



NIGERIAN BAR ASSOCIATION

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NBA 2020 Q1 MANAGEMENT ACCOUNT

1. In keeping with our commitment to promote and entrench transparency and accountability in the management of the NBA's finances, we are delighted to publish hereby and with this Statement the NBA 2020 Quarter 1 Management Account ("MA", "Management Report" or "MR") covering the period January to March 2020. The Q1 MA was meant to be tabled before the NBA National Executive Committee ("NEC") at its 2020 Quarter 2 meeting but, alas, the coronavirus epidemic and the national lockdown made it impossible to hold that meeting.

2. The plan now is to have a full-dress pre-Annual General Conference ("AGC") NEC meeting, possibly one week or thereabout before the virtual AGC which is scheduled for 26-27 August 2020 and present all Q1 and Q2-related papers for NEC consideration and approval thereat. Not wanting to unduly delay the release of this MR to our members, we thought it ideal to publish it now for our members' information and records ahead of its presentation to NEC at the planned meeting later in the month.

3.. Similar to what we did in respect of the previous Management Reports, perhaps I need to highlight a few areas in the 2020 Q1 MR for the benefit of our Members, *viz*:

- i. The FS shows Cash and Cash equivalent position of N1,442,292,029.00 as at 31 March 2020 (see page 4 of the MR), the breakdown of which is provided in Note 4 to the MR at page 8 thereof. ["Cash equivalent" refers to instruments and holdings such as stocks and similar investment instruments that could easily be converted into cash. NBA as at 31 March 2020 however had no such cash equivalent as Note 4 to the FS bears out; what we had were only cash balances in Bank accounts.] Note 4 shows that a large chunk of the Cash – N975,480,711.00 – was in the Bar Practicing Fee Account. The NBA Admin Account, as at 31 March 2020, had a credit balance of N213,267,586.00. The

NATIONAL OFFICERS:

Paul Usoro, SAN President;

Jonathan Gunu Taidi, General Secretary; Imo Stanley Chidozie, 1st Vice President; Dr. Dada Foluke Olayemi, 2nd Vice President; Igba Theophilus, 3rd Vice President; Banke Victoria Olagbegi-Oloba, Treasurer; Anosike Elias Emeka, Financial Secretary; Eze Nnamdi Innocent, Legal Adviser; Edun Olukunle, Publicity Secretary; Usman Joshua Enemali, Welfare Secretary; Ewenode William Onoriode, 1st Assistant Secretary; Obasi Chinyere Gladys, 2nd Assistant Secretary; Pepple Iniobong Irene, Assistant Financial Secretary; Lawal Akorede Habeeb, Assistant Publicity Secretary

remainder of the large sums in the NBA Accounts were in dedicated accounts – N103,959,408.00 in the Stamp and Seal Account, N35,974,237.00 in the NEC Account and N75,582,777.00 in MacArthur Foundation Account – and not accessible to NBA for administrative and/or operational activities.

- ii. On the liabilities side, the Total Current Liabilities, as at 31 March 2020, according to the MR (see page 4 thereof), was N556,639,109.00. The details of the Current Liabilities are set out in Note 5 of the MR at pages 9-15 thereof. The most significant of these liabilities is the Lagos State Government (“LASG”) Land Charges for the NBA Alao Aka-Bashorun House in Victoria Island, Lagos (“NBA Alao Aka-Bashorun House”) amounting to N397,794,423.00. The invoice for the Land Charges was sent to the NBA by LASG on 28 July 2018 and was brought to my attention only in 2020. In effect, the liability predates the current NBA administration. As soon as I knew of this outstanding liability, I wrote to LASG on 22 May 2020 requesting for a complete waiver of the Charges or at the minimum a waiver of the “Premium Lease Renewal fee of N379,669,000.00 thus leaving the NBA with the . . . responsibility of paying the balance fees of N18,125,423.00”. We are counting on a favorable consideration of our pending application with LASG. The other significant liability is the aggregate of the Other Payables amounting to an aggregate of N86,768,259.00, the details of which are set out in Note 5a at page 9 of the MR. The bulk of these Other Payables predate the current NBA Administration e.g. refund of N25,000,000.00 (the final tranche of the refunds) to MacArthur Foundation in respect of unauthorized expenditures by the previous NBA Administration; 2018 AGC payables amounting to N19,574,695 and the residual NBA 2018 National Officers’ Election expenses amounting to N2,990,000.00. Worthy of note is the fact that, as the figures confirm, we have almost fully paid down the entire liabilities that were inherited from the previous administration. As at 31 August 2018, these liabilities stood at N446,542,516.00, not including the afore mentioned LASG Land Charges of N397,794,423.00 which we discovered only in 2020 and which, if aggregated, takes our inherited liabilities to N844,336,939.00. The initially recognized inherited liability of N446,542,516.00 was almost entirely paid down; indeed, as at 31 March 2020 that initially recognized inherited liability constituted a little over 50% of the N86,768,259.00 that is classified as Other Payables in Note 5a at page 9 of the Q1 MR. In contemplating this liabilities amount, however, we must draw Members attention to the Caveat that is entered at

page 1 of the MR whereat PwC expressly forewarns the NBA of the possibility of a restatement or adjustment of this figure based on fresh information and data which may be unearthed sequel to the preparation of this Management Report. A classic instance of such restatement is the afore-mentioned LASG Land Charges which was uncovered in 2020 and has now been captured in the Q1 Accounts. In my discussions with PwC, any such other or further Restatements or Adjustments would be reflected in the Q2 2020 Management Report which would cover the period April to June 2020.

- iii. The Statement of Comprehensive Income (at page 5 of the MR) which is a component of the MR shows that the NBA had a total income of N951,522,944.00 as at Q1 ending. Notes 6 and 7 to the MR at page 16 thereof provide the breakdown of this income and show that the Bar Practice Fees – N792,695,323.00 – was the largest component thereof. There was also rental income of N8,784,287.00 from the lease of the NBA Alao Aka-Bashorun House (see Item 10 of the Appendix) and 2019 Annual General Conference donations amounting to N2,000,000.00. There was also interest income of N2,631,270.00 from our fixed deposit investment – see also the Appendix Item (i) at page 19 of the MR.
- iv. The Statement of Comprehensive Income (see page 5 of the MR) also shows that the NBA's Total Expenditure for Q1 2020 was N163,667,823.00. The details of the expenditure are set out in Notes 8 and 9 of the MR at pages 16 to 18 thereof and also in the Appendix to the MA, particularly in its Item (ii) at page 20 of the MR, all of which provide further clarity on the expenditure for the Quarter. Deducting this Total Expenditure amount (N163,667,823.00) from the NBA's Gross Income for the Quarter (i.e. N951,522,944.00) leaves the NBA with a Surplus of N787,855,122.00 as at the end of Q1, as shown in the Comprehensive Income Statement. Again, I must highlight the earlier caveat by PwC to the effect that fresh information and data may result in the restatement and/or adjustment of the expenditure figures in our Q4 2019 MR. I do need to mention that the total expense amount of N163,667,823.00, as pointed out in Item 2 of the Appendix, "excludes capital expenditure on the ongoing NBA building construction project. The building-related expenditure", which, as clarified in the said Appendix Item, was in the aggregate sum of N136,770,071.30 as at end of Q1, "is captured and disclosed in appendix 5" in the Appendix Section of the MR. As an aside, that project is almost

completed and will indeed be completely executed by the time this administration leaves office at the end of this month.

4. With the preparation and publication of this Q1 2020 Management Account, we have taken one more practical step towards institutionalizing the basic principles of governance, transparency and accountability in the NBA body politic thereby promoting efficiency and transparent conduct in our affairs and also earning the respect and admiration, not only of our Members but of our global audience. I emphasize the “practical step” because we had actually taken the constitutional step of amending the Nigerian Bar Association Constitution, 2015 (as amended) (“NBA Constitution”) to include a provision that mandates the preparation and presentation “to the National Executive Committee at its quarterly meetings the Management Report and Accounts of the Association for the preceding quarter” and “the said Quarterly Management Report and Accounts shall be published and circulated to all members of the Association” – see Section 8(5)(g)(v) of the NBA Constitution.

5. We have religiously kept to this governance practice and the NBA has been the better for it, amongst others, from an integrity perspective. In evidence of the respect and admiration that has ensued to the Association therefrom, I am pleased to inform members that the MacArthur Foundation has recently sent us a proposal for an extension of the working agreement between the NBA and the Foundation. Also, in the period under review, *Avocats Sans Frontieres France* (“ASF”)/Lawyers without borders, an international NGO, has, at its instance, partnered with the NBA on some human rights and Rule of Law assignments. Within the same period, the Inter-Governmental Action Group Against Money Laundering in West Africa (“GIABA”) invited us for a Regional Consultative Forum on AML/CFT Compliance for Bar Associations of GIABA Member States. I was privileged to deliver a Lead Paper which was rousing received at one of the Sessions of the event.

6. As we mentioned in our Release on the 31 August 2018 MA, “it is our hope that the consistent 2-year practice of what we have just begun – and by God’s Grace, will maintain – would inculcate these practices into the NBA DNA and make them irreversible by succeeding NBA administrations”.

**Paul Usoro, SAN
PRESIDENT**