating Cyber and Data Protection Risk • Technology in Strategy Development 	February 5, 2021
2	Board Effectiveness in a VUCA business environment	<ul style="list-style-type: none"> • Board performance Evaluation and Development • Board Composition and alignment to Business goals • Board Behavioural dynamics: a prerequisite for effectiveness • The role of the Board in Aligning Strategy to company structure, vision and goals • Creating channels for improved performance, leveraging on strengths identified from assessment, mitigating weaknesses and matching changes to future growth opportunities. 	March 4, 2021
3	Board and Corporate Sustainability	<ul style="list-style-type: none"> • The Role of the Board in Driving Business Growth and Sustainability • Succession Planning: A strategy for driving Business Growth • Entrenching good governance and best practices across managerial levels • Environmental, Social and Governance Factors • Understand the legal and compliance issues surrounding ESG and sustainability Reporting 	April 8, 2021
4	The Role of the Board in performance Tracking for implementing growth Strategies	<ul style="list-style-type: none"> • Performance Tracking • Tools for reviewing performance- defining measuring metrics • Factors that impact measuring metrics • Analysing performance data for effective strategy planning process • Developing and Implementing Growth Strategies • The role of the board in Strategy development • Leveraging experience and expertise of directors for enhancing organizational performance and increased shareholder value • Understanding industry dynamics for competitive positioning, creative innovations and developing growth strategies. 	May 6, 2021
5	Strategic Leadership: Enhancing Director performance	<ul style="list-style-type: none"> • Balanced Leadership (Board & Management) • Board and Strategy development (The role of the Board) • Establishing leadership culture of accountability and transparency • Developing structures for Value creation and sustained growth • Information flow and effective communication between Board and Management • Aligning strategic framework to Business Environment 	May 6, 2021
6	Breakfast Meeting	<ul style="list-style-type: none"> • Sustainability Implementation • What Companies Can Do to Achieve Positive Impacts • ESG and Sustainability Reporting 	July 8, 2021
7	Understanding and Interpreting Financial Statements for Non-Finance Directors	<ul style="list-style-type: none"> • Financial statements review and analysis (Balance sheet, Income statements, Profit and Loss account, cash flow statement, etc.) • Role of the Directors in Financial reporting • Financial contingency plans and corporate insolvency • Cash flow analysis • Basics of budgeting • Identifying symptoms of corporate financial distress • Interpreting Annual Reports and Financial Statements • Basics of the IFRS 17 reporting. 	August 5, 2021

2021 CORPORATE GOVERNANCE SERIES (cont'd)

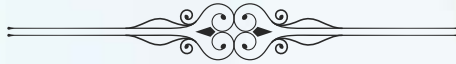
S/N	PROGRAMME TITLE	COURSE CONTENT	DATE
8	IT Governance: Implementing Governance structures for data protection and cyber security	<ul style="list-style-type: none"> • Implementing good IT governance systems: The role of the Board • Creating competitive advantage through effective data protection systems • Understanding data protection requirements/laws- NDPR, GDPR • Ransomware protection-cybersecurity made easy • Achieving regulatory compliance in organizational processes • Risk management tools: • Securing data assets • Digital systems as the future of Business • Data protection and information systems security 	September 2, 2021
9	Annual Corporate Governance Conference		October 7, 2021
10	Pre-Induction Workshop		October 27, 2021
11	Annual General Meeting, President's Dinner & Induction Ceremony		November 3, 2021

For more information on trainings, kindly contact

Ngozi via email - nejim@corpgovnigeria.org

or telephone - **07069580999, 090229194999**

PRAISE FOR THE DIRECTORS' HANDBOOK ON CORPORATE GOVERNANCE



.... *"It provides additional comfort for the Director who takes the imperative of due diligence seriously. It comes handy and very essential for Directors in all organizations across sectors".*

Dr Christopher Kolade, CON, Pioneer President, Society for Corporate Governance Nigeria



.... *"It is a well-researched, rich in content, interesting in reading as well as qualitative book. This book will surely go a long way in educating members of the public on best practices in corporate governance".*

Alhaji Umaru Ibrahim, MNI, Managing Director/CEO, Nigerian Deposit Insurance Corporation (NDIC)



"The Directors' handbook on corporate governance succinctly provides the salient points expected of board members to be abreast of in order to carry out its functions as envisaged by statutory enactments and regulations". **Mr. Meseko Chris-Olumayowa, Legal/Compliance Manager, Vitafoam Nigeria Plc.**



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