

**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**  
**Contents**

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	<b>Page</b>
Board of the Commission, professional advisers and offices	1
Report of the Board of the Commission	3
Statement of Board's responsibility	5
Report of the independent auditor	6
Statements of profit or loss and other comprehensive income	8
Statements of financial position	9
Statements of changes in equity	10
Statements of cash flows	11
Notes to the consolidated and separate financial statements	12
Other national disclosures:	
Statements of value added	40
Five-year financial summary	41

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

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**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\*The Board of the Commission was dissolved on 16 July 2015 and the non-executive members of the Board were withdrawn by the Federal Government of Nigeria, which is yet to nominate their replacement.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](http://www.sec.gov.ng)

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

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<b>Lagos Zonal Office</b>	No 3, Idejo Street Opposite Icon House Off Adeola Odeku Street Victoria Island P.M.B. 12638 Marina, Lagos Lagos State.
<b>Kano Zonal Office</b>	African Alliance House (4th Floor) F1, Sani Abacha Way/ Airport Road Opposite KLM Airlines, Kano Kano State.
<b>Port Harcourt Zonal Office</b>	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
<b>(Deficit)/Surplus for the year</b>	<b>(3,661,020)</b>	<b>195,483</b>	<b>(4,896,041)</b>	<b>(1,045,765)</b>

**5 Property and equipment**

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

**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**

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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.

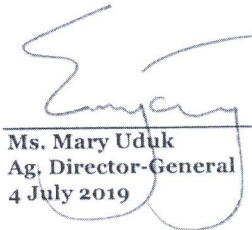
Nothing has come to the attention of the Board to indicate that the Commission will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Board by:



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



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**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'.

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



3 September 2019

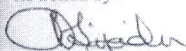
Securities and Exchange Commission  
Consolidated and separate financial statements  
For the year ended 31 December 2015  
Statement of profit or loss and other comprehensive income

	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
<b>Total income</b>		<b>7,131,917</b>	<b>9,475,813</b>	<b>5,681,519</b>	<b>8,193,927</b>
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
<b>Total expenditure</b>		<b>10,792,937</b>	<b>9,280,330</b>	<b>10,577,560</b>	<b>9,239,692</b>
<b>(Deficit)/Surplus for the year</b>		<b>(3,661,020)</b>	<b>195,483</b>	<b>(4,896,041)</b>	<b>(1,045,765)</b>
<b>Other comprehensive income:</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Remeasurement loss on defined benefit scheme	19	(548,700)	(269,024)	(548,700)	(269,024)
<b>Other comprehensive loss for the year</b>		<b>(548,700)</b>	<b>(269,024)</b>	<b>(548,700)</b>	<b>(269,024)</b>
<b>Total comprehensive loss for the year</b>		<b>(4,209,720)</b>	<b>(73,541)</b>	<b>(5,444,741)</b>	<b>(1,314,789)</b>

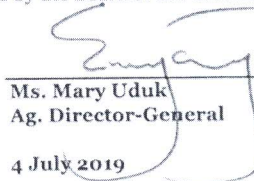
Securities and Exchange Commission  
 Consolidated and separate financial statements  
 for the year ended 31 December 2015  
 Statement of financial position

	Note	Group		Commission	
		31 December 2015 N '000	31 December 2014 N '000	31 December 2015 N '000	31 December 2014 N '000
<b>Assets</b>					
<b>Non-current assets</b>					
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
<b>Total non-current assets</b>		<b>14,677,617</b>	<b>14,580,223</b>	<b>29,677,617</b>	<b>29,580,223</b>
<b>Current assets</b>					
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
<b>Total current assets</b>		<b>15,151,491</b>	<b>19,616,009</b>	<b>5,001,233</b>	<b>5,152,409</b>
<b>Total assets</b>		<b>29,829,108</b>	<b>34,196,232</b>	<b>34,678,850</b>	<b>34,732,632</b>
<b>Liabilities</b>					
<b>Non current liabilities</b>					
Retirement benefit obligations	19	646,472	61,227	646,472	61,227
<b>Total non-current liabilities</b>		<b>646,472</b>	<b>61,227</b>	<b>646,472</b>	<b>61,227</b>
<b>Current liabilities</b>					
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	-
<b>Total current liabilities</b>		<b>1,229,992</b>	<b>1,972,641</b>	<b>9,117,547</b>	<b>4,311,833</b>
<b>Total liabilities</b>		<b>1,876,464</b>	<b>2,033,868</b>	<b>9,764,019</b>	<b>4,373,060</b>
<b>Equity</b>					
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
<b>Total equity</b>		<b>27,952,644</b>	<b>32,162,364</b>	<b>24,914,831</b>	<b>30,359,572</b>
<b>Total equity and liabilities</b>		<b>29,829,108</b>	<b>34,196,232</b>	<b>34,678,850</b>	<b>34,732,632</b>

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

Securities and Exchange Commission  
 Consolidated and separate financial statements  
 For the year ended 31 December 2015  
 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)
<b>Total comprehensive income</b>	-	-	(4,209,720)	(4,209,720)
At 31 December 2015	<u>496,858</u>	<u>447,676</u>	<u>27,008,110</u>	<u>27,952,644</u>

	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)
<b>Total comprehensive income</b>	-	-	(73,541)	(73,541)
At 31 December 2014	<u>496,858</u>	<u>447,676</u>	<u>31,217,830</u>	<u>32,162,364</u>

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)
<b>Total comprehensive income</b>	-	-	(5,444,741)	(5,444,741)
At 31 December 2015	<u>496,858</u>	<u>447,676</u>	<u>23,970,297</u>	<u>24,914,831</u>
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)
<b>Total comprehensive income</b>	-	-	(1,350,411)	(1,350,411)
At 31 December 2014	<u>496,858</u>	<u>447,676</u>	<u>29,415,038</u>	<u>30,359,572</u>

Securities and Exchange Commission  
Consolidated and separate financial statements  
For the year ended 31 December 2015  
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
<b>Cash flows from operating activities</b>					
Net cash (used in)/generated from operating activities	23	(4,483,842)	235,984	(249,636)	(1,027,427)
<b>Cash flows from investing activities</b>					
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)
<b>Net used in investing activities</b>		<b>(292,119)</b>	<b>(305,094)</b>	<b>(292,117)</b>	<b>(1,335,394)</b>
<b>Cash flows from financing activities</b>					
Finance lease		47,000	-	47,000	-
Repayment of finance lease		(21,541)	-	(21,541)	-
<b>Net generated from financing activities</b>		<b>25,459</b>	<b>-</b>	<b>25,459</b>	<b>-</b>
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
<b>Cash and cash equivalents at end of year</b>		<b>14,578,889</b>	<b>19,329,391</b>	<b>4,343,350</b>	<b>4,859,644</b>
<b>Cash and cash equivalents comprise:</b>					
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
<b>Total cash and cash equivalents</b>		<b>14,578,889</b>	<b>19,329,391</b>	<b>4,343,350</b>	<b>4,859,644</b>

**Securities and Exchange Commission**  
**Consolidated and separate financial statements**  
**For the year ended 31 December 2015**  
**Notes to the consolidated and separate financial statements**

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**1. General information**

These financial statements are the consolidated financial statements of the Securities and Exchange Commission ("the Commission" or "SEC") and three controlled structured entities namely the National Investors Protection Fund, Capital Market Development Fund and the Nigerian Capital Market Institute (NCMI) (hereafter referred to as 'the Group') for the year ended 31 December 2015.

The Commission was established under the Securities and Exchange Commission Act (No. 71) of 1979 as amended by the Investments and Securities Act (ISA) No.29 of 2007. The principal activities of the Commission includes the following: registering and regulating securities exchanges, reviewing and approving mergers and all forms of business combinations and protecting the integrity of the capital market. The funds were entities designed to implement some of the Commission's activities and core mandate in the regulatory and supervisory role in the Nigerian capital market.

**2. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated:

**2.1 Basis of preparation**

These financial statements for the year ended 31 December 2015 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Additional information required by national regulations is included where appropriate.

These financial statements are presented in Naira, which is the Group's presentation currency. The figures shown in the financial statements are denominated in Naira and in thousands. The financial statements are prepared under historical cost concepts.

The preparation of financial statements in conformity with IFRSs requires the directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

**(i) New standards, amendments and interpretations adopted by the group.**

*Amendment to IAS 32, 'Financial instruments: Presentation', on offsetting financial asset and financial liability'.*

This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency and bankruptcy. The amendment also considers settlement mechanism. The amendment did not have a significant effect on the group financial statements.

Amendments to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13. This amendment did not have effect on the group financial statements.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised. The Group is not currently subjected to significant levies so the impact on the Group is not material.

Amendment to IAS 19 regarding defined benefit plan. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. This amendment did not have significant effect on the group financial statements.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 July 2014 are not material to the group.

**(ii) Standards, amendments and interpretations issued but not yet effective.**

*IFRS 9, 'Financial Instruments' (effective for periods beginning on or after 1 January 2018):*

IFRS 9 addresses classification and measurement of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplified the mixed measurement model and establishes and three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and contractual cash flow characteristic of the financial asset. Investment in equity instruments are required to be measured at fair value through profit or loss with irrevocable option at inception to present changes in fair value in OCI not recycling. There is now new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

*IFRS 15, 'Revenue from contracts with customers' (effective for the period beginning on or after 1 January 2017):*

IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to user of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity contract with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contract' and related interpretations.

**(b) Early adoption of standards**

The Group did not early adopt any standards.

**2.2 Consolidation**

The financial statements of the consolidated subsidiaries used to prepare these financial statements were prepared as of the parent company's reporting date. The consolidation principles have been applied consistently.

*(a) Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

*(b) Consolidated Structured Entities*

The consolidated financial statements of the Group comprise the financial statements of the parent entity and the three controlled structured entities as at 31 December 2015. Consolidated structured entities are entities over which the Commission has control.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The National Investors Protection Fund, Capital Market Development Fund and Nigerian Capital Market Institute are structured entities set up for investor protection against losses from systematic failures in the capital market, development of the capital market and education and training of the investing public in Nigeria.

The Commission does not have any direct or indirect shareholding in these entities. However, based on the evaluation of the substance of the relationship between the Commission and these funds, the Commission has practical ability to direct the relevant activities of these funds, power over the funds, is exposed to, or has rights to, variable returns from its involvement with the funds and has the ability to affect these returns through its power over the funds. Once control is established, the result of a structured Specifically, the Commission controls an entity if and only if the Commission has:

**Securities and Exchange Commission**  
**Consolidated and separate financial statements**  
**For the year ended 31 December 2015**  
**Notes to the consolidated and separate financial statements**

---

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns.

A business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants. Structured entities that do not constitute businesses are not consolidated.

The Commission re-assesses whether or not it controls a structured entity if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a structured entity begins when the Commission obtains control over the structured entity and ceases when the Commission loses control of the structured entity. Assets, liabilities, income and expenses of a structured entity established during the year are included in the Group's financial statements from the date the Commission achieves control until the date the Commission ceases to control the entity.

*(c) Consolidation and Inter-company balances*

The integration of the financial information of structured entities into the Group's financial statements is based on consistent accounting methods and inter-company transactions and balances are eliminated on consolidation.

Inter-company transactions, balances and intragroup gains on transactions between Group entities are eliminated. Intragroup losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

*(d) Transactions and non-controlling interests*

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Interests in the equity of subsidiaries not attributable to the parent are reported in consolidated equity as noncontrolling interest. Profits or losses attributable to non-controlling interests are reported in the consolidated comprehensive income as profit or loss attributable to non-controlling interests.

*(e) Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in the carrying amount recognised in statement of comprehensive income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

**2.3 Foreign currency translation**

*(a) Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The financial statements are presented in Naira, which is the Group's presentation currency.

*(b) Transactions and balances*

Foreign currency transactions (i.e. transactions denominated, or that require settlement, in a currency other than the functional currency) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

**2.4 Financial assets and liabilities**

**2.4.1 Initial recognition and measurement**

Financial instruments at fair value through profit or loss are initially recognised at fair value while transaction costs, which are directly attributable to the acquisition or issue of the financial instruments, are recognized immediately through profit or loss. Financial instruments that are not carried at fair value through profit or loss are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.



**Securities and Exchange Commission**  
**Consolidated and separate financial statements**  
**For the year ended 31 December 2015**  
**Notes to the consolidated and separate financial statements**

---

**2.4.2 Subsequent measurement**

Subsequent to initial measurement, financial instruments are measured either at fair value or amortised cost depending on their classification.

**2.4.3 Classification and related measurement**

Management determines the classification of its financial instruments at initial recognition. The Group uses trade date accounting for regular way contracts when recording financial asset transactions

*i) Financial assets*

The Group classifies its financial assets in terms of the following IAS 39: Financial Instruments: Classification and Measurements categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity financial assets; and available-for-sale financial assets.

*a) Financial assets at fair value through profit or loss*

This category comprises two sub-categories: financial assets classified as held for trading, and financial assets designated by the Group as fair value through profit or loss upon initial recognition (the so-called "fair value option").

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments.

For those designated upon initial recognition as fair value through profit or loss (fair value option), this designation cannot subsequently be changed. According to IAS 39, the fair value option is only applied when the following conditions are met:

- the application of the fair value option reduces or eliminates an accounting mismatch that would otherwise arise or
- the financial assets are part of a portfolio of financial instruments which is risk managed and reported to senior management on a fair value basis or
- the financial assets consists of debt host and an embedded derivatives that must be separated.

Financial instruments included in this category are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in profit and loss. Interest income and dividend income on financial assets held for trading are included in profit and loss respectively. At the reporting dates covered by these financial statements, the Group had no financial assets classified as financial assets at fair value through profit or loss.

*b) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- those that the Group intends to sell immediately or in the short term, which are classified as held for trading, and those that the entity upon initial recognition designates as fair value through profit or loss;
- those that the Group upon initial recognition designates as available-for-sale; or
- those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Loans and receivables are subsequently measured at amortized cost using the effective interest rate method. Interest income is included in 'Interest income' in the profit or loss.

The Group's loans and receivables includes cash and cash bank balances, staff loans and other receivables.

*c) Held-to-maturity financial assets*

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity, other than:

- those that the Group upon initial recognition designates as fair value through profit or loss;
- those that the Group upon initial recognition designates as available-for-sale; or
- those that meet the definition of loans and receivables.

These financial assets are subsequently measured at amortised cost using the effective interest rate method. Interest income is included in 'Interest income' in the statement of profit or loss.

The Group's investment in held to maturity financial assets are Federal Government of Nigeria Bonds and Treasury Bills.

**Securities and Exchange Commission**  
**Consolidated and separate financial statements**  
**For the year ended 31 December 2015**  
**Notes to the consolidated and separate financial statements**

---

*d) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified as loans and receivables, held-to-maturity financial assets or financial assets at fair value through profit or loss. No financial assets designated as available-for-sale exist at any of the reporting dates covered by these financial statements.

Available-for-sale financial assets are subsequently measured at fair value with fair value gains and losses recognized in other comprehensive income. Interest calculated using the effective interest method is recognized in 'Interest income', with dividend income included in 'Other income'. When available-for-sale financial assets are sold or impaired, the cumulative gain or loss recognized in a separate reserve in equity are reclassified to profit or loss.

The Group has no financial assets classified as available for sale.

*ii) Financial liabilities*

*a) Financial liabilities at fair value through profit and loss*

Financial liabilities are classified as at fair value through profit or loss (including financial liabilities held for trading and those designated at fair value through profit or loss) and financial liabilities at amortized cost. The Group only has financial liabilities at amortised cost.

*b) Other financial liabilities at amortized cost*

Financial liabilities that are not classified as at fair value through profit or loss are measured at amortized cost using the effective interest method.

The Group's holding in other financial liabilities is sundry and other creditors.

*2.4.4 Reclassification of financial assets*

The Group may choose to reclassify a non-derivative financial asset held for trading out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortized cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

*2.4.5 Determination of fair value*

At initial recognition, the best evidence of the fair value of a financial instrument is the transaction price (i.e. the fair value of the consideration paid or received), unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument.

Subsequent to initial recognition, for financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes quoted debt instruments on major exchanges and broker quotes. For example, the Nigerian Stock Exchange and quotes from the Financial Market Dealers Quotation (FMDQ).

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using market inputs existing at the dates of the statement of financial position. For illiquid financial instruments, the fair values are further adjusted to compensate for the credit risks attached to the issuers.

**Securities and Exchange Commission**  
**Consolidated and separate financial statements**  
**For the year ended 31 December 2015**  
**Notes to the consolidated and separate financial statements**

---

**2.4.6 Derecognition**

Financial assets are derecognized when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred. Financial liabilities are derecognized when they have been redeemed or otherwise extinguished.

**2.4.7 Offsetting financial instruments**

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

**2.4.8 Impairment of financial assets**

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Delinquency in contractual payments of principal or interest;
- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The disappearance of an active market for that financial asset because of financial difficulties; and
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. If a financial instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e. on the basis of the Group's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

**2.5 Impairment of non-financial assets**

An asset is impaired when the carrying amount is greater than the recoverable amount. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Additionally, intangible assets that have an indefinite useful life and are not subject to amortization are tested annually for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). The impairment test may also be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## 2.6 Revenue recognition

### *Interest income*

Interest income for all interest-bearing financial instruments are accrued and recognized within 'Interest income' in the profit or loss using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses.

The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Where the estimated cash flows on financial assets are subsequently revised, other than impairment losses, the carrying amount of the financial assets is adjusted to reflect actual and revised estimated cash flows.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

### *Fee income*

Fees income are generally recognized on an accrual basis. Fee income arising from provision of service to capital market operators is recognized over the period of service rendered. The fees earned by the Group is for services rendered in the registration of bonds and shares, penalties and other market transactions such as approval of mergers and acquisitions transactions and other capital market transactions.

Fines and penalties raised for late submission of returns are recognised on an accrual basis less impairment. The income from fines and penalties is credited to the statement of comprehensive income.

## 2.7 Cash and bank balances

Cash and bank balances include cash in hand, cash in current accounts, cash with the Central Bank of Nigeria, deposits held at call with banks and other short-term investments.

For cash flow purposes, cash and cash equivalents include cash in hand, cash in current accounts, cash with the Central Bank of Nigeria, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

## 2.8 Property and equipment

Land and buildings comprise mainly offices held within the country. All items of property and equipment used by the Group is measured at historical cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items.

An asset is recognized when it is probable that economic benefits associated with the item flow to the Group and the cost of the item can be reliably measured. Subsequent expenditures are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

For replacement parts, the carrying amount of the replaced part is derecognized. All other repair and maintenance costs are charged to 'Other operating expenses' during the financial period in which they are incurred.

Section 49(1&2) of the Land Use Act of 1978 makes land a freehold for government agencies. Consequently land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Buildings: 40 years
- Motor vehicles: 3 years
- Furniture and fittings: 4 years
- Computer equipment: 4 years

The depreciation charge for each period is recognized in profit or loss unless it is included in the carrying amount of another asset

The assets' residual values and useful lives are reviewed annually, and adjusted if appropriate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in 'Other income' in the profit or loss.

Construction cost and improvements in respect of offices is carried at cost as capital work in progress. On completion of construction or improvements, the related amounts are transferred to the appropriate category of property and equipment. Payments in advance for items of property and equipment are included as Prepayments and upon delivery are reclassified as additions in the appropriate category of property and equipment.

The carrying amount of an item of property and equipment is derecognized either on disposal or when no future economic benefits are expected from the continuing use or disposal of the asset.

The gain or loss arising from the derecognition of an item of property and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

## **2.9 Intangible assets**

Intangible assets comprise computer software licenses. Intangible assets are initially recognized at cost. Intangible assets with a definite useful life are amortized using the straight-line method over their estimated useful life. Intangible assets with an indefinite useful life are not amortized. Generally, the identified intangible assets of the Group have a definite useful life. Costs associated with maintaining computer software programmes are recognized as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group, are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Subsequent expenditure on computer software is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

Direct computer software development costs recognized as intangible assets are amortized on the straight-line basis over 4 years and are carried at cost less any accumulated amortization and any accumulated impairment losses.

## **2.10 Employee benefits**

### **Defined contribution scheme**

For defined contribution plans, the Commission pays contributions to publicly or privately administered pension insurance plans on a contractual basis. Group contributes a minimum of 10% of monthly emoluments with the employee contributing a minimum of 8% of the same monthly emoluments. The new Pension Reform Act became effective on 1 July 2014.

### **Defined benefit scheme**

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation.

The employer's obligation is calculated periodically by independent actuaries using the projected unit credit method. The liability recognized in the Group's statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the date of the Group's statement of financial position less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the yields of Federal Government Bonds of Nigeria as high quality corporate bonds are not available.

The fair value of the plan assets are determined using prices from the Nigeria Stock Exchange and FMDQ for listed equities and bonds. The other plan assets are maintained as short term placements with banks whose carrying amount approximates its fair value.

The Group recognises past service costs immediately in profit or loss.

The Group recognises interest cost on the defined benefit obligation as a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

## **2.11 Provision**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events for which it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

**Securities and Exchange Commission  
Consolidated and separate financial statements  
For the year ended 31 December 2015  
Notes to the consolidated and separate financial statements**

---

**2.12 Equity  
Accumulated reserve fund**

Accumulated reserve fund represents all the accumulated surpluses and losses from prior periods.

In accordance with section 22(1) and (2) of the Fiscal Responsibility Act 2007, the Commission makes an annual appropriation representing twenty percent of the operating surplus of the Commission for the year to a general reserve fund.

All remaining surplus after the statutory appropriations to the general reserve fund is payable to the Federal Government of Nigeria not later than one month following the deadline for publication of the financial statements of the Group.

**Capital reserve fund**

Capital Reserve Fund represents one-fifth of the commission's operating cash surplus for 2007 and 2008 financial years that was transferred to this reserve before remittance of the balance to the Federal Government of Nigeria in compliance with section 22(1) of the Fiscal Responsibility Act 2007.

**Capital grant**

The capital grant received represents funds from the Federal Ministry of Finance in prior periods. No amount was received in the current period.

**2.13 Contingent liabilities and contingent assets**

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognized but are disclosed unless they are remote.

A contingent asset is a possible asset 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 Company. Contingent assets are not recognized but they are disclosed in the financial statement when they arise.

**2.14 Leases**

requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

*Group as a lessee*

Finance leases that transfer to the group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in "other operating expenses" in the statement of profit or loss and other comprehensive income.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases that do not transfer to the group substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognized as an expense in the statement of profit or loss on a straight line basis over the lease term. Contingent rental payable is recognized as an expense in the period in which they are incurred.

*Lease payments made*

Payments made under operating leases are recognized in the statement of profit or loss on a straight line basis over the term of the lease.

Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of return on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

*Group as a lessor*

Leases where the group does not transfer substantially all of the risk and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Contingent rents are recognized as revenue in the period in which they are earned.

**2.15 Critical accounting estimates and judgements**

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**Defined benefit plans**

The cost of the defined benefit pension plan, long service awards, gratuity scheme and post-employment medical benefits and the present value of these defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management assumption with reference to the yields on Nigerian Government bonds, as compiled by the Debt Management Office were used since there is no deep market in corporate bonds in Nigeria. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on pre-retirement mortality: A49/52 ultimate tables and post-retirement mortality: A55 ultimate tables. Future salary increases is based on expected future inflation rates.

Further details about defined benefit obligations are given in Note 19.

Securities and Exchange Commission  
 Consolidated and separate financial statements  
 For the year ended 31 December 2015  
 Notes to the consolidated and separate financial statements

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the commission's financial performance.

Risk management is carried out by the finance department under policies approved by the board of commissioners. The Group's treasury department identifies, evaluates and manages financial risks in close co-operation with the commission's operating units. The board provides written principles for overall risk management, as well as written policies covering specific investment buying decisions and management of financial instruments and investment of excess liquidity.

3.2 Financial instruments

The Group's financial instruments are categorised as follows:

Group 31 December 2015	Financial assets		Financial liabilities	
	Amortised cost		Amortised cost	
	N'000		N'000	
<b>Financial assets</b>				
<b>Bank balances</b>				
Bank balances	14,572,261		-	
<b>Loans and receivable</b>				
Staff loans and other receivables	1,293,315		-	
<b>Held to maturity financial assets</b>				
Held to maturity investments	7,609,367		-	
<b>Financial liabilities</b>				
Sundry and other creditors	-		512,748	
Finance lease	-		25,458	
Accruals	-		32,922	
<b>Commission 31 December 2015</b>				
	Financial assets		Financial liabilities	
	Amortised cost		Amortised cost	
	N'000		N'000	
<b>Financial assets</b>				
<b>Bank balances</b>				
Bank balances	4,337,446		-	
<b>Loans and receivable</b>				
Staff loans and other receivables	1,378,596		-	
<b>Held to maturity financial assets</b>				
Held to maturity	7,609,367		-	
<b>Financial liabilities</b>				
Sundry and other creditors	-		8,401,027	
Finance lease	-		25,458	
Accruals	-		32,922	
<b>Group 31 December 2014</b>				
	Financial assets		Financial liabilities	
	Amortised cost		Amortised cost	
	N'000		N'000	
<b>Financial assets</b>				
<b>Bank balances</b>				
Bank balances	15,250,306		-	
<b>Loans and receivable</b>				
Staff loans and other receivables	1,094,622		-	
<b>Held to maturity financial assets</b>				
Held to maturity	11,672,432		-	
<b>Financial liabilities</b>				
Sundry and other creditors	-		1,196,500	
Accruals	-		-	



Securities and Exchange Commission  
Consolidated and separate financial statements  
For the year ended 31 December 2015  
Notes to the consolidated and separate financial statements

Commission 31 December 2014	Financial assets	Financial liabilities
	Amortised cost N'000	Amortised cost N'000
<b>Financial assets</b>		
<b>Bank balances</b>		
Bank balances	1,190,851	-
<b>Loans and receivable</b>		
Staff loans and other receivables	1,100,769	-
<b>Held to maturity financial assets</b>		
Held to maturity	11,262,139	-
<b>Financial liabilities</b>		
Sundry and other creditors	-	3,535,694
Accruals	-	-

### 3.3 Credit Risk

#### 3.3.1 Management of credit risk

Credit risk is the risk that the Group will incur losses as a result of the failure of debtors and staff to meet their obligations. Credit risks essentially arise from granting loan facilities to staff members as well as failure of banks and bonds issuers to meet principal and interest payments on due dates. Credit risks are managed by regular monitoring of the ratings of treasury bills and other related debtors.

#### 3.3.2 Concentration of risks of financial assets with credit risk exposure

##### (a) Geographical sectors

The following table breaks down the maximum amount of Group's credit exposure at their carrying amounts as categorised by geographical region as of 31 December 2015 and 31 December 2014.

Group At 31 December 2015 (N'000)	Staff loans and other receivables	Balances in banks	Held to maturity financial assets	Total
Nigeria	1,293,315	14,572,261	7,609,367	23,474,943
	<b>1,293,315</b>	<b>14,572,261</b>	<b>7,609,367</b>	<b>23,474,943</b>
<b>Commission At 31 December 2015 (N'000)</b>				
Nigeria	1,378,596	4,337,446	7,609,367	13,325,409
	<b>1,378,596</b>	<b>4,337,446</b>	<b>7,609,367</b>	<b>13,325,409</b>
<b>Group At 31 December 2014 (N'000)</b>				
Nigeria	1,094,622	15,250,306	11,672,432	28,017,360
	1,094,622	15,250,306	11,672,432	28,017,360
<b>Commission At 1 December 2014 (N'000)</b>				
Nigeria	1,100,768	1,190,851	11,262,139	13,553,758
	1,100,768	1,190,851	11,262,139	13,553,758

Securities and Exchange Commission  
Consolidated and separate financial statements  
For the year ended 31 December 2015  
Notes to the consolidated and separate financial statements

(b) Industry sectors

Group At 31 December 2015 (N'000)	Staff loans and other receivables	Balances in banks	Held to maturity financial assets	Total
Government	-	-	7,609,367	7,609,367
Financial services	-	14,572,261	-	14,572,261
Others	1,293,315	-	-	1,293,315
	1,293,315	14,572,261	7,609,367	23,474,943

Commission At 31 December 2015 (N'000)	Staff loans and other receivables	Balances in banks	Held to maturity financial assets	Total
Government	-	-	7,609,367	7,609,367
Financial services	-	4,337,446	-	4,337,446
Others	1,378,596	-	-	1,378,596
	1,378,596	4,337,446	7,609,367	13,325,409

Group At 31 December 2014 (N'000)	Staff loans and other receivables	Balances in banks	Held to maturity financial assets	Total
Government	-	-	11,672,432	11,672,432
Financial services	-	15,250,306	-	15,250,306
Others	1,094,621	-	-	1,094,621
	1,094,621	15,250,306	11,672,431	28,017,358

At 1 January 2014 (N'000)	Staff loans and other receivables	Cash and balances in banks	Held to maturity financial assets	Total
Government	-	-	11,262,139	11,262,139
Financial services	-	1,190,851	-	1,190,851
Others	1,100,768	-	-	1,100,768
	1,100,768	1,190,851	11,262,139	13,553,758

**Credit quality of Financial Assets**

IFRS 7 requires information about the credit quality of financial assets. This information is provided below for balances held with financial services, money market placements and financial assets held to maturity

**Financial Asset Held to maturity**

	Group		The Commission	
	31 December 2015 N'000	31 December 2014 N'000	31 December 2015 N'000	31 December 2014 N'000
<b>Sovereign Ratings</b>				
Nigeria (B+) S&P	7,609,367	11,672,431	7,609,367	11,262,138
	7,609,367	11,672,431	7,609,367	11,262,138

**Balances with financial services**

	Group		The Commission	
	31 December 2015 N'000	31 December 2014 N'000	31 December 2015 N'000	31 December 2014 N'000
<b>External credit rating (S&amp;P)</b>				
BB	27,399	1,189,021	27,399	1,189,021
B+	4,308,771	554	4,308,771	554
Unrated	865,631	157,595	7,181	3,452
	5,201,801	1,347,170	4,343,351	1,193,027

Securities and Exchange Commission  
Consolidated and separate financial statements  
For the year ended 31 December 2015  
Notes to the consolidated and separate financial statements

Money Market Placement  
External credit rating (S&P)

	Group		The Commission	
	31 December 2015 N'000	31 December 2014 N'000	31 December 2015 N'000	31 December 2014 N'000
External credit rating (S&P)	9,805,952	13,905,311	-	5,423,617
	9,805,952	13,905,311	-	5,423,617

Rating Legend:

External credit rating (S&P)  
BB: Adequate speculative credit rating  
B+: Highly speculative credit rating

Staff Loans

	Group	Commission	Group	Commission
	At 31 December 2015 (N'000)	At 31 December 2015 (N'000)	At 31 December 2014 (N'000)	At 31 December 2014 (N'000)
Neither past due nor impaired	1,119,611	1,119,611	835,714	835,714
Past due but not impaired	-	-	13,962	13,962
Impaired	-	-	16,156	16,156

3.3.3 Maximum exposure to credit risk

The Group's maximum exposure to credit risk at 31 December 2015, is represented by the net carrying amounts of the financial assets set out in note 3.3.2 above.

3.4 Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as interest rates and foreign exchange rates.

3.4.1 Foreign exchange risk

Foreign exchange risk is the risk of adverse changes in currency exchange rates.

The Group operates its businesses in Nigeria and is not significantly exposed to foreign exchange risk arising from various currency exposures.

3.4.2 Price risk

The Group is not exposed to equity securities price risk because investment securities held are bonds classified as held to maturity on the balance sheet. Also, the Group is not exposed to commodity price risk.

3.4.3 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair value of financial instruments. Interest rate risk arises when the Group invests in interest bearing financial instruments. The Group is exposed to the risk that the value of financial instruments will fluctuate due to changes in the prevailing market interest rate. The investment securities of the Group are fixed income securities which are held to maturity hence there would be no effect of fluctuation in interest rate.

3.5 Liquidity risk

Liquidity risk is the risk that the Group does not have adequate assets to match its liability at all times. The liquidity risk exposure is related to our credit and investment risk profile. At 31 December 2015, management does not believe the current maturity profile of the Group lends itself to any material liquidity risk, taking into account the level of cash and bank deposits. The Group's bank deposits are able to be released at short notice when and if required.

Securities and Exchange Commission  
Consolidated and separate financial statements  
For the year ended 31 December 2015  
Notes to the consolidated and separate financial statements

The table below analyses the Group's financial liabilities into relevant maturity Groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group	Carrying amount N'000	Less than 3 months N'000
<b>At 31 December 2015</b>		
Sundry and other creditors	512,748	512,748
Total financial liabilities	512,748	512,748
<b>Assets used to manage liquidity</b>		
Cash and bank balances	14,578,889	14,578,889
Total financial assets	14,578,889	14,578,889
Gap	14,066,141	14,066,141
<b>Commission</b>		
<b>At 31 December 2015</b>		
Sundry creditors	8,401,027	8,401,027
Total financial liabilities	8,401,027	8,401,027
<b>Assets used to manage liquidity</b>		
Cash and bank balances	4,343,350	4,343,350
Total financial assets	4,343,350	4,343,350
Gap	(4,057,677)	(4,057,677)
<b>Group</b>		
<b>At 31 December 2014</b>		
Sundry creditors	1,196,500	1,196,500
Total financial liabilities	1,196,500	1,196,500
<b>Assets used to manage liquidity</b>		
Cash and bank balances	15,252,481	15,252,481
Total financial assets	15,252,481	15,252,481
Gap	14,055,981	14,055,981
<b>Commission</b>		
<b>At 31 December 2014</b>		
Sundry creditors	3,535,694	3,535,694
Total financial liabilities	3,535,694	3,535,694
<b>Assets used to manage liquidity</b>		
Cash and bank balances	1,193,027	1,193,027
Total financial assets	1,193,027	1,193,027
Gap	(2,342,667)	(2,342,667)

### 3.6 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for owners and benefits for other stakeholders and to maintain an optimal capital structure.

The Group capital is made up of capital fund and capital reserve fund.

The Group monitors capital on an ongoing basis so as to ensure that its capital reserves are adequate to fund its operations.

The Group's strategy is to maintain adequate capital reserves. However, there is no regulatory capital requirement.

Securities and Exchange Commission  
Consolidated and separate financial statements  
For the year ended 31 December 2015  
Notes to the consolidated and separate financial statements

3.7 Fair value estimation

(a) Financial instruments measured at fair value

The Group's investments are in government bonds, treasury bills and placement with banks. Hence no disclosure were made for this class of financial instruments.

(b) Financial instruments not measured at fair value

(i) Financial instruments

Group	At 31 December 2015		At 31 December 2014	
	Carrying value N'000	Fair value N'000	Carrying value N'000	Fair value N'000
<b>Financial assets</b>				
Cash and bank balances	14,578,889	14,578,889	15,252,481	15,252,481
Debt securities (amortised cost)				
- Federal Government of Nigeria bonds and treasury bills	7,609,367	7,137,003	11,672,431	10,065,283
Staff loans and other receivables	1,378,596	1,378,596	1,100,769	1,100,769
	<u>23,566,852</u>	<u>23,094,488</u>	<u>28,025,681</u>	<u>26,418,533</u>
<b>Financial liabilities</b>				
Sundry creditors	512,748	512,748	1,196,500	1,196,500
Finance lease	25,458	25,458	-	-
Accruals	32,922	32,922	-	-
	<u>571,128</u>	<u>571,128</u>	<u>1,196,500</u>	<u>1,196,500</u>

The Commission

	At 31 December 2015		At 31 December 2014	
	Carrying value N'000	Fair value N'000	Carrying value N'000	Fair value N'000
<b>Financial assets</b>				
Cash and bank balances	4,343,350	4,343,350	1,193,027	1,193,027
Debt securities (amortised cost)				
- Federal Government of Nigeria bonds and treasury bills	7,609,367	7,137,003	11,262,138	9,654,335
Staff loans and other receivables	1,378,596	1,378,596	1,100,769	1,100,769
	<u>13,331,313</u>	<u>12,858,949</u>	<u>13,555,934</u>	<u>11,948,131</u>
<b>Financial liabilities</b>				
Sundry creditors	8,439,167	8,439,167	3,535,694	3,535,694
Finance lease	25,458	25,458	-	-
Accruals	32,922	32,922	-	-
	<u>8,497,547</u>	<u>8,497,547</u>	<u>3,535,694</u>	<u>3,535,694</u>

(ii) Fair valuation hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable input reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within 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)

Group

At 31 December 2015 (N'000)

Financial assets	Level 1	Level 2	Level 3
Debt securities (amortised cost)			
- Bonds	-	7,609,367	-
Staff loan and Other receivable	-	-	1,293,315

Securities and Exchange Commission  
Consolidated and separate financial statements  
For the year ended 31 December 2015  
Notes to the consolidated and separate financial statements

	Level 1	Level 2	Level 3
<b>At 31 December 2015 (N'000)</b>			
<b>Financial liabilities</b>			
Sundry creditors	-	-	512,748
Finance lease	-	-	25,458
Accruals	-	-	32,922
<b>Commission</b>			
<b>At 31 December 2015 (N'000)</b>			
<b>Financial assets</b>			
Debt securities (amortised cost)	-	7,609,367	-
- Bonds	-	-	1,378,596
Staff loan and Other receivable	-	-	-
<b>At 31 December 2015 (N'000)</b>			
<b>Financial liabilities</b>			
Sundry creditors	-	-	8,401,027
Finance lease	-	-	25,458
Accruals	-	-	32,922
<b>Group</b>			
<b>At 31 December 2014 (N'000)</b>			
<b>Financial assets</b>			
Debt securities (amortised cost)	-	5,991,066	-
- Bonds	-	4,074,216	-
- Treasury bills	-	-	1,094,622
Staff loan and Other receivable	-	-	-
<b>At 31 December 2014 (N'000)</b>			
<b>Financial liabilities</b>			
Sundry creditors	-	-	3,535,694
<b>Commission</b>			
<b>At 31 December 2014 (N'000)</b>			
<b>Financial assets</b>			
Debt securities (amortised cost)	-	5,991,066	-
- Bonds	-	3,663,269	-
- Treasury bills	-	-	1,100,769
Staff loan and Other receivable	-	-	-
<b>At 31 December 2014 (N'000)</b>			
<b>Financial liabilities</b>			
Sundry creditors	-	-	3,535,694

(c) Fair valuation methods and assumptions

(i) Cash and bank balances

Cash and bank balances represent cash and short term deposit held with various banks in Nigeria. The fair value of these balances approximate their carrying amounts.

(ii) Debt securities

The fair value of actively traded bonds and treasury bills are determined with reference to quoted prices (unadjusted) in an active market.

(iii) Staff loans and other receivables

Staff loans and other receivables are carried at amortised cost net of provision for impairment. The estimated fair value of non current loans and receivables represent the discounted amount of estimated future cash flows expected to be received at current market rates. For the current loans and receivable, the carrying amount are carried at amortised cost net of provision for impairment. The current market rates are determined by a reference to the monetary policy rate plus margins as charged by the commercial banks.

(iv) Sundry creditors

Sundry creditors represents short term payables to third parties. The carrying value approximates the value required to settle these liabilities. Hence, the fair values of these balances approximate their carrying amount.

Securities and Exchange Commission  
Consolidated and separate financial statements  
For the year ended 31 December 2015  
Notes to the consolidated and separate financial statements

4	Fee income	Group		Commission	
		31 December		31 December	
		2015 N '000	31 December 2014 N '000	2015 N '000	31 December 2014 N '000
	Market transaction fees	2,933,145	3,916,293	2,933,145	3,916,293
	Registration of securities				
	- Bonds	218,397	271,145	218,397	271,145
	- Equities	131,020	765,504	131,020	765,504
	- Right issues	57,376	209,974	57,376	209,974
	- Bonus	23,943	1,148	23,943	1,148
	Registration of operators	188,591	33,192	188,591	33,192
	Penalties and other transaction fees	840,159	1,731,394	840,159	1,731,394
		<b>4,392,631</b>	<b>6,928,650</b>	<b>4,392,631</b>	<b>6,928,650</b>
5	<b>Interest income</b>				
	Money market	1,648,959	1,673,308	241,109	409,887
	Held to maturity financial assets	708,910	706,981	708,910	706,981
	Staff loans	336,831	146,402	336,831	146,402
		<b>2,694,700</b>	<b>2,526,691</b>	<b>1,286,850</b>	<b>1,263,270</b>
6	<b>Other income</b>				
	Workshop training	42,548	18,465	-	-
	Other miscellaneous income	2,038	2,007	2,038	2,007
		<b>44,586</b>	<b>20,472</b>	<b>2,038</b>	<b>2,007</b>
7	<b>Employee benefit expense</b>				
	Wages and salaries	3,262,372	2,259,339	3,115,991	2,259,339
	Other employee costs and benefits	2,468,460	2,453,793	2,468,460	2,453,793
	Pension costs:				
	- Defined contribution plan	2,006,080	260,166	2,006,080	224,544
	- Defined benefit plan (Note 19)	127,151	31,236	127,151	31,236
		<b>7,864,063</b>	<b>5,004,534</b>	<b>7,717,682</b>	<b>4,968,912</b>
8	<b>Depreciation and amortisation expenses</b>				
	Depreciation of property and equipment (note 10)	287,614	420,533	287,614	420,533
	Amortisation of intangible assets (note 11)	25,270	34,596	25,270	34,596
		<b>312,884</b>	<b>455,129</b>	<b>312,884</b>	<b>455,129</b>
9	<b>Other operating expense</b>				
	Travelling expense	296,057	448,144	296,057	448,144
	Maintenance costs	386,751	309,413	372,137	309,413
	Insurance	69,225	24,388	69,225	24,388
	Training and capacity building	484,152	1,025,865	456,302	1,025,865
	Fuel	48,054	65,070	48,054	65,070
	Rates	95,425	91,931	95,425	91,931
	Printing, stationery and subscriptions	140,912	115,375	140,912	115,375
	Donations	19,105	23,470	19,105	23,470
	Information technology expenses	146,820	145,743	146,820	145,743
	Meeting expenses	59,806	52,727	59,806	52,727
	Professional fees	77,591	124,953	77,591	124,953
	Capital market development expenses	293,203	978,625	293,203	978,625
	Administrative expenses	213,553	105,291	213,553	105,291
	Board compensation, allowances and expenses	101,797	47,330	101,797	47,330
	Audit fees	29,250	30,000	25,000	25,000
	Legal fees	78,162	85,495	78,162	85,495
	Impairment charged/(write back)	(7,500)	-	(7,500)	-
	Other operating expenses	78,602	146,847	56,320	146,831
		<b>2,610,965</b>	<b>3,820,667</b>	<b>2,541,969</b>	<b>3,815,651</b>

Securities and Exchange Commission  
Notes to the consolidated and separate financial statements  
For the year ended 31 December 2015

Group and the Commission  
10 Property and equipment

	Land N'000	Buildings N'000	Office furniture, fittings and equipment N'000	IT hardware N'000	Motor vehicles N'000	Capital work in progress N'000	Total N'000
<b>Cost</b>							
At 1 January 2014	801,846	3,051,884	1,256,670	784,221	494,301	-	6,388,922
Additions	-	4,968	167,376	43,765	64,487	10,382	290,978
Disposals	-	-	(10)	-	(69,394)	-	(69,404)
At 31 December 2014	801,846	3,056,852	1,424,036	827,986	489,394	10,382	6,610,496
At 1 January 2015	801,846	3,056,852	1,424,036	827,986	489,394	10,382	6,610,496
Additions	-	13,800	74,997	45,363	87,833	-	221,993
Reclassification	-	-	2,029	2,548	47,000	(4,577)	47,000
Disposals	-	-	(44,680)	(136,223)	(8,038)	-	(188,941)
At 31 December 2015	801,846	3,070,652	1,456,382	739,674	616,189	5,805	6,690,548
<b>Accumulated depreciation</b>							
At 1 January 2014	-	577,392	1,114,849	571,495	400,276	-	2,664,012
Charge for the year	-	96,407	68,250	187,914	67,962	-	420,533
Disposals	-	-	(10)	-	(56,311)	-	(56,321)
At 31 December 2014	-	673,799	1,183,089	759,409	411,927	-	3,028,224
At 1 January 2015	-	673,799	1,183,089	759,409	411,927	-	3,028,224
Charge for the year	-	96,529	93,396	38,305	59,384	-	287,614
Disposal	-	-	(44,375)	(133,871)	(8,038)	-	(186,284)
At 31 December 2015	-	770,328	1,232,110	663,843	463,273	-	3,129,554
<b>Net book amount at 31 December 2014</b>	<b>801,846</b>	<b>2,383,053</b>	<b>240,947</b>	<b>68,577</b>	<b>77,467</b>	<b>10,382</b>	<b>3,582,272</b>
<b>Net book amount at 31 December 2015</b>	<b>801,846</b>	<b>2,300,324</b>	<b>224,272</b>	<b>75,831</b>	<b>152,916</b>	<b>5,805</b>	<b>3,560,994</b>

Motor vehicles include the following amount where the group is a lessee under a finance lease:

	31 December 2015 N'000
Cost-capitalised finance lease	47,000
Accumulated depreciation	(6,562)
Net book amount	<u>40,438</u>

The group leases motor vehicles under non-cancellable finance lease agreements. The lease terms are for two (2) years, and the ownership of the assets lies within the group.



Securities and Exchange Commission  
Consolidated and separate financial statements  
For the year ended 31 December 2015  
Notes to the consolidated and separate financial statements

11	Intangible assets	Group		Commission	
		31 December		31 December	
		2015 N' 000	31 December 2014 N' 000	2015 N' 000	31 December 2014 N' 000
	<b>Cost</b>				
	At 1 January	541,255	537,005	541,255	537,005
	Additions	9,852	4,250	9,852	4,250
	<b>Closing balance</b>	<b>551,107</b>	<b>541,255</b>	<b>551,107</b>	<b>541,255</b>
	Intangible assets relate only to software				
	<b>Accumulated amortisation</b>				
	Opening balance	511,447	476,851	511,447	476,851
	Amortisation charge	25,270	34,596	25,270	34,596
	<b>Closing balance</b>	<b>536,717</b>	<b>511,447</b>	<b>536,717</b>	<b>511,447</b>
	<b>Net book amount</b>	<b>14,390</b>	<b>29,808</b>	<b>14,390</b>	<b>29,808</b>
12	<b>Interests in structured entities</b>				
	National Investor Protection Fund	-	-	5,000,000	5,000,000
	Capital Market Development Fund	-	-	5,000,000	5,000,000
	Nigerian Capital Market Institute	-	-	5,000,000	5,000,000
		-	-	<b>15,000,000</b>	<b>15,000,000</b>
13	<b>Staff loans and other receivables</b>				
	Staff loans	771,041	865,832	771,041	865,832
	Impairment of staff loans	(50,328)	(57,828)	(50,328)	(57,828)
		<b>720,713</b>	<b>808,004</b>	<b>720,713</b>	<b>808,004</b>
	<b>Other Receivables</b>				
	Receivables from penalties and fines	86,705	170,475	86,705	170,475
	Other receivables	468,491	79,337	346,649	85,485
	Sundry debtors	28,451	47,851	235,574	47,850
	Impairment of sundry debtors	(11,045)	(11,045)	(11,045)	(11,045)
		<b>572,602</b>	<b>286,618</b>	<b>657,883</b>	<b>292,765</b>
		<b>1,293,315</b>	<b>1,094,622</b>	<b>1,378,596</b>	<b>1,100,769</b>
	<b>Classification of staff loans and other receivables</b>				
	Current	572,602	286,618	657,883	292,765
	Non-current	720,713	808,004	720,713	808,004
		<b>1,293,315</b>	<b>1,094,622</b>	<b>1,378,596</b>	<b>1,100,769</b>
14	<b>Held to maturity financial assets</b>	<b>7,609,367</b>	<b>11,672,432</b>	<b>7,609,367</b>	<b>11,262,139</b>
14.1	<b>Debt securities</b>				
	Debt securities at amortised cost				
	Listed				
	- Federal Government of Nigeria Bonds	7,609,367	7,595,522	7,609,367	7,595,522
	- Nigeria Treasury bills	-	4,076,910	-	3,666,617
		<b>7,609,367</b>	<b>11,672,432</b>	<b>7,609,367</b>	<b>11,262,139</b>
	<b>Classification of held to maturity financial assets</b>				
	Current	-	4,076,910	-	3,666,617
	Non-current	7,609,367	7,595,522	7,609,367	7,595,522
		<b>7,609,367</b>	<b>11,672,432</b>	<b>7,609,367</b>	<b>11,262,139</b>
15	<b>Prepayments</b>				
	Prepaid Staff Allowance	2,511,456	2,274,881	2,511,456	2,274,881
	Prepaid Office Rent	1,763	5,598	1,763	5,598
	Prepaid Motor Vehicle	258,934	284,138	258,934	284,138
		<b>2,772,153</b>	<b>2,564,617</b>	<b>2,772,153</b>	<b>2,564,617</b>
16	<b>Cash and bank balances</b>				
	Cash in hand	6,628	2,176	5,904	2,176
	Balances held with banks in Nigeria	4,766,309	1,344,994	4,337,446	1,190,851
	Money market placements	9,805,952	13,905,311	-	-
		<b>14,578,889</b>	<b>15,252,481</b>	<b>4,343,350</b>	<b>1,193,027</b>
	For cash flow purposes, cash and cash equivalents include cash in hand, cash in current accounts, money market placements including treasury bills with less than three months from original maturity.				
	<b>Cash and cash equivalents</b>				
	Cash in hand	6,628	2,176	5,904	2,176
	Balances held with banks in Nigeria	4,766,309	1,344,994	4,337,446	1,190,851
	Money market placements	9,805,952	13,905,311	-	-
	Treasury bills	-	4,076,910	-	3,666,617
	<b>Total cash and cash equivalents</b>	<b>14,578,889</b>	<b>19,329,391</b>	<b>4,343,350</b>	<b>4,859,644</b>
17	<b>Sundry and other creditors</b>				
	Accounts payable	38,388	294,845	38,388	294,845
	Sundry creditors	474,360	901,655	8,362,639	3,240,849
	WHT payable	11,184	46,654	10,761	46,654

Securities and Exchange Commission  
Consolidated and separate financial statements  
For the year ended 31 December 2015  
Notes to the consolidated and separate financial statements

PAYE payable	472	79,627	472	79,626
VAT payable	27,208	29,861	26,907	29,860
<b>Total sundry and other creditors</b>	<b>551,612</b>	<b>1,352,642</b>	<b>8,439,167</b>	<b>3,691,834</b>

18 Provisions and accruals

	Group		Commission	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	N' 000	N' 000	N' 000	N' 000
<b>Financial liabilities</b>				
Accruals	32,922	-	32,922	-
	<b>32,922</b>	<b>-</b>	<b>32,922</b>	<b>-</b>
<b>Non-financial liabilities</b>				
Provisions	620,000	620,000	620,000	620,000
	<b>620,000</b>	<b>620,000</b>	<b>620,000</b>	<b>620,000</b>
Current	652,922	620,000	652,922	620,000
Non-current	-	-	-	-
	<b>652,922</b>	<b>620,000</b>	<b>652,922</b>	<b>620,000</b>

Provisions relate to recognition of liability with respect to litigations (two cases) involving the Commission which judgement has been delivered against the Commission. However, the Commission has appealed the judgement.

19 Retirement benefit obligations

**Defined contribution scheme**

The Commission and its employees make a minimum joint contribution of 18% of basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominated pension fund administrators.

**Defined benefit scheme**

**Staff gratuity plan**

The Commission has defined benefit plan under which qualifying employees received a lump sum payment based on the number of years served. The qualifying employees should have served at least five years. The active members of the defined benefit scheme were transferred out of the scheme on 1 January 2012. Consequently the members of the defined benefit plan at 31 December 2012 comprised of pensioners only. During the 2013 financial year, active executive employees became part of the defined benefit scheme again.

Funding policy: The Commission is obliged to make contributions into the plan assets to the extent that the net position is a deficit.

The table below outlines where the Group's defined benefit plan amounts and activity.

	Group		Commission	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	N' 000	N' 000	N' 000	N' 000
Statement of financial position				
Asset/(liability) for:				
Staff gratuity plan liabilities	(646,472)	(61,227)	(646,472)	(61,227)

	Group		Commission	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	N' 000	N' 000	N' 000	N' 000
<b>Income statement charge for:</b>				
Current service cost/(income)	120,636	53,098	120,636	53,098
Interest cost	339,210	306,887	339,210	306,887
Interest income	(332,695)	(328,749)	(332,695)	(328,749)
	<b>127,151</b>	<b>31,236</b>	<b>127,151</b>	<b>31,236</b>

**Recognized in other comprehensive income**

Remeasurement (losses)/gains are recognised in the statement of other comprehensive income.

Remeasurement losses	(Note 19(a))	520,736	155,720	520,736	155,720
Remeasurement losses	(Note 19(b))	27,964	113,304	27,964	113,304
		<b>548,700</b>	<b>269,024</b>	<b>548,700</b>	<b>269,024</b>

**The amounts recognised in the statement of financial position are determined as follows:**

Defined benefit obligation	(Note 19(a))	(3,162,432)	(2,602,783)	(3,162,432)	(2,602,783)
Fair value of plan assets	(Note 19(b))	2,515,960	2,541,556	2,515,960	2,541,556
		<b>(646,472)</b>	<b>(61,227)</b>	<b>(646,472)</b>	<b>(61,227)</b>

	Group		Commission	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	N' 000	N' 000	N' 000	N' 000

19 (a) The movement in the defined benefit obligation is as follows:

Opening defined benefit obligation - Active members	2,602,783	2,528,062	2,602,783	2,528,062
Current service cost	120,636	53,098	120,636	53,098
Interest cost	339,210	306,887	339,210	306,887
Remeasurement losses/(gains)	520,736	155,720	520,736	155,720
Benefits paid	(420,933)	(440,984)	(420,933)	(440,984)
	<b>3,162,432</b>	<b>2,602,783</b>	<b>3,162,432</b>	<b>2,602,783</b>

Securities and Exchange Commission  
Consolidated and separate financial statements  
For the year ended 31 December 2015  
Notes to the consolidated and separate financial statements

The movement in the fair value of plan assets of the

19 (b) year is as follows:

At the beginning of the period	2,541,556	2,731,563	2,541,556	2,731,563
Interest income	332,695	328,749	332,695	328,749
Employer contributions	29,379	35,532	29,379	35,532
Remeasurement losses	(27,964)	(113,304)	(27,964)	(113,304)
Benefits paid	(359,706)	(440,984)	(359,706)	(440,984)
	<b>2,515,960</b>	<b>2,541,556</b>	<b>2,515,960</b>	<b>2,541,556</b>

Composition of plan assets

Cash	1,869,610	1,450,720	1,869,610	1,450,720
Equity	146,932	170,793	146,932	170,793
Bonds	499,418	920,043	499,418	920,043
	<b>2,515,960</b>	<b>2,541,556</b>	<b>2,515,960</b>	<b>2,541,556</b>

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions based on determining the movement in the obligation by assuming a 1% increase or decrease in one assumption while all other factors remain constant.

31 December 2015

Assumptions	Effect of change in the discount rate		
	Decrease in assumption by 1%	Based on actual discount rate of 14%	Increase in assumption by 1%
Average long term discount rate (p.a.)	(3,129,333)	(2,899,318)	(2,699,255)
Percentage change in the defined benefit obligation	7.9%		6.9%

Assumptions	Effect of change in the Pension increase rate		
	Decrease in assumption by 1%	Based on actual discount rate of 14%	Increase in assumption by 1%
Average long term discount rate (p.a.)	(2,681,145)	(2,899,318)	(3,148,292)
Percentage change in the defined benefit obligation	-7.5%		8.6%

Assumptions	Effect of change in mortality		
	Decrease in assumption by 1 year	Based on actual discount rate of 14%	Increase in assumption by 1 year
Average long term discount rate (p.a.)	(2,939,058)	(2,899,318)	(2,857,978)
Percentage change in the defined benefit obligation	1.4%		1.4%

The sensitivity analysis was performed by recomputing the liability to show the effect of:

- the change in the discount rate assumption on the defined benefit obligation by adding and subtracting 1% to the discount rate; and
- the change in the pension increase rate assumption on the defined benefit obligation by adding and subtracting 1% to the pension increase rate.
- the change in the mortality assumption on the defined benefit obligation by increasing and decreasing the post-retirement age rating by 1 year.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period

20 Finance lease liabilities

Finance lease:	Group		Commission	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Current	N'000	N'000	N'000	N'000
	25,458	-	25,458	-
	<b>25,458</b>	<b>-</b>	<b>25,458</b>	<b>-</b>

The Commission has the lease liability to finance the purchase of motor vehicles. The tenor of the lease is two years. The liability shall be settled from the Commission's operational cash flows.

	Group		Commission	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Gross finance lease liabilities- minimum lease payments	N'000	N'000	N'000	N'000
Not later than one year	25,458	-	25,458	-
Between one and three years	-	-	-	-
	<b>25,458</b>	<b>-</b>	<b>25,458</b>	<b>-</b>
Future finance changes on finance lease liabilities	-	-	-	-
Present value of finance lease liabilities	<b>25,458</b>	<b>-</b>	<b>25,458</b>	<b>-</b>

21 Capital grant

The capital grant represents funds received from the Federal Ministry of Finance in prior periods. No amount was received in the current period (2014: Nil)

22 Capital reserve fund

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

Notes to the consolidated and separate financial statements

Capital reserve fund represents one-fifth of the commission's operating surplus for the 2007 and 2008 financial years which was retained after transferring 80% of the surplus to the Federal Government of Nigeria in compliance with section 22(1) of the Fiscal Responsibility Act 2007.

23 Reconciliation of profit to cash generated from operations

	Group		Commission	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	N' 000	N' 000	N' 000	N' 000
Surplus/(Deficit) for the period	(3,661,020)	195,484	(4,896,041)	(1,081,387)
Adjustments for:				
- Depreciation ( note 10)	287,614	420,533	287,614	420,533
- Amortisation ( note 11)	25,270	34,596	25,270	34,596
- Defined benefit scheme expenses (Note 19)	127,151	31,236	127,151	31,236
- loss/(profit) on disposal of property and equipment	2,084	11,034	2,084	11,033
Changes in operating assets and liabilities				
-Change in prepayments	(207,536)	(98,600)	(207,536)	(98,600)
-Change in staff loans and other receivables	(198,692)	(128,533)	(277,827)	(128,532)
-Change in sundry creditors	(891,635)	(229,766)	4,656,727	(216,306)
-Change in accrued provision	32,922	-	32,922	-
Cash (used in)/ generated from operating activities	(4,483,842)	235,984	(249,636)	(1,027,427)

24 Contingent liabilities and commitments

Legal proceedings

The Commission has contingent liabilities amounting to N620 million arising from litigation and this represents the most likely outcome as assessed by the Commission based on legal advice. Provision has been made for this amount in the books of the Commission as stated in note 18.

Capital commitments

The Commission has no capital commitments during the period.

25 Related party transactions

The Commission controls three structured entities namely the Capital Market Development Fund, the National Investors Protection Fund and the Nigeria Capital Market Institute. These structured entities were formed by the Commission, and are companies limited by guarantee hence they have no share capital. The Commission controls the three entities as the activities of the structured entities are controlled by the Commission's personnel and those activities are in furtherance of the Commissions' goals and objectives. The structured entities are also wholly funded by the Commission.

25.1 Key management personnel compensation

Key management personnels in the Commission are executive members of the Board of the Commission. The compensation paid or payable to key management for employee services is shown below :

	Group		Commission	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	N' 000	N' 000	N' 000	N' 000
Short term benefits /executive compensation	212,255	238,402	212,255	238,402
Post employment benefits	483,769	23,085	483,769	23,085
	696,024	261,487	696,024	261,487

The average number of persons, excluding Commissioners, employed by the Group and the Commission during the year was as follows:

	Group		Commission	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	N' 000	N' 000	N' 000	N' 000
Senior management	78	72	78	72
Management	304	289	304	289
Non management	355	234	355	234
	737	595	737	595

25.2 Balances with related parties

This represents the total amount of transactions between the Commission and its related parties stated below:

Group	Nature of relationship	Nature of balance	Group		Commission	
			31 December 2015	31 December 2014	31 December 2015	31 December 2014
			N' 000	N' 000	N' 000	N' 000
Director General	Key management personnel	Loan	5,873	9,183	5,873	9,183
Executive Commissioner	Key management personnel	Loan	6,239	9,756	6,239	9,756
Executive Commissioner	Key management personnel	Loan	5,000	10,000	5,000	10,000
<b>The Commission</b>			<b>31 December 2015</b>	<b>31 December 2014</b>	<b>31 December 2015</b>	<b>31 December 2014</b>
	Nature of relationship	Nature of balance	N' 000	N' 000	N' 000	N' 000
Director General	Key management personnel	Loan	5,873	9,183	5,873	9,183

Securities and Exchange Commission  
Consolidated and separate financial statements  
For the year ended 31 December 2015  
Notes to the consolidated and separate financial statements

	Key management personnel	Loan				
Executive Commissioner	Key management personnel	Loan	6,239	9,756	6,239	9,756
Executive Commissioner	Key management personnel	Loan	5,000	10,000	5,000	10,000
Capital Market Development Fund	Subsidiary	Payable	1,411,407	765,000	1,411,407	765,000
National Investors Protection Fund	Subsidiary	Payable	3,175,600	6,148	3,175,600	6,148
Nigerian Capital Market Institute	Subsidiary	Payable	3,513,415	1,560,734	3,513,415	1,560,734

None of the loans to key management personnel is neither past due nor impaired. Hence no specific provision was required in 2015 (2014: nil) for the loans made to key management personnel. The loans are repayable monthly and the interest rate ranges between 1% to 2%. The repayment period ranges between 2 to 10 years.

The payables to related parties arise mainly from funding arrangement between the Commission and Fund. They are short term in nature.

25.3 Investments in subsidiaries  
National Investors Protection Fund

The National Investors Protection Fund was incorporated in March 2012 as a company limited by guarantee for the purpose of compensating investors (not covered by the National Investors Protection Fund operated by the Nigeria Stock Exchange) who suffer losses due to systematic failures in the capital market. The National Investors Protection Fund has no Share Capital.

Capital Market Development Fund

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.

Nigerian Capital Market Institute

The Commission has interest in the Nigerian Capital Market Institute (NCMI), the erstwhile educational and training unit of the Commission. The Commission registered NCMI as a company limited by guarantee, so as to provide training and other capacity building initiatives for members of the investing public.

The Commission controls Nigerian Capital Market Institute as reflected by the following:

- The Key Management Personnel of the Institute are Senior officers of the Commission;
- The Institute's operations are dependent on funding from the Commission;
- A significant portion of the relevant activities of NCMI are directed by the Commission;
- The Commission has power to affect the returns from the operations of NCMI. The Commission determines the compensation policy and available for the operations of NCMI.

The nature of risks associated with the Commission's interests in the consolidated structured entities

The risk associated with the Commission's interests in these structured entities is in the provision of funds for their operation. The Commission is committed to ensuring that the entities perform as designed and could be exposed if they fail to discharge of their stated functions. The other risk lies with the guarantee the Commission provided on incorporation of some the entities. These guarantees exposes the Commission to potential adverse risks as the Commission might be required to inject more funds into the structured entities to keep them going.

During the year 2013, the Commission set aside a total of N15 billion to the three structured entities as start up funding.

The summarised financial information of these consolidated structured entities are provided below. This information is based on amounts before inter-company eliminations.

Statement of financial position as at 31 December 2015

	Commission N'000	National Investors Protection Fund N'000	Capital Market Development Fund N'000	Nigerian Capital Market Institute N'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property and equipment	3,560,994	-	-	-
Intangible assets	14,390	-	-	-
Interest in structured entities	15,000,000	-	-	-
Staff loans and other receivables	720,713	-	-	3,317,999
Held to maturity financial assets	7,609,367	-	-	-
Prepayments	2,772,153	-	-	-
Retirement benefit assets	-	-	-	-
<b>Total non-current assets</b>	<b>29,677,617</b>	<b>-</b>	<b>-</b>	<b>3,317,999</b>
<b>Current assets</b>				
Staff loans and other receivables	657,883	3,167,593	1,484,984	-
Held to maturity financial assets	-	-	-	-
Cash and bank balances	4,343,350	3,127,668	4,653,623	2,501,464
<b>Total current assets</b>	<b>5,001,233</b>	<b>6,295,261</b>	<b>6,138,607</b>	<b>2,501,464</b>
<b>Total assets</b>	<b>34,678,850</b>	<b>6,295,261</b>	<b>6,138,607</b>	<b>5,819,463</b>
<b>Equity</b>				
Capital fund	496,858	-	-	-
Capital reserve fund	447,676	-	-	-
Accumulated reserve fund	23,970,297	1,286,666	1,136,940	616,205
Capital	-	5,000,000	5,000,000	5,000,000
<b>Total equity</b>	<b>24,914,831</b>	<b>6,286,666</b>	<b>6,136,940</b>	<b>5,616,205</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Sundry and other creditors	8,439,167	8,595	1,667	203,258
Provision for accrued charges	652,922	-	-	-
Finance lease	25,458	-	-	-
Retirement benefit obligations	646,472	-	-	-
<b>Total liabilities</b>	<b>9,764,019</b>	<b>8,595</b>	<b>1,667</b>	<b>203,258</b>

Securities and Exchange Commission  
Consolidated and separate financial statements  
For the year ended 31 December 2015  
Notes to the consolidated and separate financial statements

Total equity and liabilities	34,678,850	6,295,261	6,138,607	5,819,463
<b>Statement of profit or loss and other comprehensive income</b>				
Fee income from operations	4,392,631			
Interest Income	1,286,850	566,793	502,773	338,284
Other Income	2,038	-	-	42,548
<b>Total income</b>	<b>5,681,519</b>	<b>566,793</b>	<b>502,772</b>	<b>380,832</b>
Employee benefits expense	7,717,682	-	-	-
Finance cost	5,025	-	-	-
Depreciation and amortisation expenses	312,884	-	-	-
Other operating expenses	2,541,969	1,051	1,679	198,722
<b>Total expenditure</b>	<b>10,577,560</b>	<b>1,051</b>	<b>1,679</b>	<b>198,722</b>
<b>(Deficit)/income for the year</b>	<b>(4,896,041)</b>	<b>565,742</b>	<b>501,093</b>	<b>182,110</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurement gain on defined benefit scheme	(548,700)	-	-	-
<b>Other comprehensive income for the year</b>	<b>(548,700)</b>			
<b>Total comprehensive income for the year</b>	<b>(5,444,741)</b>	<b>565,742</b>	<b>501,093</b>	<b>182,110</b>

Statement of financial position as at 31 December 2014

	Commission N'000	National Investors Protection Fund N'000	Capital Market Development Fund N'000	Nigerian Capital Market Institute N'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property and equipment	3,582,272	-	-	-
Intangible assets	29,808	-	-	-
Interest in structured entities	15,000,000	-	-	-
Staff loans and other receivables	808,004	-	-	1,581,872
Held to maturity financial assets	7,595,522	-	-	-
Prepayments	2,564,617	-	-	-
Retirement benefit assets	-	-	-	-
<b>Total non-current assets</b>	<b>29,580,223</b>	<b>-</b>	<b>-</b>	<b>1,581,872</b>
<b>Current assets</b>				
Staff loans and other receivables	292,765	-	765,000	-
Held to maturity financial assets	3,666,617	-	410,293	-
Cash and bank balances	1,193,027	5,728,739	4,474,146	3,856,568
<b>Total current assets</b>	<b>5,152,409</b>	<b>5,728,739</b>	<b>5,649,439</b>	<b>3,856,568</b>
<b>Total assets</b>	<b>34,732,632</b>	<b>5,728,739</b>	<b>5,649,439</b>	<b>5,438,440</b>
<b>Equity</b>				
Capital fund	496,858	-	-	-
Capital reserve fund	447,676	-	-	-
Accumulated reserve fund	29,415,038	720,924	647,772	434,095
Capital	-	5,000,000	5,000,000	5,000,000
<b>Total equity</b>	<b>30,359,572</b>	<b>5,720,924</b>	<b>5,647,772</b>	<b>5,434,095</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Sundry and other creditors	3,691,833	7,815	1,667	4,345
Provision for accrued charges	620,000	-	-	-
Finance lease	-	-	-	-
Retirement benefit obligations	61,227	-	-	-
<b>Total liabilities</b>	<b>4,373,060</b>	<b>7,815</b>	<b>1,667</b>	<b>4,345</b>
<b>Total equity and liabilities</b>	<b>34,732,632</b>	<b>5,728,739</b>	<b>5,649,439</b>	<b>5,438,440</b>
<b>Statement of profit or loss and other comprehensive income</b>				
Fee income from operations	6,928,650			
Interest Income	1,263,270	495,990	438,737	328,693
Other Income	2,007	2	3	18,460
<b>Total income</b>	<b>8,193,927</b>	<b>495,992</b>	<b>438,740</b>	<b>347,153</b>
Employee benefits expense	4,968,912	-	-	-
Depreciation and amortisation expenses	455,129	-	-	-
Other operating expenses	3,815,651	1,670	1,679	1,667
<b>Total expenditure</b>	<b>9,239,692</b>	<b>1,670</b>	<b>1,679</b>	<b>1,667</b>
<b>(Deficit)/income for the year</b>	<b>(1,045,765)</b>	<b>494,322</b>	<b>437,061</b>	<b>345,486</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurement gain on defined benefit scheme	(269,024)	-	-	-
<b>Other comprehensive income for the year</b>	<b>(269,024)</b>			
<b>Total comprehensive income for the year</b>	<b>(1,314,789)</b>	<b>494,322</b>	<b>437,061</b>	<b>345,486</b>

## Other national disclosures

Securities and Exchange Commission  
Other national disclosures  
For the year ended 31 December 2015  
Statement of value added

Group	31 December 2015 N '000	%	31 December 2014 N '000	%
<b>Gross Income</b>	7,131,917		9,475,813	
<b>Operating Expenses</b>				
Other operating expenses	2,610,965		3,820,667	
<b>Value Added</b>	<b>4,520,952</b>	100%	<b>5,655,146</b>	100%
<b>Distribution</b>				
<b>Employees</b>				
Employee benefits expense	7,864,063	174%	5,004,534	88%
<b>Providers of capital</b>				
(Deficit)/Surplus for the year	(3,661,020)	(81%)	195,483	3%
Finance cost	5,025	0%	-	0%
<b>The future</b>				
Depreciation and amortisation expenses	312,884	7%	455,129	8%
	<b>4,520,952</b>	100%	<b>5,655,146</b>	100%
<b>The Commission</b>				
	<b>31 December 2015</b>	<b>%</b>	<b>31 December 2014</b>	<b>%</b>
<b>Gross Income</b>	5,681,519		8,193,927	
<b>Operating Expenses</b>				
Other operating expenses	2,541,969		3,815,651	
<b>Value Added</b>	<b>3,139,550</b>	100%	<b>4,378,276</b>	100%
<b>Distribution</b>				
<b>Employees</b>				
Employee benefits expense	7,717,682	246%	4,968,912	113%
<b>Providers of capital</b>				
(Deficit)/Surplus for the year	(4,896,041)	(156%)	(1,045,765)	(24%)
Finance cost	5,025	0%	-	0%
<b>The future</b>				
Depreciation and amortisation expenses	312,884	10%	455,129	10%
	<b>3,139,550</b>	100%	<b>4,378,276</b>	100%



Securities and Exchange Commission  
Other national disclosures  
For the year ended 31 December 2015  
Three year financial summary

Statement of Financial Position (Group)

	31 December 2015	31 December 2014	31 December 2013
	N '000	N '000	N '000
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	3,560,994	3,582,272	3,724,910
Intangible assets	14,390	29,808	60,154
Interest in structured entities	-	-	-
Staff loans and other receivables	720,713	808,004	746,207
Held to maturity financial assets	7,609,367	7,595,522	7,583,606
Prepayments	2,772,153	2,564,617	2,466,018
Retirement benefit assets	-	-	203,501
<b>Total non-current assets</b>	<b>14,677,617</b>	<b>14,580,223</b>	<b>14,784,396</b>
<b>Current assets</b>			
Staff loans and other receivables	572,602	286,618	219,882
Held to maturity financial assets	-	4,076,910	1,462,992
Cash and bank balances	14,578,889	15,252,481	17,935,509
<b>Total current assets</b>	<b>15,151,491</b>	<b>19,616,009</b>	<b>19,618,383</b>
<b>Total assets</b>	<b>29,829,108</b>	<b>34,196,232</b>	<b>34,402,779</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Capital grant	496,858	496,858	496,858
Capital reserve fund	447,676	447,676	447,676
Accumulated reserve fund	27,008,110	31,217,830	31,291,371
<b>Total equity</b>	<b>27,952,644</b>	<b>32,162,364</b>	<b>32,235,905</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Retirement benefit obligations	646,472	61,227	-
<b>Total non-current liabilities</b>	<b>646,472</b>	<b>61,227</b>	<b>-</b>
<b>Current liabilities</b>			
Sundry and other creditors	551,612	1,352,641	1,546,874
Provision and accruals	652,922	620,000	620,000
Finance lease	25,458	-	-
<b>Total current liabilities</b>	<b>1,229,992</b>	<b>1,972,641</b>	<b>2,166,874</b>
<b>Total liabilities</b>	<b>1,876,464</b>	<b>2,033,868</b>	<b>2,166,874</b>
<b>Total equity and liabilities</b>	<b>29,829,108</b>	<b>34,196,232</b>	<b>34,402,779</b>

Statement of Comprehensive Income (Group)

	31 December 2015	31 December 2014	31 December 2013
	N '000	N '000	N '000
Fee income from operations			
Interest income	4,392,631	6,928,650	4,257,684
Other operating income	2,694,700	2,526,691	3,027,075
<b>Total income</b>	<b>7,131,917</b>	<b>9,475,813</b>	<b>7,285,289</b>
Employee benefits expense	7,864,063	5,004,534	4,774,588
Depreciation and amortisation expenses	312,884	455,129	358,008
Finance cost	5,025	-	-
Other operating expenses	2,610,965	3,820,667	3,832,662
<b>Total expenditure</b>	<b>10,792,937</b>	<b>9,280,330</b>	<b>8,965,258</b>
<b>(Deficit)/Surplus for the year</b>	<b>(3,661,020)</b>	<b>195,483</b>	<b>(1,679,969)</b>
<b>Other comprehensive income:</b>			
Items that will not be reclassified to profit or loss			
<b>Remeasurement (loss)/gains on defined benefit scheme</b>	<b>(548,700)</b>	<b>(269,024)</b>	<b>83,923</b>
<b>Other comprehensive income for the year</b>	<b>(548,700)</b>	<b>(269,024)</b>	<b>83,923</b>
<b>Total comprehensive (loss) /income for the year</b>	<b>(4,209,720)</b>	<b>(73,541)</b>	<b>(1,596,046)</b>

Securities and Exchange Commission  
Other national disclosures  
For the year ended 31 December 2015  
Five year financial summary

Statement of Financial Position (Commission)

	31 December 2015	31 December 2014	31 December 2013	31 December 2012	31 December 2011
	N '000	N '000	N '000	N '000	N '000
<b>Assets</b>					
<b>Non-current assets</b>					
Property and equipment	3,560,994	3,582,272	3,724,910	3,858,262	3,914,919
Intangible assets	14,390	29,808	60,154	89,325	-
Interest in structured entities	15,000,000	15,000,000	15,000,000	-	-
Staff loans and other receivables	720,713	808,004	746,207	231,699	-
Held to maturity financial assets	7,609,367	7,595,522	7,583,606	7,555,667	10,808,000
Prepayments	2,772,153	2,564,617	2,466,018	-	-
Retirement benefit assets	-	-	203,501	513,950	-
<b>Total non-current assets</b>	<b>29,677,617</b>	<b>29,580,223</b>	<b>29,784,396</b>	<b>12,248,903</b>	<b>14,722,919</b>
<b>Current assets</b>					
Staff loans and other receivables	657,883	292,765	226,030	1,409,928	3,546,813
Held to maturity financial assets	-	3,666,617	1,462,992	1,007,472	17,711,961
Cash and bank balances	4,343,350	1,193,027	5,759,473	20,866,254	1,428,013
<b>Total current assets</b>	<b>5,001,233</b>	<b>5,152,409</b>	<b>7,448,495</b>	<b>23,283,654</b>	<b>22,686,787</b>
<b>Total assets</b>	<b>34,678,850</b>	<b>34,732,632</b>	<b>37,232,891</b>	<b>35,532,557</b>	<b>37,409,706</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Capital grant	496,858	496,858	496,858	496,858	496,858
Capital reserve fund	447,676	447,676	447,676	447,676	447,676
Accumulated reserve fund	23,970,297	29,415,038	30,765,449	23,295,309	23,471,808
Other reserves	-	-	-	10,000,000	10,000,000
<b>Total equity</b>	<b>24,914,831</b>	<b>30,359,572</b>	<b>31,709,983</b>	<b>34,239,843</b>	<b>34,416,342</b>
<b>Liabilities</b>					
<b>Non current liabilities</b>					
Retirement benefit obligations	646,472	61,227	-	-	-
<b>Total non-current liabilities</b>	<b>646,472</b>	<b>61,227</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Sundry and other creditors	8,439,167	3,691,833	4,902,908	127,596	277,327
Provision and accruals	652,922	620,000	620,000	1,165,118	2,716,037
Finance lease	25,458	-	-	-	-
<b>Total current liabilities</b>	<b>9,117,547</b>	<b>4,311,833</b>	<b>5,522,908</b>	<b>1,292,714</b>	<b>2,993,364</b>
<b>Total liabilities</b>	<b>9,764,019</b>	<b>4,373,060</b>	<b>5,522,908</b>	<b>1,292,714</b>	<b>2,993,364</b>
<b>Total equity and liabilities</b>	<b>34,678,850</b>	<b>34,732,632</b>	<b>37,232,891</b>	<b>35,532,557</b>	<b>37,409,706</b>

Statement of Comprehensive Income (Commission)

	31 December 2015 N '000	31 December 2014 N '000	31 December 2013 N '000	31 December 2012 N '000	31 December 2011 N '000
Fee income from operations	4,392,631	6,928,650	4,257,684	3,258,683	4,575,080
Interest income	1,286,850	1,263,270	2,501,153	2,692,549	2,276,970
Other operating income	2,038	2,007	530	39,693	43,353
<b>Total income</b>	<b>5,681,519</b>	<b>8,193,927</b>	<b>6,759,367</b>	<b>5,990,925</b>	<b>6,895,403</b>
Employee benefits expense	7,717,682	5,004,534	4,774,588	4,456,325	5,521,877
Depreciation and amortisation expenses	312,884	455,129	358,008	347,848	483,988
Finance cost	5,025	-	-	-	-
Other operating expenses	2,541,969	3,815,651	3,832,662	2,083,464	3,086,621
<b>Total expenditure</b>	<b>10,577,560</b>	<b>9,275,314</b>	<b>8,965,258</b>	<b>6,887,637</b>	<b>9,092,486</b>
<b>Deficit for the year</b>	<b>(4,896,041)</b>	<b>(1,081,387)</b>	<b>(2,205,891)</b>	<b>(896,712)</b>	<b>(2,197,083)</b>
<b>Other comprehensive income:</b>					
Items that will not be reclassified to profit or loss					
<b>Remeasurement (loss)/gains on defined benefit scheme</b>	<b>(548,700)</b>	<b>(269,024)</b>	<b>83,923</b>	<b>622,467</b>	<b>-</b>
<b>Other comprehensive income for the year</b>	<b>(548,700)</b>	<b>(269,024)</b>	<b>83,923</b>	<b>622,467</b>	<b>-</b>
<b>Total comprehensive (loss) /income for the year</b>	<b>(5,444,741)</b>	<b>(1,350,411)</b>	<b>(2,121,968)</b>	<b>(274,245)</b>	<b>(2,197,083)</b>