

Securities and Exchange Commission

**Consolidated and separate financial statements
for the year ended 31 December 2015**

Securities and Exchange Commission
Consolidated and separate financial statements
For the year ended 31 December 2015
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Securities and Exchange Commission
Consolidated and separate financial statements
For the year ended 31 December 2015
Board of the Commission, professional advisers and offices

Board of the Commission:

Peter Obi	Chairman*
Mr Olufemi Lijadu	Chairman***
Mallam Mounir H. Gwarzo	Director - General**
Ms. Mary Uduk	Ag. Director General (Effective April 2018)***
Rt. Hon. Zakawanu.I. Garuba	Executive Commissioner, Corporate Services*
Mrs. Sa'adatu Mohammed Bello	Executive Commissioner, Legal and Enforcement*
Barr. Adefunke Abiodun	Member*
Mr. Ugochukwu Ikemba	Member*
Kalli Zaji	Representative, Federal Ministry of Finance*
Okwu Joseph Nnanna	Representative, Central Bank of Nigeria*
Mr. Reginald Karawusa	Secretary*
Mr. Henry Rowland	Ag. Executive Commissioner, Corporate Services (Effective November 2017)***
Mr. Isyaku Tilde	Ag. Executive Commissioner, Operations (Effective November 2017)***
Mr. Reginald Karawusa	Ag. Executive Commissioner, Legal and Enforcement (Effective April 2018)***
Mr Lamido Yuguda	Non-Executive Commissioner***
Mrs Rekiya Ladi	Non-Executive Commissioner***
Dr (Mrs) Angela Adewunmi Sere-Ejembi	Representative of CBN***
Mr Okokon Ekanem	Representative of Federal Ministry of Finance***
Ms. Rachel Olenloa	Secretary to the Commission

*The Board of the Commission was dissolved on 16 July 2015 and the non-executive members of the Board were withdrawn by the Federal Government of Nigeria, which is yet to nominate their replacement.

** Mallam Mounir H. Gwarzo ceased to be Director-General on 29 November 2017

*** Inaugurated on 24 June 2019

The Board of the Commission was dissolved on 16 July 2015 and the non-executive members of the Board were withdrawn by the Federal Government of Nigeria, new executive members were inaugurated on 24 June 2019.

The business and the governance of the Commission has since been carried out by them in line with section 4 of the Investment and Securities Act 2007.

Auditors

Messrs PricewaterhouseCoopers
Chartered Accountants
Landmark Tower, 5B Water Corporation Road
Victoria Island
Lagos

Bankers

Access Bank Plc
Central Bank of Nigeria
Ecobank Nigeria Plc
Fidelity Bank Plc
First City Monument Bank Plc
Guaranty Trust Bank Plc
Unity Bank Plc
Zenith Bank Plc

Head Office

SEC TOWER
Plot 272 Samuel Ademulegun Street
Central Business District
P.M.B. 315, Garki
Abuja, Nigeria.
www.sec.gov.ng

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Board of the Commission, professional advisers and offices

Lagos Zonal Office

No 3, Idejo Street
Opposite Icon House
Off Adeola Odeku Street
Victoria Island
P.M.B. 12638 Marina, Lagos
Lagos State.

Kano Zonal Office

African Alliance House (4th Floor)
F1, Sani Abacha Way/ Airport Road
Opposite KLM Airlines, Kano
Kano State.

Port Harcourt Zonal Office

First Bank Building (3rd Floor)
22/24, Aba Road
Port Harcourt
Rivers State.

**Securities and Exchange Commission
Consolidated and separate financial statements
For the year ended 31 December 2015
Report of the Board of the Commission**

The Board of the Securities and Exchange Commission ("the Commission" or "SEC") have pleasure in presenting its audited financial statements for the year ended 31 December, 2015.

These financial statements have been prepared on the basis of International Financial Reporting Standards (IFRS).

1 Legal form

The Commission was established under the Securities and Exchange Commission Act of 1979 as amended by the Investments and Securities Act of 2007.

National Investor Protection Fund was established on 9 March 2012 under Company and Allied Matter Act of 1990 as a Company limited by guarantee.

Nigerian Capital Market Institute was established on 26 March 2004 under Company and Allied Matter Act of 1990 as a Company limited by guarantee.

The Capital Market Development fund is an unincorporated structured entity. The Commission set aside funds for the purpose of facilitating the development of the capital market.

2 Principal activities

The Commission is charged with the duties of:

- (a) regulating investments and securities business in Nigeria;
- (b) registering and regulating securities exchanges, capital trade points, futures, options and derivatives exchanges, commodity exchanges and any other recognised investment exchanges;
- (c) registering securities to be offered for subscription or sale to the public;
- (d) preparing adequate guidelines and organising training programmes and disseminating information necessary for the establishment of Securities Exchanges and Capital Trade Points;
- (e) maintaining surveillance over the securities market to ensure orderly, fair and equitable dealings in securities;
- (f) registering and regulating corporate and individual capital market operators and their agents with a view to maintaining proper standards of conduct and professionalism in the securities business;
- (g) protecting the integrity of the securities market against abuses arising from the practice of insider trading;
- (h) acting as regulatory apex organization for the Nigerian Capital Market including the promotion and registration of self-regulatory organisations and capital market trade associations to which it may delegate its powers;
- (i) reviewing, approving and regulating mergers, acquisitions and all forms of business combinations;
- (j) promoting investors' education and the training of all categories of intermediaries in the securities industry;
- (k) undertaking such other activities as are necessary or expedient for giving full effect to the provisions of the Investments and Securities Act of 2007.

3 Board of the Commission

The composition of the Board of the Commission as provided for under Section 3 of the Investments and Securities Act of 2007 is as stated on page 1 of these financial statements.

4 Operating results for the year

	Group		Commission	
	31 December 2015 N '000	31 December 2014 N '000	31 December 2015 N '000	31 December 2014 N '000
Income	7,131,917	9,475,813	5,681,519	8,193,927
Expenditure	10,792,937	9,280,330	10,577,560	9,239,692
(Deficit)/Surplus for the year	(3,661,020)	195,483	(4,896,041)	(1,045,765)

5 Property and equipment

Movements in property and equipment during the year are as shown in note 10 of these financial statements.

Securities and Exchange Commission
Consolidated and separate financial statements
For the year ended 31 December 2015
Report of the Board of the Commission


6 Financial commitments

The Commission is of the opinion that all known liabilities and commitments have been taken into consideration in the preparation of these financial statements.

7 Auditors

The auditors, Messrs PricewaterhouseCoopers, have indicated their willingness, to continue in office as auditors of the Commission.

By order of the Commission


Eno Oluoba-payne
Secretary to the Commission
Abuja, Nigeria
4 July 2019



Securities and Exchange Commission
Consolidated and separate financial statements
For the year ended 31 December 2015
Statement of Board's responsibility for the financial statements

In accordance with the provisions of the Investments and Securities Act 2007, the Board is responsible for the preparation of financial statements which give a true and fair view of the state of financial affairs of the Commission at the end of the year and its profit and loss in accordance with International Financial Reporting Standards (IFRS).

The responsibilities include ensuring that:

- i. the Commission keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Commission and comply with the requirements of the Investments and Securities Act 2007
- ii. appropriate and adequate internal controls are established to safeguard its assets and to prevent and detect fraud and other irregularities;
- iii. the Commission prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied.

The Board accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in with International Financial Reporting Standard (IFRS).

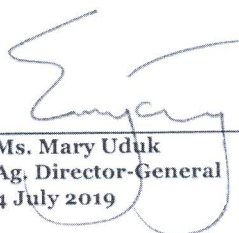
The Board further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Board to indicate that the Commission will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Board by:



Mr. Olufemi Lijadu
Chairman, Board of the Commission
4 July 2019



Ms. Mary Uduk
Ag. Director-General
4 July 2019



**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
SECURITIES AND EXCHANGE COMMISSION
Report on the financial statements**

We have audited the accompanying financial statements of Securities and Exchange Commission ("the Commission") and its subsidiaries (together, the group). These financial statements comprise the statement of financial position as at 31 December 2015 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of the Commission's responsibility for the financial statements

The Board of the Commission are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Investment and Securities Act and the Financial Reporting Council of Nigeria Act and for such internal control, as the board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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



Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of the financial affairs of the Commission and the Group at 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Investment and Securities Act and the Financial Reporting Council of Nigeria Act.

A handwritten signature in black ink, appearing to read 'Patrick Obianwa', is written over the typed name.

Engagement Partner: Patrick Obianwa
FRC/2013/ICAN/00000000880
For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria



3 September 2019

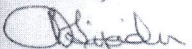
Securities and Exchange Commission
Consolidated and separate financial statements
For the year ended 31 December 2015
Statement of profit or loss and other comprehensive income

	Note	Group		Commission	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
		N '000		N '000	
Fee income from operations	4	4,392,631	6,928,650	4,392,631	6,928,650
Interest income	5	2,694,700	2,526,691	1,286,850	1,263,270
Other operating income	6	44,586	20,472	2,038	2,007
Total income		7,131,917	9,475,813	5,681,519	8,193,927
Employee benefits expense	7	7,864,063	5,004,534	7,717,682	4,968,912
Depreciation and amortisation expenses	8	312,884	455,129	312,884	455,129
Finance cost		5,025	-	5,025	-
Other operating expenses	9	2,610,965	3,820,667	2,541,969	3,815,651
Total expenditure		10,792,937	9,280,330	10,577,560	9,239,692
(Deficit)/Surplus for the year		(3,661,020)	195,483	(4,896,041)	(1,045,765)
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Remeasurement loss on defined benefit scheme	19	(548,700)	(269,024)	(548,700)	(269,024)
Other comprehensive loss for the year		(548,700)	(269,024)	(548,700)	(269,024)
Total comprehensive loss for the year		(4,209,720)	(73,541)	(5,444,741)	(1,314,789)

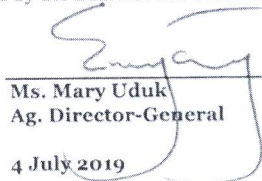
Securities and Exchange Commission
 Consolidated and separate financial statements
 for the year ended 31 December 2015
 Statement of financial position

	Note	Group		Commission	
		31 December 2015 N '000	31 December 2014 N '000	31 December 2015 N '000	31 December 2014 N '000
Assets					
Non-current assets					
Property and equipment	10	3,560,994	3,582,272	3,560,994	3,582,272
Intangible assets	11	14,390	29,808	14,390	29,808
Interest in structured entities	12	-	-	15,000,000	15,000,000
Staff loans and other receivables	13	720,713	808,004	720,713	808,004
Held to maturity financial assets	14	7,609,367	7,595,522	7,609,367	7,595,522
Prepayments	15	2,772,153	2,564,617	2,772,153	2,564,617
Total non-current assets		14,677,617	14,580,223	29,677,617	29,580,223
Current assets					
Staff loans and other receivables	13	572,602	286,618	657,883	292,765
Held to maturity financial assets	14	-	4,076,910	-	3,666,617
Cash and bank balances	16	14,578,889	15,252,481	4,343,350	1,193,027
Total current assets		15,151,491	19,616,009	5,001,233	5,152,409
Total assets		29,829,108	34,196,232	34,678,850	34,732,632
Liabilities					
Non current liabilities					
Retirement benefit obligations	19	646,472	61,227	646,472	61,227
Total non-current liabilities		646,472	61,227	646,472	61,227
Current liabilities					
Sundry and other creditors	17	551,612	1,352,641	8,439,167	3,691,833
Provision and accruals	18	652,922	620,000	652,922	620,000
Finance lease	20	25,458	-	25,458	-
Total current liabilities		1,229,992	1,972,641	9,117,547	4,311,833
Total liabilities		1,876,464	2,033,868	9,764,019	4,373,060
Equity					
Capital grant	21	496,858	496,858	496,858	496,858
Capital reserve fund	22	447,676	447,676	447,676	447,676
Accumulated reserve fund		27,008,110	31,217,830	23,970,297	29,415,038
Total equity		27,952,644	32,162,364	24,914,831	30,359,572
Total equity and liabilities		29,829,108	34,196,232	34,678,850	34,732,632

These financial statements were approved and authorised for issue by the Board of the Commission on 4 July 2019 and signed on its behalf by:

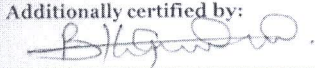

 Mr. Olufemi Lijadu
 Chairman, Board of the Commission

4 July 2019


 Ms. Mary Uduk
 Ag. Director-General

4 July 2019

Additionally certified by:


 Mr. Henry Rowland
 Ag. Executive Commissioner,
 4 July 2019

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 Statements of changes in equity

Group

	Capital grant N'000	Capital reserve fund N'000	Accumulated fund N'000	Total N'000
At 1 January 2015	496,858	447,676	31,217,830	32,162,364
Deficit for the year	-	-	(3,661,020)	(3,661,020)
Actuarial loss on defined benefit scheme	-	-	(548,700)	(548,700)
Total comprehensive income	-	-	(4,209,720)	(4,209,720)
At 31 December 2015	496,858	447,676	27,008,110	27,952,644

	Capital grant N'000	Capital reserve fund N'000	Accumulated fund N'000	Total N'000
At 1 January 2014	496,858	447,676	31,291,371	32,235,905
Surplus for the year	-	-	195,483	195,483
Actuarial loss on defined benefit scheme	-	-	(269,024)	(269,024)
Total comprehensive income	-	-	(73,541)	(73,541)
At 31 December 2014	496,858	447,676	31,217,830	32,162,364

Commission

	Capital grant N'000	Capital reserve fund N'000	Accumulated fund N'000	Total N'000
At 1 January 2015	496,858	447,676	29,415,038	30,359,572
Deficit for the year	-	-	(4,896,041)	(4,896,041)
Actuarial loss on defined benefit scheme	-	-	(548,700)	(548,700)
Total comprehensive income	-	-	(5,444,741)	(5,444,741)
At 31 December 2015	496,858	447,676	23,970,297	24,914,831
At 1 January 2014	496,858	447,676	30,765,449	31,709,983
Deficit for the year	-	-	(1,081,387)	(1,081,387)
Actuarial loss on defined benefit scheme	-	-	(269,024)	(269,024)
Total comprehensive income	-	-	(1,350,411)	(1,350,411)
At 31 December 2014	496,858	447,676	29,415,038	30,359,572

Securities and Exchange Commission
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 Statement of cash flows

	Note	Group		Commission	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
		N '000	N '000	N '000	N '000
Cash flows from operating activities					
Net cash (used in)/generated from operating activities	23	(4,483,842)	235,984	(249,636)	(1,027,427)
Cash flows from investing activities					
Acquisition of property and equipment	10	(268,993)	(290,978)	(268,993)	(290,978)
Proceeds from disposal of property and equipment		573	2,050	573	2,050
Interest in structured entities		-	-	-	(1,039,390)
Acquisition of intangible assets		(9,852)	(4,250)	(9,852)	(4,250)
Investment in held to maturity financial assets		(13,847)	(11,916)	(13,845)	(11,916)
Net used in investing activities		(292,119)	(305,094)	(292,117)	(1,335,394)
Cash flows from financing activities					
Finance lease		47,000	-	47,000	-
Repayment of finance lease		(21,541)	-	(21,541)	-
Net generated from financing activities		25,459	-	25,459	-
Net decrease in cash and cash equivalents		(4,750,502)	(69,110)	(516,294)	(2,362,821)
Cash and cash equivalents at start of year		19,329,391	19,398,501	4,859,644	7,222,466
Cash and cash equivalents at end of year		14,578,889	19,329,391	4,343,350	4,859,644
Cash and cash equivalents comprise:					
Cash in hand	16	6,628	2,176	5,904	2,176
Cash and bank balances	16	4,766,309	1,344,994	4,337,446	1,190,851
Placements with financial institutions	16	9,805,952	13,905,311	-	-
Treasury bills		-	4,076,910	-	3,666,617
Total cash and cash equivalents		14,578,889	19,329,391	4,343,350	4,859,644

