Securities and Exchange Commission, Nigeria

Annual Report and Audited
Consolidated and Separate Financial Statements
31 December 2020

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Board of the Commission:

Olufemi Lijadu	Chairman
Lamido Yuguda	Director General**
Mary Uduk	Ag. Director General ***
Edward Okolo	Ag. Executive Commissioner, Corporate Services***
Isyaku Tilde	Ag. Executive Commissioner, Operations***
Reginald Karawusa	Executive Commissioner, Legal and Enforcement**
Ibrahim Boyi	Executive Commissioner, Corporate Services**
Dayo Obisan	Executive Commissioner, Operations**
Ladi Rekiya Faruk	Non-Executive Commissioner
Angela Sere-Ejembi	Representative of Central Bank of Nigeria
Okokon Ekanem Udo	Representative of The Federal Ministry of Finance*
Stephen A Okon	Representative of The Federal Ministry of Finance****
Hussaini I Mohammed	Non-Executive Commissioner*****

Corporate Secretary

Eno Otunba-payne	Secretary to the Commission

*Transferred September 2020
**Effective July 2020
***Acting till June 2020
****Appointed September 2020
*****Apponited October 2020

Auditor	Ernst & Young 10th & 13th Floors, UBA House 57 Marina Lagos
Banker	Central Bank of Nigeria
Head Office	SEC TOWER Plot 272 Samuel Ademulegun Street Central Business District P.M.B. 315, Garki Abuja, Nigeria. www.sec.gov.ng
Lagos Zonal Office	No 3. Idejo Street Opposite Icon House Off Adeola Odeku Street Victoria Island P.M.B. 12638 Marina, Lagos Lagos State.
Kano Zonal Office	African Alliance House (4th Floor) F1, Sani Abacha Way/ Airport Road Opposite KLM Airlines, Kano Kano State.
Port Harcourt Zonal Office	No. 31 Woji Road, GRA Phase II, Port Harcourt Rivers State.

The Board of the Securities and Exchange Commission, Nigeria ("the Commission" or "SEC") presents its audited consolidated and seperate financial statements for the year ended 31 December 2020.

These consolidated and seperate financial statements have been prepared using the 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, CAP S124, Laws of the Federation of Nigeria, 2007, and is domiciled in Nigeria. The Securities and Exchange Commission, Nigeria is the apex regulatory institution of the Nigerian capital market supervised by the Federal Ministry of Finance.

The registered head office is at Plot 272 Samuel Ademulegun Street, Central Business District, Garki, Abuja Nigeria.

2 Principal activities

The Commission is charged with the duties of:

(a) regulate investments and securities business in Nigeria;

(b) register and regulate securities exchanges, capital trade points, futures, options and derivatives exchanges, commodity exchanges and any other recognised investment exchanges;

(c) regulate all offers of securities by public companies and entities

(d) prepare adequate guidelines and organising training programmes and disseminating information necessary for the establishment of Securities Exchanges and Capital Trade Points;

(e) register securities of public companies

(f) register and regulate corporate and individual capital market operators

(g) protect the integrity of the securities market against abuses arising from the practice of insider trading;

(h) register and regulate securities depository companies, clearing and settlement companies, custodians of assets and securities, credit rating agencies and such other agencies and intermediaries;

(i) review, approve and regulatie mergers, acquisitions and all forms of business combinations and affected transactions of all

(j) promote investors' education and the training of all categories of intermediaries in the securities industry;

(k) undertake such other activities as are necessary or expedient for giving full effect to the provisions of the Investments and Securities Act, CAP S124, Laws of the Federation of Nigeria, 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, CAP S124, Laws of the Federation of Nigeria, 2007 is as stated on page 1 of these annual report.

4 Operating results for the year

	Group		Commission	
	2020	2019	2020	2019
	N '000	N '000	N '000	N '000
Income	6,005,294	8,701,922	5,956,170	8,649,671
Expenses	(10,367,924)	(18,120,574)	(10,328,051)	(17,927,320)
Loss for the year	(4,362,630)	(9,418,652)	(4,371,881)	(9,277,649)

5 Property and equipment

Movements in property and equipment during the year are as shown in Note 14 to the consolidated and separate financial statements.

6 Financial commitments

The Commission has taken all known liabilities and commitments into consideration in the preparation of these consolidated and separate financial statements.

7 Auditors

The auditors, Ernst & Young, have indicated their acceptance to continue in office as the auditor to the Commission and as appointed by the commission in line with the Investments and Securities Act, CAP S124, Laws of the Federation of Nigeria, 2007, Section 1.4

By order of the Commission

Eno Otunba-payne
Secretary to the Commission
FRC/2015/NBA/00000011554
Abuja, Nigeria
13 July 2021

In accordance with the provisions of the Investments and Securities Act, CAP S124, Laws of the Federation of Nigeria, 2007, the Board of the Commission 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 or loss and other comprehensive income in accordance with International Financial Reporting Standards (IFRS) and Financial Reporting Council of Nigeria (FRCN) Act, No. 6, 2011.

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, CAP S124, Laws of the Federation of Nigeria, 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 accordance with International Financial Reporting Standard (IFRS) and the Financial Reporting Council of Nigeria (FRCN) Act No. 6, 2011.

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 Group and 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:

Olufemi Lijadu
Chairman, Board of the Commission
FRC/2020/004/00000022312
13 July 2021

Lamido Yuguda
Director-General
FRC/2020/004/00000022161
13 July 2021

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE SECURITIES AND EXCHANGE COMMISSION, NIGERIA

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Securities & Exchange Commission, Nigeria, ("the Commission") and its subsidiaries (together the "Group") which comprise the consolidated and separate statements of financial position as at 31 December 2020, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Commission as at 31 December 2020, and its financial performance and consolidated and separate cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS), the Investments and Securities Act, CAP S124, Laws of the Federation of Nigeria, 2007, and in compliance with the Financial Reporting Council of Nigeria Act, No. 6, 2011.

Basis for Opinion

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

Other matter

The consolidated and separate financial statements of the Group and the Commission as at and for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those consolidated and separate financial statements on 24 September 2020.

Other Information

The Board are responsible for the other information. The other information comprises the information included in document titled "Securities and Exchange Commission, Nigeria, Annual Report and Audited Consolidated and Separate Financial Statements for the year ended 31 December 2020" which includes the Report of the Board of the Commission, the Statement of Board's Responsibilities for the Consolidated and Separate Financial Statements, and , Other National Disclosures (the Value Added Statement and the Five-Year Financial Summary). The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE SECURITIES AND EXCHANGE COMMISSION, NIGERIA - Continued

Responsibilities of the Board of the Commission for the Consolidated and Separate Financial Statements

The Board of the Commission ("the Board") is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with the International Financial Reporting Standards and the provisions of the Investments and Securities Act, CAP S124, Laws of the Federation of Nigeria 2007 and in compliance with the Financial Reporting Council of Nigeria Act, No. 6, 2011, and for such internal controls as the Board determine is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Board is responsible for assessing the Group & the Commission ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Group and the Commission or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE SECURITIES AND EXCHANGE COMMISSION, NIGERIA-Continued

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Jamiu Olakisan, FCA
FRC/2013/ICAN/00000003918
For: Ernst & Young
Lagos, Nigeria
6 September 2021

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
3G/ICAN
1077697

Securities and Exchange Commission, Nigeria
Consolidated and separate statements of profit or loss and other comprehensive income
For the year ended 31 December 2020

		Group		Commission	
	Note	2020	2019	2020	2019
		N '000	N '000	N '000	N '000
Fee income from operations	5	4,876,946	5,905,062	4,876,946	5,905,062
Interest income calculated using effective interest method	6	953,252	2,424,147	953,252	2,424,147
Other income	7	171,638	368,709	122,514	316,458
Finance income on leases	8	3,458	4,004	3,458	4,004
Total income		6,005,294	8,701,922	5,956,170	8,649,671
Employee benefits expense	9	(8,863,932)	(15,334,309)	(8,863,932)	(15,334,309)
Depreciation and amortisation expenses	10	(167,562)	(241,591)	(157,503)	(229,903)
Other operating expenses	11	(1,269,423)	(2,581,170)	(1,239,609)	(2,399,604)
Net impairment on financial assets	12	(55,886)	47,034	(55,886)	47,034
Finance expense on leases	13	(11,121)	(10,538)	(11,121)	(10,538)
Total expenses		(10,367,924)	(18,120,574)	(10,328,051)	(17,927,320)
Loss for the year		(4,362,630)	(9,418,652)	(4,371,881)	(9,277,649)
Other comprehensive loss/(income): Items that will not be subsequently reclassified to profit or loss:					
Remeasurement (loss)/gain on defined benefit plan	26	(605,506)	424,366	(605,506)	424,366
Other comprehensive (loss)/income for the year		(605,506)	424,366	(605,506)	424,366
Total comprehensive loss for the year		(4,968,136)	(8,994,286)	(4,977,387)	(8,853,283)

The accompanying notes 12 to 48 are an integral part of these consolidated and separate financial statements.

Securities and Exchange Commission, Nigeria
Consolidated and separate statements of financial position
As at 31 December 2020

	Note	Group		Commission	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
		N '000	N '000	N '000	N '000
Assets					
Non-current assets					
Property and equipment	14	2,913,651	3,025,958	2,903,779	3,006,141
Right of use assets	15	49,067	59,130	49,067	59,130
Intangible assets	16	17,867	45,642	17,867	45,642
Investments in consolidated structured entities	17	-	-	15,000,000	15,000,000
Staff loans	18	560,576	607,991	560,576	607,991
Advances to the Consolidated Revenue Fund	18.1	738,258	-	738,258	-
Investment securities at amortised cost	19.3	4,031,899	4,012,030	4,031,899	4,012,030
Prepayments	20	-	425,360	-	425,360
Finance lease receivables	21.1	18,414	22,704	18,414	22,704
Total non-current assets		**8,329,732**	**8,198,815**	**23,319,860**	**23,178,998**
Current assets					
Other receivables	18	228,970	203,046	106,538	203,046
Investment securities at amortised cost	19.3	6,742,141	12,493,045	6,742,141	12,493,045
Prepayments	20	1,397,752	1,100,760	1,397,752	1,100,760
Finance lease receivables	21.1	5,059	4,381	5,059	4,381
Cash and bank	22	280,075	467,664	279,252	466,841
Total current assets		**8,653,997**	**14,268,896**	**8,530,742**	**14,268,073**
Total assets		**16,983,729**	**22,467,711**	**31,850,602**	**37,447,071**
Liabilities					
Non current liabilities					
Retirement benefit obligations	26	5,604,408	5,886,003	5,604,408	5,886,003
Lease liabilities	23	72,862	70,166	72,862	70,166
Total non-current liabilities		**5,677,270**	**5,956,169**	**5,677,270**	**5,956,169**
Current liabilities					
Lease liabilities	23	5,092	4,399	5,092	4,399
Accruals	24(a)	24,501	94,977	19,163	94,977
Sundry and other creditors	24(b)	816,688	874,263	694,255	867,380
Payable to related entities	24(c)	-	-	17,041,214	17,023,562
Payable to Consolidated Revenue Fund	24(d)	600,088	709,677	600,088	709,677
Provisions	25	535,739	535,739	535,739	535,739
Total current liabilities		**1,982,108**	**2,219,055**	**18,895,551**	**19,235,734**
Total liabilities		**7,659,378**	**8,175,224**	**24,572,821**	**25,191,903**
Equity					
Capital grant	27	496,858	496,858	496,858	496,858
Capital reserve fund	28	447,676	447,676	447,676	447,676
Accumulated reserve fund		8,379,817	13,347,953	6,333,247	11,310,634
Total equity		**9,324,351**	**14,292,487**	**7,277,781**	**12,255,168**
Total liabilities and equity		**16,983,729**	**22,467,711**	**31,850,602**	**37,447,071**

The accompanying notes 12 to 48 are an integral part of these consolidated and separate financial statements.

The consolidated and separate financial statements were approved and authorised for issue by the Board of the Commission on 13 July 2021 and signed on its behalf by:

Olufemi Lijadu
Chairman, Board of the Commission
FRC/2020/004/00000022312

Lamido Yuguda
Director-General
FRC/2020/004/00000022161

Additionally certified by:

Ibrahim Boyi
Executive Commissioner, Corporate Services
FRC/2013/IODN/00000004347

Group

	Note	Capital grant	Capital reserve fund	Accumulated fund	Total
		N'000	N'000	N'000	N'000
At 1 January 2020		496,858	447,676	13,347,953	14,292,487
Loss for the year		-	-	(4,362,630)	(4,362,630)
Other comprehensive income					
Remeasurement loss on defined benefit plan	26	-	-	(605,506)	(605,506)
Total comprehensive loss		-	-	(4,968,136)	(4,968,136)
At 31 December 2020		496,858	447,676	8,379,817	9,324,351
At 1 January 2019		496,858	447,676	22,377,880	23,322,414
Loss for the year				(9,418,652)	(9,418,652)
Other comprehensive income					-
Remeasurement gain on defined benefit plan	26	-	-	424,366	424,366
Total comprehensive loss		-	-	(8,994,286)	(8,994,286)
Transfer to Consolidated Revenue Fund account	24(d)			(35,641)	(35,641)
At 31 December 2019		496,858	447,676	13,347,953	14,292,487

Commission

	Note	Capital grant	Capital reserve fund	Accumulated fund	Total
		N'000	N'000	N'000	N'000
At 1 January 2020		496,858	447,676	11,310,634	12,255,168
Loss for the year		-	-	(4,371,881)	(4,371,881)
Other comprehensive income					
Remeasurement loss on defined benefit plan	26	-	-	(605,506)	(605,506)
Total comprehensive loss		-	-	(4,977,387)	(4,977,387)
At 31 December 2020		496,858	447,676	6,333,247	7,277,781
At 1 January 2019		496,858	447,676	20,199,558	21,144,092
Loss for the year				(9,277,649)	(9,277,649)
Other comprehensive income					
Remeasurement gain on defined benefit plan	26	-	-	424,366	424,366
Total comprehensive loss		-	-	(8,853,283)	(8,853,283)
Transfer to Consolidated Revenue Fund account	24(d)			(35,641)	(35,641)
At 31 December 2019		496,858	447,676	11,310,634	12,255,168

The accompanying notes 12 to 48 are an integral part of these consolidated and seperate financial statements.

		Group		Commission	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
	Note	N '000	N '000	N '000	N '000
Cash flows used in operating activities	29	(6,244,754)	(4,326,352)	(6,244,868)	(4,145,698)
Benefit Paid	26	(282,722)	-	(282,722)	-
Employer Contribution	26	(328,846)	(356,471)	(328,846)	(356,471)
Net cash flows used in operating activities		(6,856,322)	(4,682,823)	(6,856,436)	(4,502,169)
Cash flows from investing activities					
Acquisition of property and equipment	14	(17,638)	(170,836)	(17,524)	(161,884)
Proceed from Disposal of Property and Equipment		221	-	221	-
Finance lease payments received	21	7,839	6,816	7,839	6,816
Interest received from staff loan		73,917	28,044	73,917	28,044
Interest received from investment securities	19.4	425,186	1,067,000	425,186	1,067,000
Proceeds from maturity of investment securities		16,553,106	15,788,015	16,553,106	15,788,015
Acquisition of Investment securities	19.4	(10,256,577)	(12,057,050)	(10,256,577)	(12,057,050)
Net cash flows from investing activities		6,786,054	4,661,989	6,786,168	4,670,941
Cash flows used in financing activities					
Lease payments	23	(7,732)	(7,733)	(7,732)	(7,733)
Payment to Consolidated Reserve Fund	24(d)	(109,589)	(86,836)	(109,589)	(86,836)
Net cash flows used in financing activities		(117,321)	(94,569)	(117,321)	(94,569)
Net (decrease)/increase in cash and cash equivalents		(187,589)	(115,403)	(187,589)	74,203
Cash and cash equivalents at start of year	22	467,664	583,067	466,841	392,638
Cash and cash equivalents at end of year		280,075	467,664	279,252	466,841

The accompanying notes 12 to 48 are an integral part of these consolidated and separate financial statements.

1. General information

These financial statements are the consolidated and separate financial statements of the Securities and Exchange Commission, Nigeria ("the Commission" or "SEC") and its subsidiaries (hereafter referred to as 'the Group') for the year ended 31 December 2020.

The Commission was established under the Securities and Exchange Commission Act (No. 71) of 1979 as amended by the Investments and Securities Act, CAP S124, Laws of the Federation of Nigeria, 2007.

The principal activities of the Commission include 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.

2. Summary of significant accounting policies

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

2.1 Basis of preparation

The consolidated and seperate financial statements have been prepared on a historical cost basis, except for debt instruments carried at amortised cost. The consolidated financial statements are presented in Naira and all values rounded to the nearest thousand, except otherwise indicated.

Statement of Compliance

The consolidated and seperate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).
Regulatory framework includes the Investments and Securities Act, CAP S124, Laws of the Federation of Nigeria, 2007, and in compliance with the Financial Reporting Council of Nigeria Act, No. 6, 2011.

2.2 Basis of measurement

These financial statements are presented in Naira, which is the Group's presentation currency. The figures shown in the consolidated and seperate financial statements are denominated in Naira and in thousands.

The preparation of the consolidated and seperate 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.18

2.3 Going concern

The financial statements have been prepared in accordance with the going concern principle under the historical cost concept.

2.4 Changes in accounting policies and disclosures

i) New standards, amendments and interpretations adopted by the Group.

The accounting policies adopted in the preparation of the consolidated and separate financial statements are consistent with those followed in the preparation of the Group's and Commission's consolidated and separate financial statements for the year ended 31 December 2019, except for the adoption of new standards effective as of 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.
Several amendments and interpretations are applied for the first time in 2020, but do not have an impact on the consolidated and separate financial statements of the Group and the Commission.
Below is a list of interpretations and amendment that were effective for the first time in 2020 but do not have a significant impact on the Group and the Commission:

i. Amendments to IFRS 3 (Definition of Business)
ii. Amendments to IAS 1 and 8 (Definition of Material)
iii. The Conceptual Framework for Financial Reporting
iv. Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform-phase 1
v. Amendment to IFRS 16- Covid 19 Related Rent Concession

ii) Standards and interpretations issued/amended but not yet effective

Effective date	Standards that are not yet effective as at 31 December 2020
1-Jan-21	Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
1-Jan-22	Annual improvements IFRS Standards 2018-2020
	Reference to the Conceptual Framework - Amendments to IFRS 3 Business
	Property, Plant and Equipment - Proceeds before intended Use: Amendments to IAS 16 Property, Plant and Equipment
	IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
	IAS 41 Agriculture - Taxation in fair value measurement
	Onerous Contract - Cost of Fulfilling a Contract. Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets
1-Jan-23	Classification of Liabilities as Current or Non-current –Amendments to IAS 1
	Definition of Accounting Estimates – Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
	Disclosure Initiative: Accounting Policies – Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements
	IFRS 17 Insurance Contracts
To be determined	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

2.5 Consolidation

The financial statements of the consolidated subsidiaries used to prepare these financial statements were prepared as of the Commission'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 statement of profit or loss and other 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 2020. 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, Nigerian Capital Market Development Fund and Nigeria 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 entities, 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 entity is consolidated.

Specifically, the Commission controls an entity if and only if the Commission has:

- 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.

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 achieve 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 charge to profit or loss.

2.6 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.

2.7 Financial instruments

The Group's accounting policies with respect to financial instruments are in line with IFRS 9. The provisions of IFRS 9 relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting.

(a) Classification and measurement

Financial assets

The Group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
-those to be measured at amortised cost.
The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:
- Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent sole payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Financial liabilities

Financial liabilities of the Group are classified and measured at fair value on initial recognition and subsequently at amortised cost net of directly attributable transaction costs.

Fair value gains or losses for financial liabilities designated at fair value through profit or loss are accounted for in profit or loss except for the amount of change that is attributable to changes in the Group's own credit risk which is presented in other comprehensive income. The remaining amount of change in the fair value of the liability is presented in profit or loss. The Group's financial liabilities include sundry and other creditors.

b) Impairment of financial assets

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to financial assets classified at amortised cost, financial asset measured at FVTOCI and contract assets under IFRS 15: Revenue from Contracts with Customers. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The general approach is applied to cash and bank balances, loans and advances to staff, investment securities and lease receivables. The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the quantitative, backstop and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each individual exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD is determined based on management's estimate of expected cash recoveries after considering the historical pattern of the receivable, assesses the portion of the outstanding receivable that is deemed to be irrecoverable at the reporting period. The EAD is the total amount of outstanding receivable at the reporting period. These three components are multiplied together and adjusted for forward looking information, such as inflation rate in Nigeria, unemployment rates and crude oil prices, to arrive at an ECL which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in profit or loss.

c) Significant increase in credit risk and default definition

The Group assesses the credit risk of its financial assets based on the information obtained during periodic review of publicly available information, industry trends and payment records. Based on the analysis of the information provided, the Group identifies the assets that require close monitoring.

Furthermore, financial assets that have been identified to be more than 30 days past due on contractual payments are determined to have experienced significant increase in credit risk. These assets are classified as part of Stage 2 financial assets where the three-stage approach is applied.

In line with the Group's credit risk management practices, a financial asset is defined to be in default when contractual payments have not been received at least 90 days after the contractual payment period. Subsequent to default, the Group carries out active recovery strategies to recover all outstanding payments due on receivables. Where the Group determines that there are no realistic prospects of recovery, the financial asset and any related loss allowance is written off either partially or in full.

d) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognised in profit or loss.

Financial liabilities

The Group derecognises a financial liability when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of profit or loss.

e) Modification

When the contractual cash flows of a financial instrument are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial instrument, the Group recalculates the gross carrying amount of the financial instrument and recognises a modification gain or loss immediately within finance income/(cost)-net at the date of the modification. The gross carrying amount of the financial instrument is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial instrument's original effective interest rate.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of profit or loss.

f) Offsetting of financial assets and financial liabilities

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

The legally enforceable right is not contingent on future events and is enforceable in the normal course of business, and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

g) Fair value of financial instruments

The Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, the Group establishes fair value using valuation techniques. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, and discounted cash flow analysis. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments.

Inputs to valuation techniques reasonably represent market expectations and measure the risk-return factors inherent in the financial instrument. The Group calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received. However, in some cases, the fair value of a financial instrument on initial recognition may be different to its transaction price. If such fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in the income statement on initial recognition of the instrument. In other cases, the difference is not recognised in the income statement immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

h) 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 Commission. Contingent assets are not recognized but they are disclosed in the financial statement when they arise.

2.8 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

– the contract involves the use of an identified asset – this may be specified explicitly or implicitly. If the supplier has a substantive substitution right, then the asset is not identified;
– the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
– the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

The Group primarily leases land and building (used as office space). The lease terms are typically for fixed periods ranging from 2 years to 25 years but may have extension options as described below. On renewal of a lease, the terms may be renegotiated.

Contracts may contain both lease and non-lease components. The Group has elected to separate lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain different terms and conditions, including extension and termination options. The lease agreements do not impose any covenants, however, leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Leases in which the Group is a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease liabilities

At the commencement date of a lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the Group's incremental borrowing rate (IBR) as the rate implicit in the lease cannot be readily determined. The IBR represents the rate that would have to be paid to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group has considered its current cost of borrowing and has used a build-up approach to adjust the reference rate for leases of different duration.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced by the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset where applicable.

The Group presents lease liabilities separately from other liabilities in the statement of financial position.

Right of use assets

Right-of-use assets are initially measured at cost, comprising of the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably c+B151ertain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Group presents right-of-use assets (note 15) separately from Property and equipment (note 14)

2.8 Leases - Continued

Short-term leases and leases of low-value assets

Short-term leases are those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Low-value assets are assets that have values less than N1,800,000 when new, e.g., small IT equipment and small items of office furniture, and depends on the nature of the asset. Lease payments on short-term leases and leases of low-value assets would be recognised as expenses in profit or loss on a straight-line basis over the lease term.

Extension and termination options

Extension and termination options are included in the Group's lease arrangements. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Most of the extension options are subject to mutual agreement by the lessee and lessor and some of the termination options held are exercisable only by the Group.

Leases in which the Group is a Lessor

(i) Operating lease

When assets are subject to an operating lease, the assets continue to be recognised as property and equipment based on the nature of the asset. Lease income is recognised on a straight line basis over the lease term.

Lease incentives are recognised as a reduction of rental income on a straight-line basis over the lease term.

(ii) Finance lease

When assets are held subject to a finance lease, the related asset is derecognised and the present value of the lease payments (discounted at the interest rate implicit in the lease) is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

2.9 Revenue recognition

a) Fee income from operations

The Group's major revenue is refered to as fee income from operations. The Group generates revenue in their capacity as a regulator in the registration of securities and operators on the Nigerian Exchange Group Plc. (NGX Group), National Association of Securities Dealers (NASD) and Financial Market Dealers Quotation (FMDQ), supervision and approval of capital market transactions. This includes registration fees, market transaction fees, penalties and fines. The revenue of the Group is generated from non-exchange transactions that do not arise from contracts with customers. The Group recognizes revenues from market transaction fees, registration fees, penalties and fines, when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

b) 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.

2.10 Cash and cash equivalents

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 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 including treasury bills with less than three months from original maturity.

2.11 Other receivables

Other receivables relate to receivables from non-exchange transactions and comprises; market transaction fees, fines and penalties and other receivables that do not arise out of a contract. These receivables are initially assessed at nominal amount or face value; that is, the receivable reflects the amount of fees or fine charged. These receivables are subsequently adjusted for penalties as they are charged,and tested for impairment. Further information relating to this is set out in note 18.

2.12 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 (see note 14). 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 reliable 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: 4 years
- Office furniture, fittings and equipment: 4 years
- Computer hardware: 4 years

The depreciation charge is calculated on a monthly basis 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 statement of 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.

2.13 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.

2.14 Employee benefits

Post-employment benefits

Defined contribution scheme:

For defined contribution plans, the Commission pays contributions to privately administered pension 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.

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.

Remeasurement gains and losses are recognized in full in other comprehensive income when they occur.

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.

Post-employment medical benefits

The entitlement is conditional on the employee remaining in service up to retirement age and the completion of a minimum service period of 10 years. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit scheme. 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. These obligations are valued annually by independent qualified actuaries.

Gratuity scheme

The Group also operates a gratuity scheme for its qualified employees. Benefits are related to the employees' length of service and remuneration. The cost of providing gratuity benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. All actuarial gains and losses are recognised immediately through other comprehensive income. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term employee benefits if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.15 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.

2.16 Equity

Accumulated reserve fund:

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

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 capital reserve fund.

All remaining surplus after the statutory appropriations to the captial 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 and is classified as a current liability as part of sundry and other creditors.

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 represents funds received from the Federal Ministry of Finance on behalf of the Federal Government of Nigeria as owner's equity contribution and capital grant is accounted for as part of the commission equity.

2.17 Account payables

Account payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is within one year or less. Otherwise, they are classified as non-current liabilities.

2.18 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.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors, including historical lease durations and the costs and business disruption required to replace the leased asset.

Determining incremental borrowing rate for leases

The lease payments are discounted using the Group's incremental borrowing rate (IBR) as the rate implicit in the lease cannot be readily determined. The IBR represents the rate that would have to be paid to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group has considered its current cost of borrowing and has used a build-up approach to adjust the reference rate for leases of different duration.

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.

Measurement of the expected credit loss allowance

The measurement of the expected credit loss (ECL) allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Details of the inputs, assumptions and estimation methodologies used in measuring ECL are described in note 2.7 (b).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:
- Determining criteria for significant increase in credit risk;
- The probability of default, loss given default and the recovery rate;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and associated ECL; and
- Establishing groups of financial assets for the purposes of measuring ECL.

Defined benefit plans

The cost of the defined benefit pension plan, 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 26.

Depreciation and carrying value of property and equipment

The estimation of the useful lives of assets is based on Management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items. See Note 14 for further details.

Leases

The determination of whether an arrangement is a lease or it contains a lease, is based on the substance of the arrangement and 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.

2.19 Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information. Comparative figures where necessary, have been presented and no reclassification was done in the current accounting year.

2.20 Tax

The Finance Act was signed into law in January 2020. The Commission being a government entity is not liable to pay Company Income Tax (CIT) and therefore no CIT tax was computed nor recognized. All other applicable taxes such as Value Added Tax(VAT), Personal Income Tax and Stamp Duties have been calculated and recognized.

3 Financial risk management

This note presents information about the Group's exposure to financial risks and the Group's management of capital.

i) Credit risk

ii) Liquidity risk

iii) Market risk

iv) Capital risk management

The Group’s activities expose it to a variety of financial risks: market 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.

3.1 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.

Credit risk is the single largest risk for the Group's business; management therefore carefully manages its exposure to credit risk. The credit risk management and control are centralised in a credit risk management team which reports regularly to the Board of the Commission and head of each business unit.

3.1.1 Credit risk management

Credit risk poses a significant risk to the Group's business because of its asset portfolio; management therefore carefully manages its exposure to credit risk. This risk is managed by executive management through policies that ensure collectability of receivable amounts.

The credit risk on cash and bank balances is managed through the diversification of banks in which cash and bank balances are held. This risk on cash is limited because the majority of deposits are with banks that have an acceptable credit rating assigned by an international credit agency. The Group’s maximum exposure to credit risk due to default of the counterparty is equal to the carrying value of its financial assets.

The maximum exposure to credit risk as at the reporting date is detailed below :

Group	Note	31 December 2020 N'000	31 December 2019 N'000
Cash and cash equivalents			
Bank balances	22	277,349	466,813
Other financial assets			
Staff loans and other receivables	18	1,143,413	1,093,898
Advances to the Consolidated Revenue Fund	18.1	738,258	-
Investment securities at amortised cost	19	10,795,294	16,540,680
Finance lease receivables	21	25,354	29,735
Gross amount		12,979,668	18,131,126
Allowance for Impairment of financial assets		(28,349)	(165,111)
Net amount		12,951,319	17,966,015

Cash and bank balances, other financial assets (excluding prepayments) are financial instruments whose carrying amounts as per the financial statements approximate their fair values.

The gross carrying amount of the Group’s financial assets have been disclosed using the days past due criteria and other borrower specific information.

Commission	Note	31 December 2020 N'000	31 December 2019 N'000
Cash and cash equivalents			
Bank balances	22	277,329	466,792
Other financial assets			
Staff loans and other receivables	18	1,018,294	1,091,211
Investment securities at amortised cost	19	10,795,294	16,540,680
Finance lease receivables	21	25,354	29,735
Gross amount		12,116,271	18,128,418
Allowance for Impairment of financial assets		(28,349)	(165,111)
Net amount		12,087,922	17,963,307

3.1.1 Credit risk management - continued

b) Estimation uncertainty in measuring impairment loss

The table below shows information on the sensitivity of the carrying amounts of the Group's financial assets to the methods, assumptions and estimates used in calculating impairment losses on those financial assets at the end of the reporting period. These methods, assumptions and estimates have a significant risk of causing material adjustments to the carrying amounts of the Group's financial assets.

Staff loans

i) Expected cash flow recoverable

The table below demonstrates the sensitivity of ECL to a 10% change in the expected cash flows from financial assets, with all other variables held constant:

	Effect on surplus	Effect on surplus
	31 December 2020	31 December 2019
	N'000	N'000
Increase/decrease in estimated cash flows		
+10%	8,234	12,220
-10%	(8,234)	(12,220)

ii) Significant input of ECL

The table below demonstrates the sensitivity to movements in the loss given default (LGD) for financial assets with all other variables held constant:

	Effect on surplus	Effect on surplus
	31 December 2020	31 December 2019
	N'000	N'000
Increase/decrease in Loss Given Default		
+10%	1,393	3,810
-10%	(1,393)	(3,810)

	Effect on surplus	Effect on surplus
	31 December 2020	31 December 2019
	N'000	N'000
Increase/decrease in Probability of Default		
+10%	6,866	12,645
-10%	(7,092)	(12,645)

iii) Sensitivity to macroeconomic variables

Inflation

	Effect on surplus	Effect on surplus
	31 December 2020	31 December 2019
	N'000	N'000
Increase/decrease in Inflation		
+10%	3,178	4,230
-10%	(3,178)	(4,230)

Crude Oil Price

	Effect on surplus	Effect on surplus
	31 December 2020	31 December 2019
	N'000	N'000
Increase/decrease in Crude Oil		
+10%	1,936	1,843
-10%	(1,919)	(1,843)

3.1.1 Credit risk management - continued

Investment Securities

i) Expected cash flow recoverable

The table below demonstrates the sensitivity of ECL to a 10% change in the expected cash flows from financial assets, with all other variables held constant:

	Effect on surplus	Effect on surplus
	31 December 2020	31 December 2020
	N'000	N'000
Increase/decrease in estimated cash flows		
+10%	2,686	3,710
-10%	(2,686)	(3,710)

ii) Significant input of ECL

The table below demonstrates the sensitivity to movements in the loss given default (LGD) for financial assets, other than trade receivables, with all other variables held constant:

	Effect on surplus	Effect on surplus
	31 December 2020	31 December 2019
	N'000	N'000
Increase/decrease in Loss Given Default		
+10%	458	1,100
-10%	(458)	(1,100)

The table below demonstrates the sensitivity of ECL to movements in the probability of default (PD) for financial assets, other than trade receivables, classified as stage 1 and stage 2 financial assets, with all other variables held constant:

	Effect on surplus	Effect on surplus
	31 December 2020	31 December 2019
	N'000	N'000
Increase/decrease in Probability of Default		
+10%	2,548	3,531
-10%	(2,548)	(3,531)

iii) Sensitivity to macroeconomic variables

Inflation

	Effect on surplus	Effect on surplus
	31 December 2020	31 December 2019
	N'000	N'000
Increase/decrease in Inflation		
+10%	1,340	1,436
-10%	(1,342)	(1,436)

GDP Growth rate

	Effect on surplus	Effect on surplus
	31 December 2020	31 December 2019
	N'000	N'000
Increase/decrease in GDP Growth rate		
+10%	(325)	(382)
-10%	325	382

3.1.1 Credit risk management - continued

Finance lease receivables

i) Expected cash flow recoverable

The table below demonstrates the sensitivity of ECL to a 10% change in the expected cash flows from financial assets, with all other variables held constant:

	Effect on surplus 31 December 2020 N'000	Effect on surplus 31 December 2019 N'000
Increase/decrease in estimated cash flows		
+10%	188	265
-10%	(188)	(265)

c) Credit risk exposure

The table below contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised using the general model. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

Staff Loans

	2020			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	N'000	N'000	N'000	N'000
Gross EAD	563,343	-	2,447	565,790
Loss allowance	(3,739)	-	(1,475)	(5,214)
Carrying amount	559,604	-	972	560,576

	2019			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	N'000	N'000	N'000	N'000
Gross EAD	727,172	-	7,675	734,847
Loss allowance	(122,196)	-	(4,660)	(126,856)
Carrying amount	604,976	-	3,015	607,991

Investment securities

	2020			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	N'000	N'000	N'000	N'000
Gross EAD	10,795,294	-	-	10,795,294
Loss allowance	(21,254)	-	-	(21,254)
Carrying amount	10,774,040	-	-	10,774,040

	2019			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	N'000	N'000	N'000	N'000
Gross EAD	16,540,680	-	-	16,540,680
Loss allowance	(35,605)	-	-	(35,605)
Carrying amount	16,505,075	-	-	16,505,075

Finance lease receivables

	2020 N'000	2019 N'000
Gross EAD	25,354	29,735
Loss allowance	(1,881)	(2,650)
Carrying amount	23,473	27,085

3.1.2 Concentration of risks of financial assets with credit risk exposure

Industry sectors

Group

At 31 December 2020 (N'000)	Other financial assets	Bank balances	Investment securities	Total
Government	-	-	10,774,040	10,774,040
Financial services	-	277,349	-	277,349
Others	584,049	-	-	584,049
	584,049	277,349	10,774,040	11,635,438

Commission

At 31 December 2020 (N'000)	Other financial assets	Bank balances	Investment securities	Total
Government	-	-	10,774,040	10,774,040
Financial services	-	277,329	-	277,329
Others	584,049	-	-	584,049
	584,049	277,329	10,774,040	11,635,418

Group

At 31 December 2019 (N'000)	Other financial assets	Bank balances	Investment securities	Total
Government	-	-	16,505,075	16,505,075
Financial services	-	466,813	-	466,813
Others	635,076	-	-	635,076
	635,076	466,813	16,505,075	17,606,964

Commission

At 31 December 2019 (N'000)	Other financial assets	Bank balances	Investment securities	Total
Government	-	-	16,505,075	16,505,075
Financial services	-	466,792	-	466,792
Others	635,075	-	-	635,075
	635,075	466,792	16,505,075	17,606,942

3.1.3 Credit quality of financial assets

The credit quality of our financial assets can be assessed by reference to external credit rating (S&P). The risk of default is considered as low.

	Group		Commission	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
(i) Investment securities	N'000	N'000	N'000	N'000
B	10,774,040	16,505,075	10,774,040	16,505,075
	10,774,040	16,505,075	10,774,040	16,505,075

	Group		Commission	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
(ii) Bank balances	N'000	N'000	N'000	N'000
B	277,349	466,813	277,329	466,792
	277,349	466,814	277,329	466,792

The interpretation of the credit quality is as shown in the table below:

B	An obligation rated 'B' is more vulnerable to non-payment than obligations rated 'BB', but the obligor currently has the capacity to meet its financial commitments on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments on the obligation.
NR	This indicates that no rating has been requested, or that there is insufficient information on which to base a rating, or that S&P Global Ratings does not rate a particular obligation as a matter of policy.

3.2 Liquidity risk

Liquidity risk is the risk that the Group does not have adequate assets to match its liabilities at all times. The liquidity risk exposure is related to our credit and investment risk profile. At 31 December 2020, 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.

3.2.1 The Group's approach to managing liquidity is to have sufficient funds to meet its liabilities, as and when due, without incurring undue losses or risking damage to the Group's reputation. The Group manages its liquidity risk by maintaining cash levels to fund short term operating expenses.

Maturity analysis for financial liabilities

At 31 December 2020 Group	Less than 3 months N'000	3 -12 months N'000	1 - 2 years N'000	Over 2 years N'000	Total N'000
Accruals	24,501	-	-	-	24,501
Sundry and other creditors	794,452	-	-	-	794,452
Lease liabilities	5,091	1,464	59,567	34,194	100,316
Total financial liabilities	824,044	1,464	59,567	34,194	919,269
Assets used to manage liquidity					
Cash and cash equivalents	280,077	-	-	-	280,077
Investment securities at amortised cost	-	6,742,141	3,860,511	-	10,602,652
Staff loan and other receivables	-	228,970	955,791	-	1,184,761
Finance lease receivables	-	7,839	7,839	16,870	32,548
Total financial assets	280,077	6,978,950	4,824,141	16,870	12,100,038
Gap	(543,967)	6,977,486	4,764,574	(17,324)	11,180,769

At 31 December 2019 Group	Less than 3 months N'000	3 -12 months N'000	1 - 2 years N'000	Over 2 years N'000	Total N'000
Accruals	94,977	-	-	-	94,977
Sundry and other creditors	858,376	-	-	-	858,376
Lease liabilities	3,392	1,276	53,491	42,157	100,316
Total financial liabilities	956,745	1,276	53,491	42,157	1,053,669
Assets used to manage liquidity					
Cash and cash equivalents	467,664	-	-	-	467,664
Investment securities at amortised cost	-	12,493,045	3,850,000	-	16,343,045
Staff loan and other receivables	-	203,046	1,209,927	-	1,412,973
Finance lease receivables	-	7,839	7,839	16,906	32,584
Total financial assets	467,664	12,703,930	5,067,766	16,906	18,256,266
Gap	(489,081)	12,702,654	5,014,275	(25,251)	17,202,597

At 31 December 2020 Commission	Less than 3 months N'000	3 -12 months N'000	1 - 2 years N'000	Over 2 years N'000	Total N'000
Accruals	19,163	-	-	-	19,163
Sundry and other creditors	17,713,233	-	-	-	17,713,233
Lease liabilities	5,091	1,464	59,567	34,194	100,316
Total financial liabilities	17,737,487	1,464	59,567	34,194	17,832,712
Assets used to manage liquidity					
Cash and cash equivalents	279,252			-	279,252
Investment securities at amortised cost	-	6,742,141	3,860,511	-	10,602,652
Staff loan and other receivables	-	106,538	955,791	-	1,062,329
Finance lease receivables	-	7,839	7,839	16,870	32,548
Total financial assets	279,252	6,856,518	4,824,141	16,870	11,976,781
Gap	(17,458,235)	6,855,054	4,764,574	(17,324)	(5,855,931)

3.2 Liquidity risk - continued

At 31 December 2019 Commission	Less than 3 months N'000	3 -12 months N'000	1 - 2 years N'000	Over 2 years N'000	Total N'000
Accruals	94,977	-	-	-	94,977
Sundry and other creditors	17,875,055	-	-	-	17,875,055
Lease liabilities	3,392	1,276	53,491	42,157	100,316
Total financial liabilities	17,973,424	1,276	53,491	42,157	18,070,348
Assets used to manage liquidity					
Cash and cash equivalents	466,841	-	-	-	466,841
Investment securities at amortised cost	-	12,493,045	3,850,000	-	16,343,045
Staff loan and other receivables	-	203,046	1,209,927	-	1,412,973
Finance lease receivables	-	7,839	7,839	16,906	32,584
Total financial assets	466,841	12,703,930	5,067,766	16,906	18,255,443
Gap	(17,506,583)	12,702,654	5,014,275	(25,251)	185,096

The commission has a negative liquidity gap of N5.8billion (Dec 2019: N185million) as at year end 2020. Liquidity risk arises because of the possibility that the Commission might be unable to meet its payment obligations when they fall due under both normal and stress circumstances. To limit the risk, management is arranging for alternative ways to generate revenue and has adopted a policy of managing assets with liquidity in mind including seeking other strategies of cutting down cost for employee expense and other operating expense.

3.3 *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.

3.3.1 Foreign exchange risk

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

The Group does not have investment in foreign currency hence is not exposed to foreign exchange risk.

3.3.2 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 statement of financial position as at 31 December 2020. Also, the Group is not exposed to commodity price risk.

3.3.3 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.

3.4 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.

3.5 Fair value of financial assets and liabilities

The financial instruments disclosed below are for financial assets not designated at fair value.

Group	At 31 December 2020		At 31 December 2019	
	Carrying value 2020 N'000	Fair value 2020 N'000	Carrying value 2019 N'000	Fair value 2019 N'000
Financial assets				
Cash and bank balances	280,075	280,075	467,664	467,664
Debt securities at amortised cost				
- Federal Government of Nigeria bonds and treasury bills	10,774,040	11,020,841	16,505,075	16,239,900
Staff loans	560,576	565,790	607,991	740,388
Other receivables	228,970	228,970	203,046	203,046
	11,843,661	12,095,676	17,783,776	17,650,998
Financial liabilities				
Sundry and other creditors	794,452	794,452	858,376	858,376
Accruals	24,501	24,501	94,977	94,977
	818,953	818,953	953,353	953,353

3.5 Fair value of financial assets and liabilities - continued

Commission	At 31 December 2020 Carrying value N'000	At 31 December 2020 Fair value N'000	At 31 December 2019 Carrying value N'000	At 31 December 2019 Fair value N'000
Financial assets				
Cash and bank balances	279,252	279,252	466,841	466,841
Debt securities (amortised cost)				
- Federal Government of Nigeria bonds and treasury bills	10,774,040	11,020,841	16,505,075	17,942,818
Staff loans	560,576	565,790	607,991	740,388
Other receivables	106,538	106,538	203,046	203,046
	11,720,406	11,972,421	17,782,953	19,353,093
Financial liabilities				
Sundry and other creditors	17,713,233	17,713,233	17,875,055	17,875,055
Accruals	19,163	19,163	94,977	94,977
	17,732,396	17,732,396	17,970,032	17,970,032

4.1 Classification and measurement of financial instrument

The classification of financial assets is shown below:

a) Financial assets

Group	Measurement category	Carrying amount 31 December 2020 N'000	Carrying amount 31 December 2019 N'000
Assets			
Cash and bank balances	Amortised cost	280,075	467,664
Staff loans and other receivables	Amortised cost	789,546	811,037
Investment securities	Amortised cost	10,774,040	16,505,075

Commission	Measurement category	Carrying amount 31 December 2020 N'000	Carrying amount 31 December 2019 N'000
Assets			
Cash and bank balances	Amortised cost	279,252	466,841
Staff loans and other receivables	Amortised cost	667,114	811,037
Investment securities	Amortised cost	10,774,040	16,505,075

b) Financial liabilities

All financial liabilities are classified at amortised cost (See note 23).

4.2 Significant Increase in Credit Risk

The Group has established a framework that consider qualitative, quantitative, and 'backstop' (30 days past due presumption) indicators to determine whether the credit risk on a particular financial instrument has increased significantly since initial recognition. The framework aligns with the Group's internal credit risk management process.

The criteria for determining whether credit risk has increased significantly will vary by portfolio and will include backstop based on delinquency.

In determining whether the credit risk (i.e. risk of default) on a financial instrument has increased significantly since initial recognition, the Group will consider reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information and analysis based on the Group's historical experience, expert credit assessment and forward-looking information.

The Group will primarily assess whether a significant increase in credit risk has occurred for an exposure in line with its staging criteria by comparing:
- the risk of default on the exposure as at the reporting date; with
- the risk of default on the exposure as at the date of initial recognition

Assessing whether credit risk has increased significantly since initial recognition of a financial instrument requires identifying the date of initial recognition of the instrument. Modifying the contractual terms of a financial instrument may also affect this assessment.

Details of the qualitative, quantitative and backstop factors used to determine the significant increase in credit risk are highlighted below:

4.2 Significant Increase in Credit Risk - continued

i) Quantitative Criteria

The use of quantitative criteria requires the Group to refresh its quantitative metrics at least annually. The Group adopted the following quantitative criteria for the purpose of assessing Significant Increase in Credit Risk (SICR), vis-à-vis stage allocation.

The Group monitors changes in external ratings of obligors to assess significant increase/decrease in credit risk. Evidence of Significant Increase in Credit Risk (SICR) depends on rating at initial recognition and the extent of movement (number of notches downgrade/upgrade) as at reporting date. The Group applies different notches movement across each rating grade as evidence of SICR. Generally, obligors with higher credit rating would require more notches downgrade to evidence SICR, when compared with obligors with lower credit rating. The logic is that PD exponentially increases with movement down the rating grades. For instance, while a one-notch movement is deemed significant for a financial instrument rated CCC at origination, a three-notch movement is deemed significant for an AAA rated financial instrument.

Below is a table of the quantitative criteria used in allocating stages to the financial instruments of the Group:

Stage 1	Stage 2	Stage 3
• Less than two (2) notches downgrade in the external rating of the obligor for financial instruments in investment grade for sovereign facilities and four (4) for others.	• Less than two (1) notches downgrade in the external rating of the obligor for financial instruments in non-investment grade for sovereign facilities and two (2) for others.	• All facilities with a rating of D are grouped in stage 3

ii) Qualitative Indicators:

The Group uses a wide range of qualitative criteria for staging purposes, leveraging on IFRS 9 recommendations and a range of other factors. The Group shall override the stage allocation using quantitative assessment if the financial instrument meets the qualitative criteria for a different impairment stage as detailed below.

Below is a table of the qualitative criteria used in allocating stages to the financial instruments of the Group:

Stage 1	Stage 2	Stage 3
• The financial instrument meets CBN low risk exception criteria i.e. “risk free and gilt edged” • All financial instruments at inception will be in stage 1 except if purchased originated as credit impaired. • The financial instrument has not had a significant increase in credit risk since origination as evidenced by (but not limited to) the following factors: - An actual or expected change in the regulatory, macroeconomic, or technological environment of the borrower at the reporting date does not result in a significant change in the borrower’s ability to meet its obligations relative to the origination date. - No expectation of forbearance or restructuring due to financial difficulties. - No evidence that full repayment of interest and principal will require the realization of collaterals or other form of support. - Other factors other than those listed above that suggest that the ability of the obligor to meet contractual obligations at the reporting date has not change materially from the origination date.	• The financial instrument has had a significant increase in credit risk since origination as evidenced by (but not limited to) the following factors: - Expectation of forbearance or restructuring due to financial difficulties. - Evidence that full repayment of interest and principal will require the realization of collaterals or other form of support. - Other factors other than those listed above that suggest that the ability of the obligor to meet contractual obligations at the reporting date has not change materially from the origination date.	• Financial instruments that are purchased or originated as credit impaired. • The financial instrument has objective evidence of impairment at the reporting date as evidenced by but not limited the following: - Disappearance of an active market the financial instrument because of financial difficulties. - The purchase or origination of a financial instrument at a deep discount that reflects the incurred credit losses - Breach of covenants that are deemed default events. - Other qualitative factors representing default such as in the CBN’s prudential guideline definition of default.

iii) Backstop:

The Group uses the backstop indicator otherwise known as “30 days past due presumption” to assess significant decrease/increase in credit risk. Evidence of SICR depends on the financial instrument’s performance status and the number of days for which contractual payments are past due.

The thresholds for these quantitative criteria will be reviewed by the Group on an annual basis.

Stage 1	Stage 2	Stage 3
• The financial instrument is performing with less than 30 days past due on any contractual payment.	• The financial instrument is performing with 30 or more days but less than 90 days past due on any contractual payment; except if the Group can rebut that the “30 days past due” presumption does not represent significant increase in credit risk for that particular financial instrument.	• The financial instrument is 90 or more days past due on contractual payments; except if the Group can rebut that the “90 days past due” presumption does not represent a default event for that particular financial instrument.

4.3 Expected Credit Loss Impairment Parameters

The parameters used to determine impairment for staff loans, investment securities and finance lease receivables are shown below.

	Staff loans	Investment securities
Probability of Default (PD)	The credit rating of staff was used to reflect probability of default on staff loans. This was supplemented with external data from Fitch Global Corporate Default rates to arrive at a 12 month PD and lifetime PD for stage 1, stage 2 and stage 3 receivables. The PD for stage 3 is 100%.	The rating of the Federal Government of Nigeria was used to reflect probability of default on debt securities. This was supplemented with external data from S&P sovereign term structure to arrive at a 12 month PD and lifetime PD for stage 1, stage 2 and stage 3 investment securities. The PD for stage 3 is 100%.
Loss Given Default (LGD)	The LGD was determined using the average recovery rate for Moody's subordinated bonds. This was adjusted with the federal reserve formulae to reflect downturn LGD.	The LGD was determined using the weighted recovery rates on defaulted sovereign bonds from 1998 to 2016. This was adjusted with the federal reserve formulae to reflect downturn LGD.
Exposure at Default (EAD	The EAD is the maximum exposure of the receivable to credit risk.	The EAD is the maximum exposure of the receivable to credit risk.
Macroeconomic indicators	The Nigerian inflation rate and crude oil price were identified as economic variables affecting the credit risk.	The Nigerian inflation rate and Gross Domestic Product (GDP) were identified as economic variables affecting the credit risk.
Probability weightings	Historical data on GDP for the last 44 quarters was used to determine base, optimistic and downturn scenarios with a 80% confidence interval. 82%, 2% and 16% of historical inflation and interest growth rates observation fall within acceptable bounds, periods of boom and periods of downturn respectively.	Historical data on GDP for the last 44 quarters was used to determine base, optimistic and downturn scenarios with a 80% confidence interval. 82%, 2% and 16% of historical inflation and interest growth rates observation fall within acceptable bounds, periods of boom and periods of downturn respectively.

Loss Allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

a) Staff loans

Staff loans represents outstanding receivables from staff. The Group applies the IFRS 9 general model for measuring expected credit losses (ECL). This requires a three-stage approach in recognising the expected loss allowance for staff loans.

The ECL recognised for the period is a probability-weighted estimate of credit losses discounted at the effective interest rate of the financial asset. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The following analysis provides further detail about the calculation of ECLs related to these assets. The Group considers the model and the assumptions used in calculating these ECLs as key sources of estimation uncertainty.

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

4.3 Expected Credit Loss Impairment Parameters - continued

Staff Loans	Stage 1 12-Month ECL N'000	Stage 2 Lifetime ECL N'000	Stage 3 Lifetime ECL N'000	Purchased Credit Impaired N'000	Total N'000
Loss allowance as at 1 January 2020	122,196	-	4,660	-	126,856
Movements with P or L impact					
Total net P or L charge during the period	(119,021)	-	(2,621)	-	(121,642)
Loss allowance as at 31 December 2020	3,175	-	2,039	-	5,214

The following table further explains changes in the gross carrying amount of the portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above:

Staff Loans	Stage 1 12-Month ECL N'000	Stage 2 Lifetime ECL N'000	Stage 3 Lifetime ECL N'000	Purchased Credit Impaired N'000	Total N'000
Gross carrying amount as at 1 January 2020	727,172	-	7,675	-	734,847
Financial assets derecognised during the period other than write-offs	(163,829)	-	(5,228)	-	(169,057)
Gross carrying amount as at 31 December 2020	563,343	-	2,447	-	565,790

Staff Loans	Stage 1 12-Month ECL N'000	Stage 2 Lifetime ECL N'000	Stage 3 Lifetime ECL N'000	Purchased Credit Impaired N'000	Total N'000
Loss allowance as at 1 January 2019	151,709	-	15,874	-	167,583
Movements with P or L impact					
Total net P or L charge during the period	(29,513)	-	(11,214)	-	(40,727)
Loss allowance as at 31 December 2019	122,196	-	4,660	-	126,856

The following table further explains changes in the gross carrying amount of the portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above:

Staff Loans	Stage 1 12-Month ECL N'000	Stage 2 Lifetime ECL N'000	Stage 3 Lifetime ECL N'000	Purchased Credit Impaired N'000	Total N'000
Gross carrying amount as at 1 January 2019	821,470	-	264	-	821,733
Financial assets derecognised during the period other than write-offs	(94,298)	-	7,412	-	(86,886)
Gross carrying amount as at 31 December 2019	727,172	-	7,675	-	734,847

4.3 Expected Credit Loss Impairment Parameters - continued

b) Investment securities

Investment securities represents the Group's investment in federal government bonds and treasury bills. The Group applies the IFRS 9 general model for measuring expected credit losses (ECL). This requires a three-stage approach in recognising the expected loss allowance for investment securities.

The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The following analysis provides further detail about the calculation of ECLs related to these assets. The Group considers the model and the assumptions used in calculating these ECLs as key sources of estimation uncertainty.

Investment securities	Stage 1 12-Month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased Credit Impaired	Total
	N'000	N'000	N'000	N'000	N'000
Loss allowance as at 1 January 2020	35,605	-	-	-	35,605
Movements with P or L impact					
Total net P or L charge during the year	(14,351)	-	-	-	(14,351)
Loss allowance as at 31 December 2020	21,254	-	-	-	21,254

The following table further explains changes in the gross carrying amount of the portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above:

Investment securities	Stage 1 12-Month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased Credit Impaired	Total
	N'000	N'000	N'000	N'000	N'000
Gross carrying amount as at 1 January 2020	16,540,680	-	-	-	16,540,680
Financial assets derecognised during the period other than write-offs	(5,745,386)				(5,745,386)
Gross carrying amount as at 31 December 2020	10,795,294	-	-	-	10,795,294

Investment securities	Stage 1 12-Month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased Credit Impaired	Total
	N'000	N'000	N'000	N'000	N'000
Loss allowance as at 1 January 2019	35,052	-	-	-	35,052
Movements with P or L impact					
Total net P or L charge during the period	553	-	-	-	553
Loss allowance as at 31 December 2019	35,605	-	-	-	35,605

4.3 Expected Credit Loss Impairment Parameters - continued

The following table further explains changes in the gross carrying amount of the portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above:

Investment securities	Stage 1	Stage 2	Stage 3	Purchased Credit Impaired	Total
	12-Month ECL	Lifetime ECL	Lifetime ECL		
	N'000	N'000	N'000	N'000	N'000
Gross carrying amount as at 1 January 2019	18,942,541	-	-	-	18,942,541
Financial assets derecognised during the period other than write-offs	(2,401,861)	-	-	-	(2,401,861)
New financial assets originated or purchased	-	-	-	-	-
Gross carrying amount as at 31 December 2019	16,540,680	-	-	-	16,540,680

c) Finance lease receivables

When assets are held subject to a finance lease, the related asset is derecognised and the present value of the lease payments (discounted at the interest rate implicit in the lease) is recognised as a receivable. The Group applies the IFRS 9 general model for measuring expected credit losses (ECL). This requires a three-stage approach in recognising the expected loss allowance for finance lease receivable.

The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The following analysis provides further detail about the calculation of ECLs related to these assets. The Group considers the model and the assumptions used in calculating these ECLs as key sources of estimation uncertainty.

Finance lease receivables	Stage 1	Stage 2	Stage 3	Purchased Credit Impaired	Total
	12-Month ECL N'000	Lifetime ECL N'000	Lifetime ECL N'000	N'000	N'000
Loss allowance as at 1 January 2020	2,650	-	-	-	2,650
Movements with P or L impact					
Total net P or L charge during the period	(769)	-	-	-	(769)
Loss allowance as at 31 December 2020	1,881	-	-	-	1,881

The following table further explains changes in the gross carrying amount of the portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above:

Finance lease receivables	Stage 1	Stage 2	Stage 3	Purchased Credit Impaired	Total
	12-Month ECL	Lifetime ECL	Lifetime ECL		
	N'000	N'000	N'000	N'000	N'000
Gross carrying amount as at 1 January 2020	29,735	-	-	-	29,735
Financial assets derecognised during the period other than write-offs	(4,381)	-	-	-	(4,381)
Gross carrying amount as at 31 December 2020	25,354	-	-	-	25,354

4.3 Expected Credit Loss Impairment Parameters - continued

Finance lease receivables	Stage 1	Stage 2	Stage 3	Purchased Credit Impaired	Total
	12-Month ECL	Lifetime ECL	Lifetime ECL		
	N'000	N'000	N'000	N'000	N'000
Loss allowance as at 1 January 2019		-	-	-	-
Movements with P or L impact					
Total net P or L charge during the period	2,650	-	-	-	2,650
Loss allowance as at 31 December 2019	2,650	-	-	-	2,650

The following table further explains changes in the gross carrying amount of the portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above:

Finance lease receivables	Stage 1	Stage 2	Stage 3	Purchased Credit Impaired	Total
	12-Month ECL	Lifetime ECL	Lifetime ECL		
	N'000	N'000	N'000	N'000	N'000
Gross carrying amount as at 1 January 2019	32,547	-	-	-	32,547
Financial assets derecognised during the period other than write-offs	(2,812)	-	-	-	(2,812)
Gross carrying amount as at 31 December 2019	29,735	-	-	-	29,735

5 Fee income from operations

	Group 2020 N '000	Group 2019 N '000	Commission 2020 N '000	Commission 2019 N '000
Market transaction fees	3,167,969	2,841,950	3,167,969	2,841,950
Registration of securities				
- Bonds	798,325	297,984	798,325	297,984
- Equities	178,647	459,470	178,647	459,470
- Right issues	17,410	301,490	17,410	301,490
- Bonus shares	65,000	4,025	65,000	4,025
Registration of operators	328,311	229,913	328,311	229,913
Penalties and other transaction fees	321,284	1,770,230	321,284	1,770,230
	4,876,946	5,905,062	4,876,946	5,905,062

All fee income are from providing financial service at a point in time.

6 Interest income calculated using effective interest method

Investment securities - Treasury bills	461,344	1,947,697	461,344	1,947,697
Investment securities - Bonds	417,991	448,406	417,991	448,406
Staff loans	73,917	28,044	73,917	28,044
	953,252	2,424,147	953,252	2,424,147

7 Other income

Gain on disposal of TB/Bond before maturity	96,994	-	96,994	-
Other receipts from capital market operators	28,104	15,676	25,520	15,676
Workshop/training fees	46,540	52,251	-	-
Bad debts recovered	-	9,510	-	9,510
Other liabilities no longer required	-	291,272	-	291,272
	171,638	368,709	122,514	316,458

*Gain on disposal of Treasury bill relates to the terminated bill before maturity whose carrying amount was N3.918billion as at date of disposal and proceeds received was N4.014billion giving rise to the gain of N96million.

8 Finance income on leases

Finance lease

Finance income on net investment in lease	3,458	4,004	3,458	4,004
	3,458	4,004	3,458	4,004

This note provides information for leases where the Group is a lessor.
The Group has sub-let its car park which is a leased car park. They are classified as a finance lease because it is for a substantial period of the remaining term of the head lease.

9 Employee benefit expense

Wages and salaries	7,953,870	7,771,076	7,953,870	7,771,076
Other staff allowances **	368,257	132,170	368,257	132,170
Pension costs:				
- Defined contribution plan	817,338	774,539	817,338	774,539
- Defined benefit plan (Note 26)	(275,533)	6,656,524	(275,533)	6,656,524
	8,863,932	15,334,309	8,863,932	15,334,309

** Other staff allowances relates to children education, generator grant and recreation allowances paid to qualified staff

10 Depreciation and amortisation expenses

Depreciation of property and equipment (note 14)	129,724	200,707	119,665	189,019
Depreciation of right of use assets (note 15)	10,063	10,063	10,063	10,063
Amortisation of intangible assets (note 16)	27,775	30,821	27,775	30,821
	167,562	241,591	157,503	229,903

11 Other operating expenses

Information technology expenses	188,998	282,925	188,902	275,434
Travelling expense	181,542	687,627	181,185	687,113
Maintenance costs	182,428	310,298	177,236	263,020
Insurance	132,326	47,516	132,326	45,817
Administrative expenses (see (a) below)	101,384	133,024	101,254	132,824
Rental	87,221	89,031	86,282	81,657
Printing, stationery and subscriptions	74,774	122,926	74,774	120,038
Fuel	55,559	113,363	55,559	96,286
Training and capacity building	68,462	371,027	53,110	366,147
Capital market development expenses	37,023	109,319	34,613	25,119
Donations	30,301	12,242	30,301	12,242
Board members' compensation, allowances and expenses	28,303	18,382	28,303	16,607
Other expenses (see (b) below)	27,898	95,535	27,398	93,650
Audit fees	21,501	34,500	16,663	31,500
Meeting expenses	19,121	48,578	19,121	47,648
Professional fees (see (c) below)	17,863	29,253	17,863	28,878
Legal fees	14,719	75,624	14,719	75,624
	1,269,423	2,581,170	1,239,609	2,399,604

a) This represents expenses for advertisement and publicity, publication expenses and media consultancy.

b) This represents expenses for beverages, toiletries, bank charges and commission and N3million for audit expenses (N3million for group and N2.5million for commission).

c) This represents fees paid for consulating related services. There were no non-audit services provided by EY, the external auditors to SEC, Nigeria.

12 Net impairment charges/(write-back)

Impairment charges/(write-back) on staff loans and other receivable (note 18.5)	71,006	(50,237)	71,006	(50,237)
Impairment (write-back)/charges on investment securities measured at amortised cost (note 19.2)	(14,351)	553	(14,351)	553
Impairment (write-back)/charges on finance lease receivables (note 21.1)	(769)	2,650	(769)	2,650
	55,886	(47,034)	55,886	(47,034)

13 Finance expense on leases

Interest expense (included in finance expenses on lease)	11,121	10,538	11,121	10,538
	11,121	10,538	11,121	10,538

Group

14 Property and equipment

	Land	Buildings	Office furniture, fittings and equipment	IT hardware	Motor vehicles	Capital work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost							
At 1 January 2019	801,846	3,070,652	1,501,152	826,155	578,567	5,805	6,784,177
Additions	-	15,194	73,016	81,743	883	-	170,836
At 31 December 2019	801,846	3,085,846	1,574,168	907,898	579,450	5,805	6,955,013
At 1 January 2020	801,846	3,085,846	1,574,168	907,898	579,450	5,805	6,955,013
Additions	-	-	12,477	5,161	-	-	17,638
Disposal	-	-	-	(321)	-	-	(321)
At 31 December 2020	801,846	3,085,846	1,586,645	912,738	579,450	5,805	6,972,330
Accumulated depreciation							
At 1 January 2019	-	1,036,217	1,404,040	718,305	569,786	-	3,728,348
Charge for the year	-	76,927	58,052	59,357	6,371	-	200,707
At 31 December 2019	-	1,113,144	1,462,092	777,662	576,157	-	3,929,055
At 1 January 2020	-	1,113,144	1,462,092	777,662	576,157	-	3,929,055
Charge for the year	-	18,042	51,206	57,599	2,877	-	129,724
Disposal	-	-	-	(100)	-	-	(100)
At 31 December 2020	-	1,131,186	1,513,298	835,161	579,034	-	4,058,679
Carrying amount at 31 December 2019	801,846	1,972,702	112,076	130,236	3,293	5,805	3,025,958
Carrying amount at 31 December 2020	801,846	1,954,660	73,347	77,577	416	5,805	2,913,651

Commission

14 Property and equipment

	Land	Buildings	Office furniture, fittings and equipment	IT hardware	Motor vehicles	Capital work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost							
At 1 January 2019	801,846	3,070,652	1,482,985	823,854	559,969	5,805	6,745,111
Additions	-	15,194	64,064	81,743	883	-	161,884
At 31 December 2019	801,846	3,085,846	1,547,049	905,597	560,852	5,805	6,906,995
At 1 January 2020	801,846	3,085,846	1,547,049	905,597	560,852	5,805	6,906,995
Additions	-	-	12,363	5,161	-	-	17,524
Disposal	-	-	-	(321)	-	-	(321)
At 31 December 2020	801,846	3,085,846	1,559,412	910,437	560,852	5,805	6,924,198
Accumulated depreciation							
At 1 January 2019	-	1,036,217	1,398,111	717,538	559,969	-	3,711,835
Charge for the year	-	76,927	53,138	58,782	172	-	189,019
At 31 December 2019	-	1,113,144	1,451,249	776,320	560,141	-	3,900,854
At 1 January 2020	-	1,113,144	1,451,249	776,320	560,141	-	3,900,854
Charge for the year	-	18,042	44,313	57,016	294	-	119,665
Disposal	-	-	-	(100)	-	-	(100)
At 31 December 2020	-	1,131,186	1,495,562	833,236	560,435	-	4,020,419
Carrying amount at 31 December 2019	801,846	1,972,702	95,800	129,277	711	5,805	3,006,141
Carrying amount at 31 December 2020	801,846	1,954,660	63,850	77,201	417	5,805	2,903,779

There were no impairment losses on any class of property and equipment during the year (December 31, 2019: Nil)

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (December 31, 2019: Nil).

None of the Group & Commission's assets were financed from borowings, consequently no borrowing cost has been capitalized as part of asset cost.

There are no contractual commitment or restrictions on the use of property and equipment.

Group and Commission

15 Right of use assets*

	Group		Commission	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	N' 000	N' 000	N' 000	N' 000
At 1 January	69,193	69,193	69,193	69,193
Additions during the year	-	-	-	-
At 31 December	69,193	69,193	69,193	69,193
Accumulated Depreciation				
At 1 January	10,063	-	10,063	-
Charge for the year	10,063	10,063	10,063	10,063
At 31 December	20,126	10,063	20,126	10,063
Carrying value	49,067	59,130	49,067	59,130

**See Note 23 for details on lease liabilities*

** The class of asset for the right of use assets is building.*

16 Intangible assets

	Group		Commission	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	N' 000	N' 000	N' 000	N' 000
Cost				
At 1 January	665,509	665,509	665,509	665,509
Additions	-	-	-	-
At 31 December	665,509	665,509	665,509	665,509
Accumulated amortisation				
At 1 January	619,867	589,046	619,867	589,046
Amortisation charge	27,775	30,821	27,775	30,821
At 31 December	647,642	619,867	647,642	619,867
Carrying amount	17,867	45,642	17,867	45,642

Intangible assets are IT Software which consists of capitalised development costs being an internally generated intangible asset.
There was no addition to the intangible assets during the year. The Group estimates the useful life of the software to be at least four years based on the expected technical obsolescence of such assets.

17 Investments in consolidated structured entities

National Investor Protection Fund	-	-	5,000,000	5,000,000
Nigerian Capital Market Development Fund	-	-	5,000,000	5,000,000
Nigeria Capital Market Institute	-	-	5,000,000	5,000,000
	-	-	15,000,000	15,000,000

Details of the Commission's relationship with these entities are provided in note 31.3.

18 Staff loans and other receivables

Staff loans				
Gross loans	565,790	734,847	565,790	734,847
Allowance for Impairment of staff loans (note 18.2)	(5,214)	(126,856)	(5,214)	(126,856)
	560,576	607,991	560,576	607,991
Other receivables				
Receivables from fee income	244,978	213,427	244,978	213,427
Sundry debtors	210,212	23,191	207,526	20,504
Funds held on behalf of investors	122,433	122,433	-	122,433
	577,623	359,051	452,504	356,364
Impairment of receivables from fee income (note 18.4)	(138,440)	(136,779)	(138,440)	(136,779)
Impairment of sundry debtors (note 18.3)	(210,213)	(19,226)	(207,526)	(16,539)
	(348,653)	(156,005)	(345,966)	(153,318)
	228,970	203,046	106,538	203,046
	789,546	811,037	667,114	811,037

*Staff loan comprises housing and vehicle loan for a duration of ten and four years respectively and the repayment amount is spread over these years. The amount to be repaid within the next 12 months is insignificant to be recognized as a current asset and thus all amounts are classfied as non-current assets.

*Sundry debtor constitutes amounts to be collected from resigned or retired staff as a result of excess gratuity payment and other excess payment made to vendor for services rendered and down payment mobilization fees paid to vendors.

18.1 Advances to the Consolidated Revenue Fund

Advances Payment to CRF	738,258	-	738,258	-
	738,258	-	738,258	-

The advance payment to the consolidted revenue fund constitutes the 25% deduction at source of all revenue income generated into the commission account which is based on government directive through Federal Ministry of Finance effective in 2020.

18.2 Movement in allowance for impairment of staff loans

Balance, beginning of year	126,856	167,583	126,856	167,583
Write back for the year	(121,642)	(40,727)	(121,642)	(40,727)
Balance, end of year	5,214	126,856	5,214	126,856

18.3 Movement in allowance for impairment of sundry debtors

Balance, beginning of year	19,226	28,736	16,539	26,049
Charges/(write back) for the year	190,987	(9,510)	190,987	(9,510)
Balance, end of year	210,213	19,226	207,526	16,539

18 Staff loans and other receivables - continued

18.4 Movement in allowance for impairment of receivables from fee income

	Group		Commission	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	N' 000	N' 000	N' 000	N' 000
Balance, beginning of year	136,779	136,779	136,779	136,779
Charge for the year	1,661	-	1,661	-
Balance, end of year	138,440	136,779	138,440	136,779

18.5 Summary of write-back/charges to statement of profit or loss

Impairment write-back on staff loan (note 18.2)	(121,642)	(40,727)	(121,642)	(40,727)
Impairment charge/(write-back) on sundry debtors (note 18.3)	190,987	(9,510)	190,987	(9,510)
Impairment charge on fee receivables (note 18.4)	1,661	-	1,661	-
	71,006	(50,237)	71,006	(50,237)

18.6 Classification of staff loans and other receivables

Current	228,970	203,046	106,538	203,046
Non-current	560,576	607,991	560,576	607,991
	789,546	811,037	667,114	811,037

19 Investment securities at amortised cost

	Group		Commission	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	N' 000	N' 000	N' 000	N' 000
Debt securities at amortised cost	10,795,294	16,540,680	10,795,294	16,540,680
Less impairment allowance on debt securities	(21,254)	(35,605)	(21,254)	(35,605)
	10,774,040	16,505,075	10,774,040	16,505,075

19.1 Debt securities at amortised cost

- Federal Government of Nigeria Bonds (note 19.4)	4,037,271	4,044,466	4,037,271	4,044,466
- Nigeria Treasury bills (note 19.4)	6,758,023	12,496,214	6,758,023	12,496,214
	10,795,294	16,540,680	10,795,294	16,540,680

19.2 Movement inallowance for impairment of investment securities

Balance, beginning of year	35,605	35,052	35,605	35,052
(Write-back)/ charge for the year	(14,351)	553	(14,351)	553
Balance, end of year	21,254	35,605	21,254	35,605

19.3 Classification of Investment securities

Current	6,742,141	12,493,045	6,742,141	12,493,045
Non-current	4,031,899	4,012,030	4,031,899	4,012,030
	10,774,040	16,505,075	10,774,040	16,505,075

19.4 Analysis of movement during the year

Federal Government of Nigeria bonds:				
At 1 January	4,044,466	4,663,059	4,044,466	4,663,059
Interest received	(425,186)	(1,067,000)	(425,186)	(1,067,000)
Amortised interest income	417,991	448,406	417,991	448,406
At 31 December	4,037,270	4,044,465	4,037,270	4,044,465
Nigeria Treasury Bills:				
At 1 January	12,496,214	14,279,482	12,496,214	14,279,482
Additions	10,256,577	12,057,050	10,256,577	12,057,050
Redemption	(16,456,112)	(15,788,015)	(16,456,112)	(15,788,015)
Amortised interest earned	461,344	1,947,697	461,344	1,947,697
At 31 December	6,758,023	12,496,214	6,758,023	12,496,214

20 Prepayments

Prepaid staff allowance	1,055,900	1,215,313	1,055,900	1,215,313
Prepaid motor vehicle allowance	341,852	310,807	341,852	310,807
	1,397,752	1,526,120	1,397,752	1,526,120
Classification of prepayments				
Current	1,397,752	1,100,760	1,397,752	1,100,760
Non-current	-	425,360	-	425,360
	1,397,752	1,526,120	1,397,752	1,526,120

21 Finance lease receivables

These are receivables that resulted from the recognition and measurement of sublease of the Group's leased car park upon adoption of IFRS 16. The sublease is classified as a finance lease as it takes a substantial period of the remaining term of the head lease.

	Group		Commission	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	N' 000	N' 000	N' 000	N' 000
Finance lease receivables	25,354	29,735	25,354	29,735
Allowance for impairment of finance lease receivables	(1,881)	(2,650)	(1,881)	(2,650)
	23,473	27,085	23,473	27,085
At 1 January	29,735	32,547	29,735	32,547
Interest income	3,458	4,004	3,458	4,004
Payments received during the year	(7,839)	(6,816)	(7,839)	(6,816)
At 31 December	25,354	29,735	25,354	29,735

21.1 Movement in allowance for impairment of finance lease receivables

Balance, beginning of year	2,650	-	2,650	-
(Write-back)/charge for the year	(769)	2,650	(769)	2,650
Balance, end of year	1,881	2,650	1,881	2,650
Current	5,059	4,381	5,059	4,381
Non-current	18,414	22,704	18,414	22,704
	23,473	27,085	23,473	27,085

21.2 Finance lease receivables

Maturity analysis – contractual undiscounted cash flows (Leases)	31 December 2020 N' 000	31 December 2019 N' 000
Next 12 months	7,839	7,839
2 years	7,839	7,839
3 years	7,839	7,839
4 years	7,839	7,839
5 years	-	7,839
Total undiscounted finance lease receivables at 31 December 2020	31,356	39,195
Unearned finance income	(6,001)	(9,460)
Finance lease receivables at 31 December 2020	25,355	29,735

22 Cash and bank balances

	Group		Commission	
	31 December 2020 N' 000	31 December 2019 N' 000	31 December 2020 N' 000	31 December 2019 N' 000
Cash in hand	2,726	851	1,923	49
Unrestricted Balances held with Central Bank of Nigeria	277,349	466,813	277,329	466,792
	280,075	467,664	279,252	466,841

All bank balances with Central Bank of Nigeria are current in nature.

23 Lease liabilities*

At 1 January	74,565	71,760	74,565	71,760
Additions	-	-	-	-
Interest expense	11,121	10,538	11,121	10,538
Payments made during the year	(7,732)	(7,733)	(7,732)	(7,733)
At 31 December	77,954	74,565	77,954	74,565
Current	5,092	4,399	5,092	4,399
Non-current	72,862	70,166	72,862	70,166
	77,954	74,565	77,954	74,565

**See Note 15 for details on right of use assets*

24 Account payables and other liabilities

Account payables and other liabilities comprise accruals, sundry and other creditors as shown below:

24(a) Accruals

Accrued audit fee payable	24,501	94,977	19,163	94,977
	24,501	94,977	19,163	94,977

24(b) Sundry and other creditors

Accounts payable	352,426	320,217	352,426	320,217
Sundry creditors	442,026	538,159	319,593	531,276
	794,452	858,376	672,019	851,493
Non financial liabilities:				
Witholding tax payable	585	862	585	862
Pay-As-You-Earn payable	20,424	11,774	20,424	11,774
Value added tax payable	1,122	3,251	1,122	3,251
Stamp Duty	105	-	105	-
	816,688	874,263	694,255	867,380

*Sundry creditors balance constitute retention fee withheld payable to vendors and other outstanding balances for legal and professional fees.

24(c) Payable to related entities

Capital Market Development Fund	-	-	5,673,913	5,677,398
Nigerian Capital Market Institute	-	-	5,095,935	5,073,723
National Investor Protection Fund	-	-	6,271,366	6,272,441
	-	-	17,041,214	17,023,562

The payable to related entities constitutes amount in respect of current account balances of related entities transferred to the commission account with Central Bank of Nigeria upon introduction of TSA.

24(d) Payable to Consolidated Revenue Fund

At 1 January	709,677	760,872	709,677	760,872
Transfers from statement of changes in equity	-	35,641	-	35,641
Payment during the year	(109,589)	(86,836)	(109,589)	(86,836)
At 31 December	600,088	709,677	600,088	709,677

Payable to Consolidated Revenue Fund account represents the amount payable to the Federal Government of Nigeria in line with the Fiscal Responsibility Act. This transfer represents 80% of the net operating surplus over operating expenses for the year.

25 Provisions

Provisions	535,739	535,739	535,739	535,739
	535,739	535,739	535,739	535,739

The balance comprised provision of litigations- three cases (2019: three cases) involving the Commission which judgement has been delivered against the Commission. However, the Commission is in the process of appeal.

26 Retirement benefit obligations

Defined contribution plan

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. This is in line with Section 4 of the Pension Reform Act 2014.

Defined benefit plan

The Commission operates a defined benefit plan. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method.
Re-measurements, comprising of actuarial gains and losses, the effect of any asset ceiling and the return on plan assets (excluding net interest), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit or loss in subsequent periods.

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

The benefit payment for employees of the Commission are from trustee-administered funds. Responsibility for governance of the plan-including investment decisions and contribution schedules-lies jointly with the Board of Trustees. The plan is regulated by the group's specific policies.

An independent actuarial valuation is performed annually by Alexander Forbes Consulting Actuaries Nigeria Limited(FRC/2012/0000000000504) using the projected unit credit basis as prescribed by IAS 19 to determine the liability at reporting date for which the plan asset is funded to meet such obligation.

Legacy fund

Legacy fund represents funds invested by the Commission on behalf of Pension Fund under the erstwhile defined benefit pension scheme in 2004. The fund is used for the payment of monthly pension of retirees under the defined benefit scheme. The fund has the legal form of a foundation and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives.

Gratuity scheme

The gratuity scheme for eligible staff who serve the Commission for at least five (5) years and the amount is based on the number of years in service. The level of benefits provided depends on the member's length of service at exit from the Commission. The defined benefit gratuity plan is operated voluntarily as it is not required by any legislation in Nigeria. The gratuity plan is monitored by the Commission's management. The obligation, service cost and actuarial gain/(loss) are based on actuarial valuation performed by Alexander Forbes Consulting Actuaries.

Executive management scheme

The scheme helps to determine the defined benefit cost for the financial year and the amount needed to be recognized in the statement of financial position in respect of the Commission's liability towards its executive management for the year. However, all are newly appointed in current year and

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

	Group		Commission	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Statement of financial position asset/(liability) for:	N' 000	N' 000	N' 000	N' 000
Net defined benefit (liability)/plan asset	(5,604,408)	(5,886,003)	(5,604,408)	(5,886,003)

Profit or loss charge:

31 December 2020	Legacy fund	Gratuity scheme	Executive management scheme	Total
	N' 000	N' 000	N' 000	N' 000
Current service cost	5,000	602,148	-	607,148
Net interest cost	38,129	761,527	-	799,656
Past service cost	-	(1,682,337)	-	(1,682,337)
	43,129	(318,662)	-	(275,533)

*Past service cost reduced the defined benefit obligation in the current year.

31 December 2019				
	N' 000	N' 000	N' 000	N' 000
Current service cost	8,970	631,226	48,897	689,093
Net interest (income)/cost	(73,415)	796,796	36,119	759,500
Past service cost	-	5,207,931	-	5,207,931
	(64,445)	6,635,953	85,016	6,656,524

Recognized in other comprehensive income

31 December 2020				
Remeasurement gains/(losses) are recognised in other comprehensive income.				
Remeasurement losses/(gains)	824,860	(219,354)	-	605,506
	824,860	(219,354)	-	605,506
31 December 2019				
Remeasurement loss/(gains)	653,525	(1,098,753)	20,862	(424,366)
	653,525	(1,098,753)	20,862	(424,366)

26 Retirement benefit obligations - continued

As at the last valuation date - 31 December 2020 - the present value of defined benefit obligation was comprised of retired and active employees. Funding levels are monitored on an annual basis and the current agreed contribution rate is 100% of benefit liability. The next annual valuation is due to be completed on 31 December 2021. Expected contributions to legacy fund, gratuity and executive management schemes for the year ending 31 December 2020 are nil, N142million and nil respectively. The salary weighted average age and past service for the schemes are shown below;

	Legacy fund	Gratuity scheme	Executive management scheme
31 December 2020			
Pension/salary weighted average age	65 years	47.5 years	57 years
Salary weighted past service	-	9.6 years	4.6 years
31 December 2019			
Pension/salary weighted average age	64 years	46.5 years	57 years
Salary weighted past service	-	8.6 years	4.6 years

The expected maturity analysis of undiscounted pension benefits is as follows:

	Up to one year	Between 1-2 years	Between 2-5 years	Total
	N' 000	N' 000	N' 000	N' 000
31 December 2020				
Defined benefit obligation	(801,382)	(801,382)	(6,411,053)	(8,013,816)
Total	(801,382)	(801,382)	(6,411,053)	(8,013,816)
31 December 2019				
Defined benefit obligation	(838,745)	(838,745)	(6,544,149)	(8,221,639)
Total	(838,745)	(838,745)	(6,544,149)	(8,221,639)

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

	Group		Commission	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	N' 000	N' 000	N' 000	N' 000
Defined benefit obligation	(8,013,816)	(8,221,639)	(8,013,816)	(8,221,639)
Fair value of plan assets	2,409,408	2,335,636	2,409,408	2,335,636
	(5,604,408)	(5,886,003)	(5,604,408)	(5,886,003)

	Legacy fund	Gratuity scheme	Executive management scheme	Total
31 December 2020				
26 (a) The movement in the defined benefit obligation is as follows:	N' 000	N' 000	N' 000	N' 000
Opening defined benefit obligation	2,600,404	5,338,513	282,722	8,221,639
Current service cost	5,000	602,148	-	607,148
Interest cost	287,510	774,313	-	1,061,823
Remeasurement losses/(gains)	967,783	(228,028)	-	739,755
Past Service Cost	-	(1,682,337)	-	(1,682,337)
Administrative cost paid	(5,000)	-	-	(5,000)
Benefits paid	(408,969)	(237,521)	(282,722)	(929,212)
	3,446,728	4,567,088	-	8,013,816

31 December 2019

	Legacy fund	Gratuity scheme	Executive management scheme	Total
The movement in the defined benefit obligation is as follows:				
Opening defined benefit obligation	1,983,482	5,356,745	176,844	7,517,071
Current service cost	8,970	631,226	48,897	689,093
Interest cost	279,795	804,771	36,119	1,120,685
Remeasurement losses/(gains)	828,371	(1,106,728)	20,862	(257,495)
Expenses	(8,970)	-	-	(8,970)
Benefits paid	(491,244)	(347,501)	-	(838,745)
	2,600,404	5,338,513	282,722	8,221,639

The loss on the defined benefit obligation is largely as a result of the following:
• Change in economic assumptions;
• Higher than expected pensions in payment; and
• Demographic experience being different than expected.
The above factors contributed to the net actuarial (gain)/loss as follows:

26 Retirement benefit obligations - continued

Actuarial (Gain) / Loss

31 December 2020	Legacy fund	Gratuity scheme	Executive management scheme	Total
	N' 000	N' 000	N' 000	N' 000
Change in Economic Assumptions	883,766	819,324	-	1,703,090
Change in Demographic Assumption	-	-	-	-
Experience:				-
Pension/Salary Increases	573	(643,468)	-	(642,895)
Demographic Experience	83,444	(403,884)	-	(320,440)
	967,783	(228,028)	-	739,755

31 December 2019	Legacy fund	Gratuity scheme	Executive management scheme	Total
	N' 000	N' 000	N' 000	N' 000
Change in Economic Assumptions	492,675	(257,156)	9,816	245,335
Change in Demographic Assumption	-	-		-
Experience:				
Pension/Salary Increases	135,448	(783,394)	12,754	(635,192)
Demographic Experience	200,248	(66,178)	(1,708)	132,362
	828,371	(1,106,728)	20,862	(257,495)

26 (b) The movement in the fair value of plan assets of the year is as follows:

31 December 2020	Legacy fund	Gratuity scheme	Executive management scheme	Total
	N' 000	N' 000	N' 000	N' 000
At the beginning of the year	2,285,160	50,476	-	2,335,636
Interest income	249,381	12,786	-	262,167
Employer contribution paid	-	328,846	-	328,846
Administrative cost paid	(5,000)	-	-	(5,000)
Remeasurement losses	142,923	(8,674)	-	134,249
Benefits paid	(408,969)	(237,521)	-	(646,490)
	2,263,495	145,913	-	2,409,408
Composition of plan assets				
Cash	656,414	145,913	-	802,327
Equity	203,715	-	-	203,715
Bonds	1,403,366	-	-	1,403,366
	2,263,495	145,913	-	2,409,408
Quoted	1,607,081	-	-	1,607,081
Unquoted	656,414	145,913	-	802,327
	2,263,495	145,913	-	2,409,408
31 December 2019				
At the beginning of the period	2,248,348	50,476	-	2,298,824
Interest income	353,210	7,975	-	361,185
Employer contribution paid	8,970	347,501	-	356,471
Expenses	(8,970)	-	-	(8,970)
Remeasurement gains	174,846	(7,975)	-	166,871
Benefits paid	(491,244)	(347,501)	-	(838,745)
	2,285,160	50,476	-	2,335,636
Composition of plan assets				
Cash	1,073,797	50,476	-	1,124,273
Equity	121,570	-	-	121,570
Bonds	1,089,793	-	-	1,089,793
	2,285,160	50,476	-	2,335,636
Quoted	1,211,363	-	-	1,211,363
Unquoted	1,073,797	50,476	-	1,124,273
	2,285,160	50,476	-	2,335,636

Through its defined benefit scheme, the group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility -The plan liabilities are calculated using a discount rate set with reference to government bond yields; if plan assets under perform this yield, this will create a deficit. The Group holds a significant proportion of treasury bills, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term. As the plans mature, the Group intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

Changes in bond yields -decrease in government bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' placement holdings as placement yields are positively correlated with yield on government bonds.

Life expectancy -The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

Inflation risk -Some of the Group's obligations are linked to inflation, and higher inflation will lead to higher liabilities. The plan assets are unaffected by inflation meaning that an increase in inflation will also increase the deficit.

26 Retirement benefit obligations - continued

The principal actuarial assumptions were as follows:

	Legacy fund	Gratuity scheme	Executive management scheme
31 December 2020			
Discount rate	7.4%	7.4%	0.0%
Pension allowance increase	0.0%	7.4%	0.0%
31 December 2019			
Discount rate	12.0%	13.3%	4.3%
Pension allowance increase	0.0%	11.0%	0.0%

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 2020

Legacy fund assumptions	Discount rate		Salary increase rate		Age rating	
	1%	1%	1%	1%	1%	1%
	N'000	N'000	N'000	N'000	N'000	N'000
Sensitivity level	Increase	Decrease	Increase	Decrease	Increase	Decrease
	(238,202)	273,566	293,667	(292,972)	71,117	(72,838)

Gratuity scheme assumptions	Discount rate		Salary increase rate		Age rating	
	1%	1%	1%	1%	1%	1%
	N'000	N'000	N'000	N'000	N'000	N'000
Sensitivity level	Increase	Decrease	Increase	Decrease	Increase	Decrease
	(399,098)	454,901	452,147	(403,986)	1,742	(1,580)

Executive management scheme assumptions	Discount rate		Age rating	
	1%	1%	1%	1%
	N'000	N'000	N'000	N'000
Sensitivity level	Increase	Decrease	Increase	Decrease
	-	-	-	-

31 December 2019

Legacy fund assumptions	Discount rate		Salary increase rate		Age rating	
	1%	1%	1%	1%	1%	1%
	N'000	N'000	N'000	N'000	N'000	N'000
Sensitivity level	Increase	Decrease	Increase	Decrease	Increase	Decrease
	(140,464)	157,320	176,599	(150,823)	36,418	(38,052)

Gratuity scheme assumptions	Discount rate		Salary increase rate		Age rating	
	1%	1%	1%	1%	1%	1%
	N'000	N'000	N'000	N'000	N'000	N'000
Sensitivity level	Increase	Decrease	Increase	Decrease	Increase	Decrease
	(416,564)	469,792	478,032	(430,382)	8,613	(7,786)

Executive management scheme assumptions	Discount rate		Mortality rate	
	1%	1%	1%	1%
	N'000	N'000	N'000	N'000
Sensitivity level	Increase	Decrease	Increase	Decrease
	(895)	907	7	(6)

The sensitivity analysis was performed by recomputing the liability to show the effect of:
i) the change in the discount rate assumption on the defined benefit obligation by adding and subtracting 1% to the discount rate; and
ii) the change in the pension increase rate assumption on the defined benefit obligation by adding and subtracting 1% to the pension increase rate.
iii) 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.

27 Capital grant
The capital grant represents funds received from the Federal Ministry of Finance on behalf of the Federal Government of Nigeria as owner's equity contribution. No additional equity contribution during the year under review (2019: no additions).

28 a) Capital reserve fund
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.

b) Transfer to Consolidated Revenue Fund Account
This represents an annual transfer of 80% of the Commission's operating surplus to the Federal Government of Nigeria in compliance with section 22(1) of the Fiscal Responsibility Act 2007.

29 Net cash flows used in operating activities

		Group		Commission	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
		N' 000	N' 000	N' 000	N' 000
Loss for the year		(4,362,630)	(9,418,652)	(4,371,881)	(9,277,649)
Adjustments for:					
– Depreciation property and equipment	(Note 14)	129,724	200,707	119,665	189,019
– Depreciation right of use assets	(Note 15)	10,063	10,063	10,063	10,063
– Amortisation of intangible assets	(Note 16)	27,775	30,821	27,775	30,821
- Defined benefit plan expenses	(Note 26)	(275,533)	6,656,524	(275,533)	6,656,524
- Impairment charge/(write back) other receivable	(Note 18.5)	192,648	(9,510)	192,648	(9,510)
- Impairment charge/(write back) on staff loans	(Note 18.5)	(121,642)	(40,727)	(121,642)	(40,727)
- Impairment charge on investment securities	(Note 19.2)	(14,351)	553	(14,351)	553
- Impairment charge on finance lease receivables	(Note 21)	(769)	2,650	(769)	2,650
– Interest expense on lease liability	(Note 13)	11,121	10,538	11,121	10,538
– Finance income on leases	(Note 8)	(3,458)	(4,004)	(3,458)	(4,004)
– Other liabilities no longer required	(Note 7)	-	(291,272)	-	(291,272)
– Interest Income on staff loan	(Note 6)	(73,917)	(28,044)	(73,917)	(28,044)
– Interest Income on investment securities	(Note 6)	(879,335)	(2,396,103)	(879,335)	(2,396,103)
-Gain on Disposal of tb/Bond Before Maturity	(Note 7)	(96,994)	-	(96,994)	-
Changes in operating assets and liabilities					
-Change in prepayments		128,368	1,173,026	128,368	1,171,327
-Change in other receivables		(218,572)	(18,807)	(96,140)	(18,807)
-Change in staff loans		169,057	97,388	169,057	97,388
-Change in advance payment to Consolidated Revenue Fund		(738,258)	-	(738,258)	-
-Change in payable to Consolidated Revenue Fund		-	35,641	-	35,641
-Change in sundry creditors		(57,575)	(425,575)	(173,125)	(429,369)
-Change in payable to related entities		-	-	17,652	51,065
-Change in accruals		(70,476)	62,960	(75,814)	68,727
-Change in provisions		-	25,471	-	25,471
Cash flows used in operating activities		(6,244,754)	(4,326,352)	(6,244,868)	(4,145,698)

30 Contingent liabilities and commitments

Legal proceedings

The Group in the ordinary course of business is presently involved in several litigations but there are three major litigation suits, while a provision for litigation amounting to N535million (2019: N535million), the Board of the Commission are of the opinion that no material adverse outcome will result therefrom, Note 25.

Capital commitments

There are no capital commitments on the Group as at the end of the year (2019:nil).

31 Related party transactions

The Commission controls three structured entities namely the Nigerian 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.

31.1 Key management personnel compensation

Key management personnel's 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 2020	31 December 2019	31 December 2020	31 December 2019
	N' 000	N' 000	N' 000	N' 000
Short term benefits /executive compensation	339,713	329,497	339,713	329,497
Post employment benefits	-	15,623	-	15,623
	339,713	345,120	339,713	345,120

The average number of persons, excluding Commissioners, employed

	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Senior management	68	67	68	67
Management	357	330	357	330
Non management	105	156	105	156
	530	553	530	553

31.2 Balances with related parties

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

Group	Nature of relationship	Transactions	31 December 2020 N' 000	31 December 2019 N' 000
Director General	Key management personnel	Loan	-	1,000
Executive Commissioner (Corporate Services)	Key management personnel	Loan	-	2,843
Executive Commissioner, Operations)	Key management personnel	Loan	-	3,750
Executive Commissioner (Legal & Environment)	Key management personnel	Loan	-	5,891

Commission	Nature of relationship	Nature of balance	31 December 2020 N' 000	31 December 2019 N' 000
Director General	Key management personnel	Loan	-	1,000
Executive Commissioner, Corporate Services)	Key management personnel	Loan	-	2,843
Executive Commissioner, Operations)	Key management personnel	Loan	-	3,750
Executive Commissioner, Legal & Environment)	Key management personnel	Loan	-	5,891
Nigerian Capital Market Development Fund	Subsidiary	Payable	5,673,913	5,677,398
National Investors Protection Fund	Subsidiary	Payable	5,095,935	5,073,723
Nigeria Capital Market Institute	Subsidiary	Payable	6,271,366	6,272,441

None of the loans to key management personnel is either past due nor impaired. Hence no specific provision was required in 2020 (2019: nil) for the loans made to key management personnel. The loans are repayable monthly and the interest rate ranges between 1% to 3% per annum. 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.

31.3 Consolidated structured entities

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.

Nigerian Capital Market Development Fund

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

Nigeria Capital Market Institute

The Commission has interest in the Nigeria 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 Nigeria Capital Market Institute as reflected by the following:

a) The Key Management Personnel of the Institute are Senior officers of the Commission;

b) The Institute's operations are dependent on funding from the Commission;

c) A significant portion of the relevant activities of NCMI are directed by the Commission;

d) 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

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.

The Commission set aside a total of N15 billion to the three structured entities as start up funding, as disclosed in note 17.

31.3 Consolidated structured entities - continued

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 2020

	National Investors Protection Fund	Nigerian Capital Market Development Fund	Nigeria Capital Market Institute
	N'000	N'000	N'000
Assets			
Non-current assets			
Property and equipment	-	-	9,872
Staff loans and other receivables	6,337,776	5,623,227	5,050,665
Total non-current assets	6,337,776	5,623,227	5,060,537
Current assets			
Cash and bank balances	-	-	823
Total current assets	-	-	823
Total assets	6,337,776	5,623,227	5,061,360
Equity			
Accumulated reserve fund	1,213,581	621,464	59,548
Capital	5,000,000	5,000,000	5,000,000
Total equity	6,213,581	5,621,464	5,059,548
Liabilities			
Current liabilities			
Sundry and other creditors	124,195	1,763	1,813
Total current liabilities	124,195	1,763	1,813
Total liabilities	124,195	1,763	1,813
Total equity and liabilities	6,337,776	5,623,227	5,061,360
Statement of profit or loss and other comprehensive income			
Workshop/training fees	617	1,567	46,940
Total income	617	1,567	46,940
Depreciation and amortisation expenses	-	-	(10,058)
Other operating expenses	(1,763)	(4,173)	(23,878)
Net impairment on staff loans and other receivable	(21,085)	(19,063)	(17,009)
Total expenses	(22,848)	(23,235)	(50,945)
Loss for the year	(22,231)	(21,668)	(4,005)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	(22,231)	(21,668)	(4,005)

Statement of financial position
as at 31 December 2019

	National Investors Protection Fund	Nigerian Capital Market Development Fund	Nigeria Capital Market Institute
	N'000	N'000	N'000
Assets			
Non-current assets			
Property and equipment	-	-	19,818
Staff loans and other receivables	6,237,504	5,645,775	5,045,462
Total non-current assets	6,237,504	5,645,775	5,065,280
Current assets			
Cash and bank balances	-	-	823
Total current assets	-	-	823
Total assets	6,237,504	5,645,775	5,066,103
Equity			
Accumulated reserve fund	1,235,812	643,133	63,553
Capital	5,000,000	5,000,000	5,000,000
Total equity	6,235,812	5,643,133	5,063,553
Liabilities			
Current liabilities			
Sundry and other creditors	1,692	2,642	2,550
Total liabilities	1,692	2,642	2,550
Total equity and liabilities	6,237,504	5,645,775	5,066,103
Statement of profit or loss and other comprehensive income			
Other Income	-	-	52,251
Total income	-	-	52,251
Depreciation and amortisation expenses	-	-	(11,689)
Other operating expenses	(1,125)	(87,610)	(92,830)
Net impairment on staff loans and other receivable	17,924	16,946	13,298
Total expenses	16,799	(70,664)	(91,221)
Income/(loss) for the year	16,799	(70,664)	(38,970)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Other comprehensive income for the year	-	-	-
Total comprehensive income/(loss) for the year	16,799	(70,664)	(38,970)

32 Events after reporting date

There are no events after reporting date that require disclosure in these consolidated and separate financial statements.

Other national disclosures

Securities and Exchange Commission, Nigeria
Value added statement
For the year ended 31 December 2020

The Group	2020 N '000	%	2019 N '000	%
Gross income	6,005,294		8,701,922	
Bought in goods and services				
- local	(1,336,430)		(2,544,674)	
Value added	4,668,864	100%	6,157,248	100%
Distribution				
Employees				
Employee benefit expenses	8,863,932	190%	15,334,309	174%
Providers of capital				
Loss for the year	(4,362,630)	(93%)	(9,418,652)	(81%)
To provide for enhancement of assets and growth				
Depreciation, impairment and amortisation expenses	167,562	4%	241,591	7%
	4,668,864	100%	6,157,248	100%

The Commission	2020 N '000	%	2019 N '000	%
Gross income	5,956,170		8,649,671	
Bought in goods and services				
- local	(1,306,619)		(2,363,111)	
Value added	4,649,551	100%	6,286,560	100%
Distribution				
Employees				
Employee benefit expenses	8,863,932	191%	15,334,309	245%
Providers of capital				
Loss for the year	(4,371,881)	(94%)	(9,277,649)	(148%)
To provide for enhancement of assets and growth				
Depreciation, impairment and amortisation expenses	157,500	3%	229,900	4%
	4,649,551	100%	6,286,560	100%

	31 December 2020 N '000	31 December 2019 N '000	31 December 2018 N '000	31 December 2017 N '000	31 December 2016 N '000
Non-current assets					
Property and equipment	2,913,651	3,025,958	3,055,829	3,243,133	3,345,466
Right of use assets	49,067	59,130	-	-	-
Intangible assets	17,867	45,642	76,463	97,869	30,058
Staff loans	560,576	607,991	664,652	1,009,683	1,066,374
Advance	738,258	-	-	-	-
Investment securities at amortised cost	4,031,899	4,012,030	4,021,143	2,333,349	4,643,249
Prepayments	-	425,360	1,071,311	1,380,528	1,170,089
Retirement benefit assets	-	-	88,022	130,084	-
Finance lease receivables	18,414	22,704	-	-	-
Total non-current assets	8,329,732	8,198,814	8,977,420	8,194,646	10,255,236
Current assets					
Other receivables	228,970	203,046	174,729	204,816	873,048
Investment securities at amortised cost	6,742,141	12,493,045	14,886,346	5,373,035	13,779,957
Prepayments	1,397,752	1,100,760	1,588,621	1,501,798	819,770
Finance lease receivables	5,059	4,381	-	-	-
Cash and bank balances	280,075	467,664	583,067	11,471,575	1,386,887
Total current assets	8,653,997	14,268,896	17,232,763	18,551,224	16,859,662
Total assets	16,983,729	22,467,711	26,210,183	26,745,870	27,114,898
Equity and liabilities					
Equity					
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	8,379,817	13,347,954	22,371,380	23,802,181	24,178,043
Total equity	9,324,351	14,292,488	23,315,914	24,746,715	25,122,577
Liabilities					
Non current liabilities					
Retirement benefit obligations	5,604,408	5,886,003	-	-	324,853
Lease liabilities	72,862	70,166	-	-	-
Total non-current liabilities	5,677,270	5,956,169	-	-	324,853
Current liabilities					
Lease liabilities	5,092	4,399	-	-	-
Accruals	24,501	94,977	32,017	53,478	37,402
Sundry and other creditors	816,688	874,263	1,299,840	800,335	1,010,066
Payable to Consolidated Reserve Fund	600,088	709,677	760,872	525,342	-
Provisions	535,739	535,739	801,540	620,000	620,000
Total current liabilities	1,982,107	2,219,053	2,894,269	1,999,155	1,667,468
Total liabilities	7,659,377	8,175,222	2,894,269	1,999,155	1,992,321
Total equity and liabilities	16,983,729	22,467,710	26,210,183	26,745,870	27,114,898

Statement of Profit or Loss and Other Comprehensive Income (Group)

	2020	2019	2018	2017	2016
	N '000	N '000	N '000	N '000	N '000
Fee income from operations	4,876,946	5,905,062	5,473,477	5,116,651	3,627,563
Interest income	953,252	2,424,147	2,561,913	2,706,196	1,660,077
Other operating income	171,638	368,709	128,842	67,596	48,538
Finance income on leases	3,458	4,004			
Total income	6,005,294	8,701,922	8,164,232	7,890,443	5,336,178
Employee benefits expense	(8,863,932)	(15,334,309)	(6,460,767)	(5,759,407)	(6,112,209)
Depreciation and amortisation expenses	(167,562)	(241,591)	(270,583)	(299,391)	(309,884)
Other operating expenses	(1,269,423)	(2,581,170)	(2,433,324)	(1,849,264)	(2,272,877)
Net impairment on financial assets	(55,886)	47,034	1,262	-	-
Finance expense on leases	(11,121)	(10,538)	-	-	(6,780)
Total expenses	(10,367,924)	(18,120,574)	(9,163,412)	(7,908,062)	(8,701,750)
Loss for the year	(4,362,630)	(9,418,652)	(999,180)	(17,619)	(3,365,572)
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Remeasurement gains/ (loss) on defined benefit scheme	(605,506)	424,366	(12,522)	225,517	535,505
Other comprehensive (loss)/income for the year	(605,506)	424,366	(12,522)	225,517	535,505
Total comprehensive (loss)/income for the year	(4,968,136)	(8,994,286)	(1,011,702)	207,898	(2,830,067)

Securities and Exchange Commission, Nigeria
Five-year financial summary - The Commission

	31 December 2020 N '000	31 December 2019 N '000	31 December 2018 N '000	31 December 2017 N '000	31 December 2016 N '000
Assets					
Non-current assets					
Property and equipment	2,903,779	3,006,141	3,033,276	3,209,429	3,345,466
Right of use assets	49,067	59,130	-	-	-
Intangible assets	17,867	45,642	76,463	97,869	30,058
Investment in consolidated structured entities	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Staff loans	560,576	607,991	664,652	1,009,683	1,066,374
Advances to the Consolidated Revenue Fund	738,258	-	-	-	-
Investment securities at amortised cost	4,031,899	4,012,030	4,021,143	2,333,349	4,643,249
Prepayments	-	425,360	1,071,311	1,380,531	1,170,089
Retirement benefit assets	-	-	88,022	130,084	-
Finance lease receivables	18,414	22,704	-	-	-
Total non-current assets	23,319,860	23,178,998	23,954,867	23,160,945	25,255,236
Current assets					
Other receivables	106,538	203,046	174,729	204,816	1,085,880
Investment securities at amortised cost	6,742,141	12,493,045	14,886,346	5,373,035	13,779,957
Prepayments	1,397,752	1,100,760	1,586,921	1,501,643	819,770
Finance lease receivables	5,059	4,381	-	-	-
Cash and bank balances	279,252	466,841	392,638	11,346,938	1,327,562
Total current assets	8,530,742	14,268,073	17,040,634	18,426,432	17,013,169
Total assets	31,850,602	37,447,071	40,995,501	41,587,377	42,268,405
Equity and liabilities					
Equity					
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	6,333,247	11,310,634	20,193,059	21,264,079	21,344,542
Total equity	7,277,781	12,255,168	21,137,593	22,208,613	22,289,076
Liabilities					
Non current liabilities					
Retirement benefit obligations	5,604,408	5,886,003	-	-	324,853
Lease liabilities	72,862	70,166	-	-	-
Total non-current liabilities	5,677,270	5,956,169	-	-	324,853
Current liabilities					
Lease liabilities	5,092	4,399	-	-	-
Accruals	19,163	94,977	26,250	47,712	34,402
Sundry and other creditors	17,735,469	17,890,942	18,269,246	18,185,710	19,000,074
Payable to Consolidated Reserve Fund	600,088	709,677	760,872	525,342	-
Provisions	535,739	535,739	801,540	620,000	620,000
Total current liabilities	18,895,551	19,235,734	19,857,908	19,378,764	19,654,476
Total liabilities	24,572,821	25,191,903	19,857,908	19,378,764	19,979,329
Total equity and liabilities	31,850,602	37,447,071	40,995,501	41,587,377	42,268,405

Securities and Exchange Commission, Nigeria
Five-year financial summary - The Commission

	31 December 2020 N '000	31 December 2019 N '000	31 December 2018 N '000	31 December 2017 N '000	31 December 2016 N '000
Statement of Profit or Loss and Other Comprehensive Income (Commission)					
Fee income from operations	4,876,946	5,905,062	5,473,477	5,116,651	3,627,563
Interest income	953,252	2,424,147	2,561,913	2,706,196	1,629,593
Other operating income	122,514	316,458	58,464	2,382	568
Finance income on leases	3,458	4,004	-	-	-
Total income	5,956,170	8,649,671	8,093,854	7,825,229	5,257,724
Employee benefits expenses	(8,863,932)	(15,334,309)	(6,460,767)	(5,600,639)	(5,996,721)
Depreciation and amortisation expenses	(157,503)	(229,903)	(259,291)	(294,170)	(309,884)
Other operating expenses	(1,239,609)	(2,399,604)	(2,014,457)	(1,652,640)	(2,105,599)
Net impairment on financial assets	(55,886)	47,034	1,262	-	-
Finance expense on leases	(11,121)	(10,538)	-	-	(6,780)
Total expenses	(10,328,051)	(17,927,320)	(8,733,253)	(7,547,449)	(8,418,984)
(Loss)/profit for the year	(4,371,881)	(9,277,649)	(639,399)	277,780	(3,161,260)
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Remeasurement (loss)/gains subsequently on defined benefit scheme	(605,506)	424,366	(12,522)	225,517	535,505
Other comprehensive (loss)/income for the year	(605,506)	424,366	(12,522)	225,517	535,505
Total comprehensive (loss)/income for the year	(4,977,387)	(8,853,283)	(651,921)	503,297	(2,625,755)