Securities and Exchange Commission, Nigeria

Annual Report and Audited Consolidated and Separate Financial Statements For the year ended 31 December 2021

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Board of the Commission:

Olufemi Lijadu	Chairman
Lamido Yuguda	Director General
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 The Central Bank of Nigeria
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*
Chukwuma Thomas Megwa	Ag. Secretary to the Commission**

*Exited 24 December 2021
**Effective 29 December 2021

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. 5B Isaiah Odolu Street, New GRA Port Harcourt Rivers State.

The Board of the Securities and Exchange Commission, Nigeria ("the Commission" or "SEC") presents its audited consolidated and separate financial statements for the year ended 31 December 2021.

These consolidated and separate 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 to:

(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 companies;

(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	
	2021	2020	2021	2020
	N '000	N '000	N '000	N '000
Income	6,377,146	6,005,294	6,258,055	5,956,170
Expenses	(14,873,389)	(10,367,924)	(14,716,377)	(10,328,051)
Loss for the year	(8,496,243)	(4,362,630)	(8,458,322)	(4,371,881)

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

Chukwuma Thomas Megwa
Secretary to the Commission
FRC/2022/PRO/NBA/004/179222
Abuja, Nigeria
21 September 2022

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
21 September 2022

Lamido Yuguda
Director-General
FRC/2020/004/00000022161
21 September 2022

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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 The 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 2021, 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 2021 and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), 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 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 the Commission in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the 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 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 2021" 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 the 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's and the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Group and the Commission or to cease operations, or have no realistic alternative but to do so.

The Board is responsible for overseeing the Group's and the Commission's financial reporting process.

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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's and the 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 and the 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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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
11 November 2022

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0008756

Consolidated and separate statements of profit or loss and other comprehensive income

For the year ended 31 December 2021

	Note	Group 2021 N '000	Group 2020 N '000	Commission 2021 N '000	Commission 2020 N '000
Fee income from operations	5	5,471,400	4,876,946	5,471,400	4,876,946
Interest income calculated using effective interest method	6	759,058	953,252	759,058	953,252
Other income	7	143,908	171,638	24,817	122,514
Finance income on leases	8	2,780	3,458	2,780	3,458
Total income		6,377,146	6,005,294	6,258,055	5,956,170
Employee benefits expense	9	(12,904,299)	(8,863,932)	(12,904,299)	(8,863,932)
Depreciation and amortisation expenses	10	(185,204)	(167,562)	(179,453)	(157,503)
Other operating expenses	11	(1,759,758)	(1,269,423)	(1,608,497)	(1,239,609)
Net impairment on financial assets	12	(21,104)	(55,886)	(21,104)	(55,886)
Finance expense on leases	13	(3,024)	(11,121)	(3,024)	(11,121)
Total expenses		(14,873,389)	(10,367,924)	(14,716,377)	(10,328,051)
Loss for the year		(8,496,243)	(4,362,630)	(8,458,322)	(4,371,881)
Other comprehensive loss/(income): Items that will not be subsequently reclassified to profit or loss:					
Remeasurement gain/(loss) on defined benefit plan	26	3,584,438	(605,506)	3,584,438	(605,506)
Other comprehensive income/(loss) for the year		3,584,438	(605,506)	3,584,438	(605,506)
Total comprehensive loss for the year		(4,911,805)	(4,968,136)	(4,873,884)	(4,977,387)

The accompanying notes to the consolidated and separate financial statements are an integral part of the consolidated and separate financial statements.

Securities and Exchange Commission, Nigeria
Consolidated and separate statements of financial position
As at 31 December 2021

	Note	Group		Commission	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		N '000	N '000	N '000	N '000
Assets					
Non-current assets					
Property and equipment	14	2,770,067	2,913,651	2,765,725	2,903,779
Right of use assets	15	14,294	49,067	14,294	49,067
Intangible assets	16	2	17,867	2	17,867
Investments in consolidated structured entities	17	-	-	15,000,000	15,000,000
Staff loans	18	220,532	270,382	220,532	270,382
Advances to the Consolidated Revenue Fund	18.1	2,156,007	738,258	2,156,007	738,258
Investment securities at amortised cost	19.3	2,813,874	4,021,389	2,813,874	4,021,389
Finance lease receivables	21.1	13,476	18,414	13,476	18,414
Total non-current assets		**7,988,252**	**8,029,028**	**22,983,910**	**23,019,156**
Current assets					
Staff loans	18	30,893	290,194	30,893	290,194
Other receivables	18	278,598	228,970	156,166	106,538
Investment securities at amortised cost	19.3	-	6,752,651	-	6,752,651
Prepayments	20	1,222,410	1,397,752	1,222,410	1,397,752
Finance lease receivables	21.1	5,059	5,059	5,059	5,059
Cash and bank	22	14,454,470	280,075	419,905	279,252
Total current assets		**15,991,430**	**8,954,701**	**1,834,433**	**8,831,446**
Total assets		**23,979,682**	**16,983,729**	**24,818,343**	**31,850,602**
Liabilities					
Non current liabilities					
Retirement benefit obligations	26	1,931,648	5,604,408	1,931,648	5,604,408
Lease liabilities	23	1,474	72,862	1,474	72,862
Total non-current liabilities		**1,933,122**	**5,677,270**	**1,933,122**	**5,677,270**
Current liabilities					
Lease liabilities	23	9,649	5,092	9,649	5,092
Accruals	24(a)	18,605	24,501	14,140	19,163
Sundry and other creditors	24(b)	16,469,933	816,688	2,312,923	694,255
Payable to related entities	24(c)	-	-	17,008,785	17,041,214
Payable to Consolidated Revenue Fund	24(d)	600,088	600,088	600,088	600,088
Provisions	25	535,739	535,739	535,739	535,739
Total current liabilities		**17,634,014**	**1,982,108**	**20,481,324**	**18,895,551**
Total liabilities		**19,567,136**	**7,659,378**	**22,414,446**	**24,572,821**
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		3,468,012	8,379,817	1,459,363	6,333,247
Total equity		**4,412,546**	**9,324,351**	**2,403,897**	**7,277,781**
Total liabilities and equity		**23,979,682**	**16,983,729**	**24,818,343**	**31,850,602**

The accompanying notes to the consolidated and separate financial statements are an integral part of the consolidated and separate financial statements.

The consolidated and separate financial statements were approved and authorised for issue by the Board of the Commission on 21 September 2022 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 reserve fund	Total
		N'000	N'000	N'000	N'000
At 1 January 2021		496,858	447,676	8,379,817	9,324,351
Loss for the year		-	-	(8,496,243)	(8,496,243)
Other comprehensive income					
Remeasurement gain on defined benefit plan	26	-	-	3,584,438	3,584,438
Total comprehensive loss		-	-	(4,911,805)	(4,911,805)
At 31 December 2021		496,858	447,676	3,468,012	4,412,546
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

Commission

	Note	Capital grant	Capital reserve fund	Accumulated reserve fund	Total
		N'000	N'000	N'000	N'000
At 1 January 2021		496,858	447,676	6,333,247	7,277,781
Loss for the year		-	-	(8,458,322)	(8,458,322)
Other comprehensive income					
Remeasurement gain on defined benefit plan	26	-	-	3,584,438	3,584,438
Total comprehensive loss		-	-	(4,873,884)	(4,873,884)
At 31 December 2021		496,858	447,676	1,459,363	2,403,897
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

The accompanying notes to the consolidated and separate financial statements are an integral part of the consolidated and separate financial statements.

	Note	Group		Commission	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		N '000	N '000	N '000	N '000
Cash flows used in operating activities	29	8,057,478	(6,147,760)	(5,976,485)	(6,147,874)
Benefits Paid	26	(2,014,502)	(282,722)	(2,014,502)	(282,722)
Employer Contribution	26	-	(328,846)	-	(328,846)
Net cash flows from/(used in) operating activities		6,042,976	(6,759,328)	(7,990,987)	(6,759,442)
Cash flows from investing activities					
Acquisition of property and equipment	14	(20,886)	(17,638)	(20,665)	(17,524)
Proceeds from Disposal of Property and Equipment		4,878	221	4,878	221
Finance lease payments received	21	7,839	7,839	7,839	7,839
Interest received from staff loan		102,960	73,917	102,960	73,917
Interest received from investment securities	19.4	764,504	425,186	764,504	425,186
Proceeds from maturity of investment securities	19.4	11,787,060	16,456,112	11,787,060	16,456,112
Acquisition of Investment securities	19.4	(4,485,383)	(10,256,577)	(4,485,383)	(10,256,577)
Prepayment of lease	15	(17,600)	-	(17,600)	-
Net cash flows from investing activities		8,143,372	6,689,060	8,143,593	6,689,174
Cash flows used in financing activities					
Lease payments - Principal	23	(7,472)	(7,732)	(7,472)	(7,732)
Interest payments on Lease	23	(4,483)	-	(4,483)	-
Payment to Consolidated Reserve Fund	24(d)	-	(109,589)	-	(109,589)
Net cash flows used in financing activities		(11,955)	(117,321)	(11,955)	(117,321)
Net increase/(decrease) in cash and cash equivalents		14,174,395	(187,589)	140,653	(187,588)
Cash and cash equivalents at start of year	22	280,075	467,664	279,252	466,841
Cash and cash equivalents at end of year		14,454,470	280,075	419,905	279,252

The accompanying notes to the consolidated and separate financial statements are an integral part of the 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 2021.

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 separate 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 separate 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 separate 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 2020, except for the adoption of new standards effective as of 1 January 2021. 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 2021, but do not have an impact on the consolidated and separate financial statements of the Group and the Commission.
Below is the amendment that was effective for the first time in 2021 but does not have a significant impact on the Group and the Commission:

i. Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:
• To require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
• To permit changes required by IBOR reform to be made to hedge designations and hedge documentation.
• To provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.
These amendments had no impact on the financial statements of the Group for the reporting year. The Group intends to use the practical expedients in future periods if they become applicable.

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

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Commission's financial statements are disclosed below. The Commission intends to adopt these standards, if applicable, when they become effective.

(a) IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

· A specific adaptation for contracts with direct participation features (the variable fee approach)

· A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Commission.

(b) IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment and does not expect this will result in a material impact on its financial statements.

(c) Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

▪ What is meant by a right to defer settlement?
▪ That a right to defer must exist at the end of the reporting period.
▪ That classification is unaffected by the likelihood that an entity will exercise its deferral right.
▪ That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments might have on current practice and whether existing loan agreements may require renegotiation.

(d) Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. The amendments are not expected to have a material impact on the Commission.

(e) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

(f) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The amendments are not expected to have a material impact on the Commission.

(g) Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.
The Group is currently assessing the impact of the amendments to determine the impact they will have on its accounting policy disclosures.

(h) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

The amendment will be effective for annual periods beginning on or after 1 January 2023. The amendments are not expected to have a material impact on the Group.

(i) Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

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.

2.5 Consolidation Cont'd

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 2021. 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 solely 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 statements 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.

2.8 Leases (Cont'd)

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 certain 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).

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.

2.16 Equity - cont'd

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.

2.18 Critical accounting estimates and judgements (Cont'd)

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 2021 N'000	31 December 2020 N'000
Cash and cash equivalents			
Bank balances	22	14,451,242	277,349
Other financial assets			
Staff loans and other receivables	18	907,788	1,143,413
Advances to the Consolidated Revenue Fund	18.1	2,156,007	738,258
Investment securities at amortised cost	19	2,832,456	10,795,294
Finance lease receivables	21	20,295	25,354
Gross amount		20,367,788	12,979,668
Allowance for Impairment of financial assets		(42,753)	(28,349)
Net amount		20,325,036	12,951,319

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

3.1.1 Credit risk management - continued

Commission	Note	31 December 2021 N'000	31 December 2020 N'000
Cash and cash equivalents			
Bank balances	22	417,480	466,792
Other financial assets			
Staff loans and other receivables	18	782,669	1,018,294
Investment securities at amortised cost	19	2,832,456	10,795,294
Finance lease receivables	21	20,295	25,354
Gross amount		4,052,900	12,305,734
Allowance for Impairment of financial assets		(42,753)	(28,349)
Net amount		4,010,147	12,277,385

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 31 December 2021 N'000	Effect on surplus 31 December 2020 N'000
Increase/decrease in estimated cash flows		
+10%	2,940	8,234
-10%	(2,940)	(8,234)

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 31 December 2021 N'000	Effect on surplus 31 December 2020 N'000
Increase/decrease in Loss Given Default		
+10%	2,940	1,393
-10%	(2,940)	(1,393)

	Effect on surplus 31 December 2021 N'000	Effect on surplus 31 December 2020 N'000
Increase/decrease in Probability of Default		
+10%	2,333	6,866
-10%	(2,333)	(7,092)

3.1.1 Credit risk management - continued

iii) Sensitivity to macroeconomic variables

Inflation

	Effect on surplus 31 December 2021 N'000	Effect on surplus 31 December 2020 N'000
Increase/decrease in Inflation		
+10%	1,188	3,178
-10%	(1,188)	(3,178)

Crude Oil Price

	Effect on surplus 31 December 2021 N'000	Effect on surplus 31 December 2020 N'000
Increase/decrease in Crude Oil Price		
+10%	(780)	1,936
-10%	780	(1,919)

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 31 December 2021 N'000	Effect on surplus 31 December 2020 N'000
Increase/decrease in estimated cash flows		
+10%	1,858	2,686
-10%	(1,858)	(2,686)

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 31 December 2021 N'000	Effect on surplus 31 December 2020 N'000
Increase/decrease in Loss Given Default		
+10%	1,858	458
-10%	(1,858)	(458)

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 31 December 2021 N'000	Effect on surplus 31 December 2020 N'000
Increase/decrease in Probability of Default		
+10%	1,474	2,548
-10%	(1,474)	(2,548)

3.1.1 Credit risk management - continued

iii) Sensitivity to macroeconomic variables

Inflation

	Effect on surplus 31 December 2021 N'000	Effect on surplus 31 December 2020 N'000
Increase/decrease in Inflation		
+10%	154	1,340
-10%	(154)	(1,342)

Crude Oil Price

	Effect on surplus 31 December 2021 N'000	Effect on surplus 31 December 2020 N'000
Increase/decrease in Crude Oil Price		
+10%	(102)	(325)
-10%	102	325

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 2021 N'000	Effect on surplus 31 December 2020 N'000
Increase/decrease in estimated cash flows		
+10%	176	188
-10%	(176)	(188)

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

	2021			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	N'000	N'000	N'000	N'000
Gross EAD	273,509	-	2,087	275,596
Loss allowance	(22,418)	-	(1,752)	(24,171)
Carrying amount	251,091	-	335	251,426

	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

3.1.1 Credit risk management - continued

Investment securities

	2021			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	N'000	N'000	N'000	N'000
Gross EAD	2,832,456	-	-	2,832,456
Loss allowance	(18,582)	-	-	(18,582)
Carrying amount	2,813,874	-	-	2,813,874

	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

Finance lease receivables

	2021			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	N'000	N'000	N'000	N'000
Gross EAD	20,295	-	-	20,295
Loss allowance	(1,760)	-	-	(1,760)
Carrying amount	18,535	-	-	18,535

	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	25,354	-	-	25,354
Loss allowance	(1,881)	-	-	(1,881)
Carrying amount	23,473	-	-	23,473

3.1.2 Concentration of risks of financial assets with credit risk exposure

Industry sectors

Group

At 31 December 2021 (N'000)	Other financial assets	Bank balances	Investment securities	Total
Government	-	-	2,813,874	2,813,874
Financial services	-	14,451,242	-	14,451,242
Others	269,960	-	-	269,960
	269,960	14,451,242	2,813,874	17,535,076

Commission

At 31 December 2021 (N'000)	Other financial assets	Bank balances	Investment securities	Total
Government	-	-	2,813,874	2,813,874
Financial services	-	417,480	-	417,480
Others	269,960	-	-	269,960
	269,960	417,480	2,813,874	3,501,314

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

3.1.2 Concentration of risks of financial assets with credit risk exposure - Continued

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	584,048	-	-	584,048
	584,048	277,329	10,774,040	11,635,417

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 2021	31 December 2020	31 December 2021	31 December 2020
(i) Investment securities	N'000	N'000	N'000	N'000
B	2,813,874	10,774,040	2,813,874	10,774,040
	2,813,874	10,774,040	2,813,874	10,774,040

	Group		Commission	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
(ii) Bank balances	N'000	N'000	N'000	N'000
B	14,451,242	277,349	417,480	277,329
	14,451,242	277,350	417,480	277,329

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.

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 2021, 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 Liquidity risk - Continued

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. The amounts stated in the schedule below are undiscounted.

Maturity analysis for financial liabilities

At 31 December 2021

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	18,605	-	-	-	18,605
Sundry and other creditors	16,464,831	-	-	-	16,464,831
Lease liabilities	5,091	2,123	1,474	2,435	11,123
Total financial liabilities	16,488,527	2,123	1,474	2,435	16,494,559
Assets used to manage liquidity					
Cash and cash equivalents	14,454,470	-	-	-	14,454,470
Investment securities at amortised cost	-	-	2,813,874	-	2,813,874
Staff loan and other receivables	-	30,893	220,532	-	251,425
Finance lease receivables	-	7,839	7,839	7,839	23,517
Total financial assets	14,454,470	38,732	3,042,245	7,839	17,543,286
Gap	(2,034,057)	36,609	3,040,771	5,404	1,048,727

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	3,392	1,276	53,491	42,157	100,316
Total financial liabilities	822,345	1,276	53,491	42,157	919,269
Assets used to manage liquidity					
Cash and cash equivalents	280,075	-	-	-	280,075
Investment securities at amortised cost	-	6,752,651	3,850,001	-	10,602,652
Staff loan and other receivables	-	290,194	665,597	-	955,791
Finance lease receivables	-	7,839	7,839	16,870	32,548
Total financial assets	280,075	7,050,684	4,523,437	16,870	11,871,066
Gap	(542,270)	7,049,408	4,469,946	(25,287)	10,951,797

3.2 Liquidity risk - Continued

At 31 December 2021

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	14,140	-	-	-	14,140
Sundry and other creditors	19,316,941	-	-	-	19,316,941
Lease liabilities	5,091	2,123	1,474	2,435	11,123
Total financial liabilities	19,336,172	2,123	1,474	2,435	19,342,204
Assets used to manage liquidity					
Cash and cash equivalents	419,905			-	419,905
Investment securities at amortised cost	-	-	2,813,874	-	2,813,874
Staff loan and other receivables	-	30,893	220,532	-	251,425
Finance lease receivables	-	7,839	7,839	7,839	23,517
Total financial assets	419,905	38,732	3,042,245	7,839	3,508,721
Gap	(18,916,267)	36,609	3,040,771	5,404	(15,833,483)

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	3,392	1,276	53,491	42,157	100,316
Total financial liabilities	17,735,788	1,276	53,491	42,157	17,832,712
Assets used to manage liquidity					
Cash and cash equivalents	279,252	-	-	-	279,252
Investment securities at amortised cost	-	6,752,651	3,850,001	-	10,602,652
Staff loan and other receivables	-	290,194	665,597	-	955,791
Finance lease receivables	-	7,839	7,839	16,870	32,548
Total financial assets	279,252	7,050,684	4,523,437	16,870	11,870,243
Gap	(17,456,536)	7,049,408	4,469,946	(25,287)	(5,962,469)

The Commission has a negative liquidity gap of N15.5billion (Dec 2020: N5.8billion) as at year end 2021. 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 ammortized cost on the statement of financial position as at 31 December 2021. Also, the Group is not exposed to commodity price risk.

3.3 Market risk - Cont'd

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 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. Hence, the Group is not exposed to the risk that the value of financial instruments will fluctuate due to changes in the prevailing market 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 2021		At 31 December 2020	
	Carrying value 2021	Fair value 2021	Carrying value 2020	Fair value 2020
	N'000	N'000	N'000	N'000
Financial assets				
Cash and bank balances	14,454,470	14,454,470	280,075	280,075
Debt securities at amortised cost				
- Federal Government of Nigeria bonds and treasury bills	2,813,874	3,830,814	10,774,040	11,020,841
Staff loans	251,425	275,596	560,576	565,790
Other receivables	278,598	278,598	228,970	228,970
	17,798,368	18,839,478	11,843,661	12,095,676
Financial liabilities				
Sundry and other creditors	16,464,831	16,464,831	794,452	794,452
Accruals	18,605	18,605	24,501	24,501
	16,483,436	16,483,436	818,953	818,953

Commission	At 31 December 2021		At 31 December 2020	
	Carrying value	Fair value	Carrying value	Fair value
	N'000	N'000	N'000	N'000
Financial assets				
Cash and bank balances	419,905	419,905	279,252	279,252
Debt securities (amortised cost)				
- Federal Government of Nigeria bonds and treasury bills	2,813,874	3,830,814	10,774,040	11,020,841
Staff loans	251,425	301,850	560,576	565,790
Other receivables	156,166	156,166	106,538	106,538
	3,641,370	4,708,735	11,720,407	11,972,421
Financial liabilities				
Sundry and other creditors	19,316,941	19,316,941	17,713,233	17,713,233
Accruals	14,140	14,140	19,163	19,163
	19,331,081	19,331,081	17,732,396	17,732,396

3.5 Fair value of financial assets and liabilities - Continued

Group 31 December 2021 Financial Assets not measured at fair values	Carrying Value	Fair Value Hierarchy			
		Level 1	Level 2	Level 3	Total
	N'000	N'000	N'000	N'000	N'000
Financial assets					
Debt securities at amortised cost - Federal Government of Nigeria bonds and treasury bills	2,813,874	3,830,814	-	-	3,830,814
Staff loans	251,425	-	-	301,850	301,850
	3,065,299	3,830,814	-	301,850	4,132,664

Commission 31 December 2021	Carrying Value	Fair Value Hierarchy			
		Level 1	Level 2	Level 3	Total
	N'000	N'000	N'000	N'000	N'000
Financial Assets not measured at fair values					
Debt securities (amortised cost) - Federal Government of Nigeria bonds and treasury bills	2,813,874	3,830,814	-	-	3,830,814
Staff loans	251,425	-	-	301,850	301,850
	3,065,299	3,830,814	-	301,850	4,132,664

The fair values of staff loans have been determined based on unobservable market data 'estimated using Discounted Cash Flow (DCF) valuation models (level 3). Inputs into this valuation technique include: expected cash flows, tenor and interest rates and market rate of similar loans at arms length. The fair value is derived by discounting the expected cashflows using the market rate over the tenor of the respective loans.

Group 31 December 2020 Financial Assets not measured at fair values	Carrying Value	Fair Value Hierarchy			
		Level 1	Level 2	Level 3	Total
	N'000	N'000	N'000	N'000	N'000
Financial assets					
Debt securities at amortised cost - Federal Government of Nigeria bonds and treasury bills	10,774,040	11,020,841	-	-	11,020,841
Staff loans	560,576	-	-	565,790	565,790
	11,334,616	11,020,841	-	565,790	11,586,631

3.5 Fair value of financial assets and liabilities - Continued

Commission 31 December 2020	Carrying Value N'000	Fair Value Hierarchy Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Financial Assets not measured at fair values					
Debt securities (amortised cost) - Federal Government of Nigeria bonds and treasury bills	10,774,040	11,020,841	-	-	11,020,841
Staff loans	560,576	-	-	565,790	565,790
	11,334,616	11,020,841	-	565,790	11,586,631

The fair values approximate the carrying amounts of the following financial assets and liabilities: cash and bank balances, other receivables, sundry and other creditors and accruals.

3.6 Classification and measurement of financial instrument

The classification of financial assets is shown below:

a) Financial assets

Group Assets	Measurement category	Carrying amount 31 December 2021 N'000	31 December 2020 N'000
Cash and bank balances	Amortised cost	14,454,470	280,075
Staff loans and other receivables	Amortised cost	499,130	499,352
Investment securities	Amortised cost	2,813,874	10,774,040

Commission Assets	Measurement category	Carrying amount 31 December 2021 N'000	31 December 2020 N'000
Cash and bank balances	Amortised cost	419,905	279,252
Staff loans and other receivables	Amortised cost	376,698	376,920
Investment securities	Amortised cost	2,813,874	10,774,040

b) Financial liabilities

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

3.7 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.

4.2 Significant Increase in Credit Risk - Continued

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.

3.8 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.

4.3 Expected Credit Loss Impairment Parameters - Continued

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:

Staff Loans	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 2021	3,175	-	2,039	-	5,214
P or L impact on De-recognised loans	(1,083)	-	(337)	-	(1,420)
Total net P or L charge during the period	20,326	-	50	-	20,376
Loss allowance as at 31 December 2021	22,418	-	1,752	-	24,171

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:

4.3 Expected Credit Loss Impairment Parameters - continued

Staff Loans	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 2021	563,343	-	2,447	-	565,790
Financial assets derecognised during the period other than write-offs	(289,834)	-	(360)	-	(290,194)
Gross carrying amount as at 31 December 2021	273,509	-	2,087	-	275,596

Staff Loans	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	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	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
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

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	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 2021	21,254	-	-	-	21,254
Movements with P or L impact					
Total net P or L charge during the year	(2,673)	-	-	-	(2,673)
Loss allowance as at 31 December 2021	18,581	-	-	-	18,581

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 2021	10,795,294	-	-	-	10,795,294
Financial assets derecognised during the period other than write-offs	(7,962,838)				(7,962,838)
Gross carrying amount as at 31 December 2021	2,832,456	-	-	-	2,832,456

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
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 period	(14,351)	-	-	-	(14,351)
Loss allowance as at 31 December 2020	21,254	-	-	-	21,254

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 2020	16,540,680	-	-	-	16,540,680
Financial assets derecognised during the period other than write-offs	(5,745,386)				(5,745,386)
New financial assets originated or purchased	-	-	-	-	-
Gross carrying amount as at 31 December 2020	10,795,294	-	-	-	10,795,294

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 incremental borrowing rate) 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 2021	1,881	-	-	-	1,881
Movements with P or L impact					
Total net P or L charge during the period	(121)	-	-	-	(121)
Loss allowance as at 31 December 2021	1,760	-	-	-	1,760

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:

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 2021	25,354	-	-	-	25,354
Financial assets derecognised during the period other than write-offs	(5,059)	-	-	-	(5,059)
Gross carrying amount as at 31 December 2021	20,295	-	-	-	20,295

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 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

		Group		Commission	
5	Fee income from operations				
		2021	2020	2021	2020
		N '000	N '000	N '000	N '000
	Market transaction fees	3,039,587	3,167,969	3,039,587	3,167,969
	Registration of securities				
	- Bonds	771,160	798,325	771,160	798,325
	- Equities	196,385	178,647	196,385	178,647
	- Right issues	2,263	17,410	2,263	17,410
	- Bonus shares	49,904	65,000	49,904	65,000
	Registration of operators	485,149	328,311	485,149	328,311
	Penalties and other transaction fees	926,952	321,284	926,952	321,284
		5,471,400	4,876,946	5,471,400	4,876,946

All fee income are generated from capital market regulation activities at a point in time.

6	Interest income calculated using effective interest method				
	Investment securities - Treasury bills	18,138	461,344	18,138	461,344
	Investment securities - Bonds	637,960	417,991	637,960	417,991
	Staff loans	102,960	73,917	102,960	73,917
		759,058	953,252	759,058	953,252
7	Other income				
	Other receipts from capital market operators	11,668	28,104	11,543	25,520
	Workshop/training fees	118,966	46,540	-	-
	Other Income*	13,274	-	13,274	-
	Gain on disposal of Treasury Bills/FGN Bonds before maturity	-	96,994	-	96,994
		143,908	171,638	24,817	122,514

*The other income relates to the gain from derecognised lease liability during the year, as a result of termination of the lease obligation.

8	Finance income on leases				
	Finance lease				
	Finance income on net investment in lease	2,780	3,458	2,780	3,458
		2,780	3,458	2,780	3,458

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	5,104,040	7,953,870	5,104,040	7,953,870
	Other staff allowances **	1,814,538	368,257	1,814,538	368,257
	Reorganization and Severance cost to voluntrary exit staff	3,508,240	-	3,508,240	-
	Pension costs:				
	- Curtailment Cost on voluntary exit of staff (Note 26)	999,914	-	999,914	-
	- Defined contribution plan	551,301	817,338	551,301	817,338
	- Defined benefit plan (Note 26)	926,266	(275,533)	926,266	(275,533)
		12,904,299	8,863,932	12,904,299	8,863,932

** 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)	159,592	129,724	153,841	119,665
	Depreciation of right of use assets (note 15)	7,748	10,063	7,748	10,063
	Amortisation of intangible assets (note 16)	17,864	27,775	17,864	27,775
		185,204	167,562	179,453	157,503

11 Other operating expenses

	Group		Commission	
	2021	2020	2021	2020
	N '000	N '000	N '000	N '000
Loss on Disposal of Investments	552,754	-	552,754	-
Maintenance costs	220,912	182,428	213,337	177,236
Travelling expense	123,400	181,542	123,377	181,185
Insurance	101,288	132,326	101,288	132,326
Information technology expenses	99,455	188,998	99,365	188,902
Rental	84,553	87,221	83,885	86,282
Training and capacity building	95,180	68,462	72,951	53,110
Board members' compensation, allowances and expenses	56,364	28,303	56,364	28,303
Printing, stationery and subscriptions	56,888	74,774	56,246	74,774
Fuel	70,840	55,559	49,479	55,559
Administrative expenses (see (a) below)	63,790	101,384	49,878	101,254
Legal fees	44,685	14,719	44,685	14,719
Other expenses (see (b) below)	24,963	27,898	45,055	27,398
Professional fees (see (c) below)	18,302	17,863	18,302	17,863
Audit fees	18,605	21,501	14,140	16,663
Meeting expenses	15,911	19,121	14,694	19,121
Donations	12,016	30,301	12,016	30,301
Capital market development expenses	99,852	37,023	681	34,613
	1,759,758	1,269,423	1,608,497	1,239,609

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 consulting related services. This includes an amount of N4.5million, a non-audit permissible services (Assessment of ECL) provided by EY, the external auditors to the Commision.

12 Net impairment charges/(write-back)

Impairment charges on staff loans and other receivable (note 18.5)	23,898	71,006	23,898	71,006
Impairment write-back on investment securities measured at amortised cost (note 19.2)	(2,673)	(14,351)	(2,673)	(14,351)
Impairment write-back on finance lease receivables (note 21.1)	(121)	(769)	(121)	(769)
	21,104	55,886	21,104	55,886

13 Finance expense on leases

Interest expense (included in finance expenses on lease)	3,024	11,121	3,024	11,121
	3,024	11,121	3,024	11,121

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 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
Disposals	-	-	-	(321)	-	-	(321)
At 31 December 2020	801,846	3,085,846	1,586,645	912,738	579,450	5,805	6,972,330
At 1 January 2021	801,846	3,085,846	1,586,645	912,738	579,450	5,805	6,972,330
Additions	-	-	5,818	15,068	-	-	20,886
Disposal	-	(7,293)	(41,585)	(4,130)	(16,858)	-	(69,866)
At 31 December 2021	801,846	3,078,553	1,550,878	923,676	562,592	5,805	6,923,350
Accumulated depreciation							
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
Disposals	-	-	-	(100)	-	-	(100)
At 31 December 2020	-	1,131,186	1,513,298	835,161	579,034	-	4,058,679
At 1 January 2021	-	1,131,186	1,513,298	835,161	579,034	-	4,058,679
Charge for the year	-	76,828	38,097	44,373	294	-	159,592
Disposal	-	(2,416)	(41,585)	(4,130)	(16,857)	-	(64,988)
At 31 December 2021	-	1,205,598	1,509,810	875,404	562,471	-	4,153,283
Carrying amount at 31 December 2020	801,846	1,954,660	73,347	77,577	416	5,805	2,913,651
Carrying amount at 31 December 2021	801,846	1,872,955	41,068	48,272	121	5,805	2,770,067

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 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
Disposals	-	-	-	(321)	-	-	(321)
At 31 December 2020	801,846	3,085,846	1,559,412	910,437	560,852	5,805	6,924,198
At 1 January 2021	801,846	3,085,846	1,559,412	910,437	560,852	5,805	6,924,198
Additions	-	-	5,597	15,068	-	-	20,665
Disposal	-	(7,293)	(41,585)	(4,130)	(16,858)	-	(69,866)
At 31 December 2021	801,846	3,078,553	1,523,424	921,375	543,994	5,805	6,874,997
Accumulated depreciation							
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
Disposals	-	-	-	(100)	-	-	(100)
At 31 December 2020	-	1,131,186	1,495,562	833,236	560,435	-	4,020,419
At 1 January 2021	-	1,131,186	1,495,562	833,236	560,435	-	4,020,419
Charge for the year	-	76,828	32,721	43,998	294	-	153,841
Disposal	-	(2,416)	(41,585)	(4,130)	(16,857)	-	(64,988)
At 31 December 2021	-	1,205,598	1,486,698	873,104	543,872	-	4,109,272
Carrying amount at 31 December 2020	801,846	1,954,660	63,850	77,201	417	5,805	2,903,779
Carrying amount at 31 December 2021	801,846	1,872,955	36,726	48,271	122	5,805	2,765,725

There were no impairment losses on any class of property and equipment during the year (31 December, 2020: Nil)

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (December 31, 2020: Nil).

Capital work in progress relates to cost clearing account for items yet to be capitalized.

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 2021	31 December 2020	31 December 2021	31 December 2020
	N' 000	N' 000	N' 000	N' 000
At 1 January	69,193	69,193	69,193	69,193
Additions during the year	17,600	-	17,600	-
Disposal**	(63,219)	-	(63,219)	-
At 31 December	23,574	69,193	23,574	69,193
Accumulated Depreciation				
At 1 January	20,126	10,063	20,126	10,063
Charge for the year	7,748	10,063	7,748	10,063
Disposal**	(18,594)	-	(18,594)	-
At 31 December	9,280	20,126	9,280	20,126
Carrying value	14,294	49,067	14,294	49,067

**See Note 23 for details on lease liabilities*
** The class of asset for the right of use assets is building.*
***The disposal relates to the termination of one of the lease liabilities during the year, hence the movement shown above; as well as the accumulated depreciation on the disposed asset.*

16 Intangible assets

	Group		Commission	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	N' 000	N' 000	N' 000	N' 000
Cost				
At 1 January	665,508	665,509	665,508	665,509
Additions	-	-	-	-
At 31 December	665,508	665,509	665,508	665,509
Accumulated amortisation				
At 1 January	647,642	619,867	647,642	619,867
Amortisation charge	17,864	27,775	17,864	27,775
At 31 December	665,506	647,642	665,506	647,642
Carrying amount	2	17,867	2	17,867

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	275,596	565,790	275,596	565,790
Allowance for Impairment of staff loans (note 18.2)	(24,171)	(5,214)	(24,171)	(5,214)
	251,425	560,576	251,425	560,576
Other receivables				
Receivables from fee income	290,683	244,978	290,683	244,978
Sundry debtors	219,076	210,212	216,390	207,526
Other receivables from fund managers	122,433	122,433	-	-
	632,192	577,623	507,073	452,504
Allowance for Impairment of receivables from fee income (note 18.4)	(138,516)	(138,440)	(138,516)	(138,440)
Allowance for Impairment of sundry debtors (note 18.3)	(215,077)	(210,213)	(212,390)	(207,526)
	(353,594)	(348,653)	(350,906)	(345,966)
	278,598	228,970	156,167	106,538
	530,023	789,546	407,592	667,114

18 Staff loans and other receivables (Cont'd)

*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.

*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	2,156,007	738,258	2,156,007	738,258
		2,156,007	738,258	2,156,007	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	5,214	126,856	5,214	126,856
	Charges/(write back) for the year	18,957	(121,642)	18,957	(121,642)
	Balance, end of year	24,171	5,214	24,171	5,214
18.3	Movement in allowance for impairment of sundry debtors				
	Balance, beginning of year	210,213	19,226	207,526	16,539
	Charges for the year	4,864	190,987	4,864	190,987
	Balance, end of year	215,077	210,213	212,390	207,526

		Group		Commission	
18.4	Movement in allowance for impairment of receivables from fee income	31 December 2021	31 December 2020	31 December 2021	31 December 2020
		N' 000	N' 000	N' 000	N' 000
	Balance, beginning of year	138,440	136,779	138,440	136,779
	Charge for the year	77	1,661	77	1,661
	Balance, end of year	138,516	138,440	138,516	138,440
18.5	Summary of write-back/charges to statement of profit or loss				
	Impairment charges/(write-back) on staff loan (note 18.2)	18,957	(121,642)	18,957	(121,642)
	Impairment charge on sundry debtors (note 18.3)	4,864	190,987	4,864	190,987
	Impairment charge on fee receivables (note 18.4)	77	1,661	77	1,661
		23,898	71,006	23,898	71,006
18.6	Classification of staff loans				
	Current	30,893	290,194	30,893	290,194
	Non-current	220,532	270,382	220,532	270,382
		251,425	560,576	251,425	560,576

		Group		Commission	
19	Investment securities at amortised cost	31 December 2021	31 December 2020	31 December 2021	31 December 2020
		N' 000	N' 000	N' 000	N' 000
	Debt securities at amortised cost	2,832,456	10,795,294	2,832,456	10,795,294
	Less impairment allowance on debt securities	(18,582)	(21,254)	(18,582)	(21,254)
		2,813,874	10,774,040	2,813,874	10,774,040
19.1	Debt securities at amortised cost				
	- Federal Government of Nigeria Bonds (note 19.4)	2,832,456	4,037,271	2,832,456	4,037,271
	- Nigeria Treasury bills (note 19.4)	-	6,758,023	-	6,758,023
		2,832,456	10,795,294	2,832,456	10,795,294
19.2	Movement in allowance for impairment of investment securities				
	Balance, beginning of year	21,254	35,605	21,254	35,605
	(Write-back) for the year	(2,673)	(14,351)	(2,673)	(14,351)
	Balance, end of year	18,582	21,254	18,582	21,254
19.3	Classification of Investment securities				
	Current	-	6,752,651	-	6,752,651
	Non-current	2,813,874	4,021,389	2,813,874	4,021,389
		2,813,874	10,774,040	2,813,874	10,774,040

19.4 Analysis of movement during the year

	Group		Commission	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Federal Government of Nigeria bonds:	N' 000	N' 000	N' 000	N' 000
At 1 January	4,037,271	4,044,466	4,037,271	4,044,466
Additions	3,985,383	-	3,985,383	-
Redemption	(4,513,719)	-	(4,513,719)	-
Loss on Liquidation	(549,935)	-	(549,935)	-
Interest received	(764,504)	(425,186)	(764,504)	(425,186)
Amortised interest income	637,960	417,991	637,960	417,991
At 31 December	2,832,456	4,037,270	2,832,456	4,037,270
Nigeria Treasury Bills:				
At 1 January	6,758,023	12,496,214	6,758,023	12,496,214
Additions	500,000	10,256,577	500,000	10,256,577
Redemption	(7,273,341)	(16,456,112)	(7,273,341)	(16,456,112)
Loss on Liquidation	(2,819)	-	(2,819)	-
Amortised interest earned	18,138	461,344	18,138	461,344
At 31 December	-	6,758,023	-	6,758,023

20 Prepayments

Prepaid staff allowance	1,063,133	1,055,900	1,063,133	1,055,900
Prepaid motor vehicle allowance	159,277	341,852	159,277	341,852
	1,222,410	1,397,752	1,222,410	1,397,752
Classification of prepayments				
Current	1,222,410	1,397,752	1,222,410	1,397,752
Non-current	-	-	-	-
	1,222,410	1,397,752	1,222,410	1,397,752

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 2021	31 December 2020	31 December 2021	31 December 2020
	N' 000	N' 000	N' 000	N' 000
Finance lease receivables	20,295	25,354	20,295	25,354
Allowance for impairment of finance lease receivables	(1,760)	(1,881)	(1,760)	(1,881)
	18,535	23,473	18,535	23,473
At 1 January	25,354	29,735	25,354	29,735
Interest income	2,780	3,458	2,780	3,458
Payments received during the year	(7,839)	(7,839)	(7,839)	(7,839)
At 31 December	20,295	25,354	20,295	25,354

21.1 Movement in allowance for impairment of finance lease receivables

Balance, beginning of year	1,881	2,650	1,881	2,650
(Write-back) for the year	(121)	(769)	(121)	(769)
Balance, end of year	1,760	1,881	1,760	1,881
Current	5,059	5,059	5,059	5,059
Non-current	13,476	18,414	13,476	18,414
	18,535	23,473	18,535	23,473

21.2 Finance lease receivables

Maturity analysis – contractual undiscounted cash flows (Leases)	31 December 2021 N' 000	31 December 2020 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
5 years	-	-
Total undiscounted finance lease receivables at 31 December 2021	23,517	31,356
Unearned finance income	(3,221)	(6,001)
Finance lease receivables at 31 December 2021	20,296	25,355

22 Cash and bank balances

	Group		Commission	
	31 December 2021 N' 000	31 December 2020 N' 000	31 December 2021 N' 000	31 December 2020 N' 000
Cash in hand	3,228	2,726	2,425	1,923
Unrestricted Balances held with Central Bank of Nigeria	14,451,242	277,349	417,480	277,329
	14,454,470	280,075	419,905	279,252

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

23 Lease liabilities*

At 1 January	77,954	74,565	77,954	74,565
Additions	-	-	-	-
De-recognition	(57,899)	-	(57,899)	-
Interest expense	3,024	11,121	3,024	11,121
Payments made during the year	(11,955)	(7,732)	(11,955)	(7,732)
At 31 December	11,123	77,954	11,123	77,954
Current	9,649	5,092	9,649	5,092
Non-current	1,474	72,862	1,474	72,862
	11,123	77,954	11,123	77,954

**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	18,605	24,501	14,140	19,163
	18,605	24,501	14,140	19,163

24(b) Sundry and other creditors

Accounts payable	441,420	352,426	440,920	352,426
Sundry creditors*	451,196	442,026	328,762	319,593
Payable to voluntary exited staff**	1,538,474	-	1,538,474	-
Payable to investors***	14,033,741	-	-	-
	16,464,831	794,452	2,308,156	672,019
Non financial liabilities:				
Witholding tax payable	1,418	585	1,418	585
Pay-As-You-Earn payable	40	20,424	40	20,424
Value added tax payable	3,396	1,122	3,061	1,122
Stamp Duty	248	105	248	105
	16,469,933	816,688	2,312,923	694,255

*Sundry creditors balance constitute retention fee withheld payable to vendors and other outstanding balances for legal and professional fees.
**Payable to voluntary exited staff relates to the net gratuity payable after deductions of indebtedness from gross gratuity balance of N1.8billion.
***Payable to investors relates to funds remitted by registered agent based on monies collected from buyouts due to companies corporate restructuring for which such shareholders can't be traced and thus paid into National Protection Investor Funds account to be held in trust for the shareholders.

24(c) Payable to related entities

Capital Market Development Fund	-	-	5,573,204	5,673,913
Nigerian Capital Market Institute	-	-	5,165,915	5,095,935
National Investor Protection Fund	-	-	6,269,666	6,271,366
	-	-	17,008,785	17,041,214

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	600,088	709,677	600,088	709,677
Transfers from statement of changes in equity	-	-	-	-
Payment during the year	-	(109,589)	-	(109,589)
At 31 December	600,088	600,088	600,088	600,088

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. There has been no transfer due to the loss making position of the Commission.

25 **Provisions**

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

The balance comprised provision for litigations in which judgement has been delivered against the Commission. There is no movement in provision for litigation during the year.

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 not qualified till two (2) years after appointment date.

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

	Group		Commission	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Statement of financial position asset/(liability) for:	N' 000	N' 000	N' 000	N' 000
Net defined benefit (liability)/plan asset	(1,931,648)	(5,604,408)	(1,931,648)	(5,604,408)

26 Retirement benefit obligations (Cont'd)

Profit or loss charge:

31 December 2021	Legacy fund	Gratuity scheme	Total
	N' 000	N' 000	N' 000
Current service cost	6,010	475,604	481,614
Net interest cost	87,782	356,870	444,652
Curtailment Cost	-	999,914	999,914
	93,792	1,832,388	1,926,180

31 December 2020			
	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)

Recognized in other comprehensive income

31 December 2021			
Remeasurement gains/(losses) are recognised in other comprehensive income.			
Remeasurement losses/(gains)	(247,530)	(3,336,908)	(3,584,438)
	(247,530)	(3,336,908)	(3,584,438)
31 December 2020			
Remeasurement loss/(gains)	824,860	(219,354)	605,506
	824,860	(219,354)	605,506

As at the last valuation date - 31 December 2021 - 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 2022. Expected contributions to legacy fund, gratuity and executive management schemes for the year ending 31 December 2022 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 2021			
Pension/salary weighted average age	65.7 years	46.4 years	57 years
Salary weighted past service	-	10.4 years	4.6 years
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

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 2021				
Defined benefit obligation	(363,525)	(363,525)	(2,908,198)	(3,635,248)
Total	(363,525)	(363,525)	(2,908,198)	(3,635,248)
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)

26 Retirement benefit obligations (Cont'd)

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

	Group		Commission	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	N' 000	N' 000	N' 000	N' 000
Defined benefit obligation	(3,635,248)	(8,013,816)	(3,635,248)	(8,013,816)
Fair value of plan assets	1,703,600	2,409,408	1,703,600	2,409,408
	(1,931,648)	(5,604,408)	(1,931,648)	(5,604,408)

31 December 2021

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

	Legacy fund	Gratuity scheme	Executive management scheme	Total
	N' 000	N' 000	N' 000	N' 000
Opening defined benefit obligation	3,446,728	4,567,088	-	8,013,816
Current service cost	6,010	475,604	-	481,614
Interest cost	228,823	367,668	-	596,491
Remeasurement losses/(gains)	(392,624)	(3,334,401)	-	(3,727,025)
Past Service Cost	-	-	-	-
Curtailment Cost		999,914		999,914
Administrative cost paid	(6,010)	-	-	(6,010)
Voluntary Exit Settlement Benefit/Transfer to current liability	-	(1,866,082)	-	(1,866,082)
Benefits paid	(709,050)	(148,420)	-	(857,470)
	2,573,877	1,061,371	-	3,635,248

31 December 2020

The movement in the defined benefit obligation is as follows:

	Legacy fund	Gratuity scheme	Executive management scheme	Total
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

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:

Actuarial (Gain) / Loss

31 December 2021

	Legacy fund	Gratuity scheme	Executive management scheme	Total
	N' 000	N' 000	N' 000	N' 000
Change in Economic Assumptions	(1,123,558)	(3,036,666)	-	(4,160,224)
Change in Demographic Assumption	-	-	-	-
Experience:				-
Pension/Salary Increases	546,742	(330,812)	-	215,930
Demographic Experience	184,192	33,077	-	217,269
	(392,624)	(3,334,401)	-	(3,727,025)

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

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

31 December 2021	Legacy fund	Gratuity scheme	Executive management scheme	Total
	N' 000	N' 000	N' 000	N' 000
At the beginning of the year	2,263,495	145,913	-	2,409,408
Interest income	141,041	10,798	-	151,839
Employer contribution paid	-	-	-	-
Administrative cost paid	(6,010)	-	-	(6,010)
Remeasurement losses	(145,094)	2,507	-	(142,587)
Benefits paid	(709,050)	-	-	(709,050)
	1,544,382	159,218	-	1,703,600
Composition of plan assets				
Cash	510,727	159,218	-	669,945
Equity	124,477	-	-	124,477
Bonds	909,178	-	-	909,178
	1,544,382	159,218	-	1,703,600
Quoted	1,033,655	-	-	1,033,655
Unquoted	510,727	159,218	-	669,945
	1,544,382	159,218	-	1,703,600
31 December 2020				
At the beginning of the period	2,285,160	50,476	-	2,335,636
Interest income	249,381	12,786	-	262,167
Employer contribution paid	-	328,846	-	328,846
Expenses	(5,000)	-	-	(5,000)
Remeasurement gains	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

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 (b) The movement in the fair value of plan assets of the year is as follows (Cont'd):
The principal actuarial assumptions were as follows:

	Legacy fund	Gratuity scheme	Executive management scheme
31 December 2021			
Discount rate	13.7%	13.3%	0.0%
Pension allowance increase	0.0%	2.5%	0.0%
31 December 2020			
Discount rate	7.4%	7.4%	0.0%
Pension allowance increase	0.0%	7.4%	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 2021

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
	(126,653)	140,589	159,742	(159,580)	(38,350)	36,680

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
	(68,540)	75,937	8,854	(7,993)	6,554	(5,920)

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 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
	-	-	-	-

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.

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

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 (2020: 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 2021	31 December 2020	31 December 2021	31 December 2020
		N' 000	N' 000	N' 000	N' 000
Loss for the year		(8,496,243)	(4,362,630)	(8,458,322)	(4,371,881)
Adjustments for:					
– Depreciation of property and equipment	(Note 14)	159,592	129,724	153,841	119,665
– Depreciation of right of use assets	(Note 15)	7,748	10,063	7,748	10,063
– Amortisation of intangible assets	(Note 16)	17,864	27,775	17,864	27,775
- Defined benefit plan expenses/(income)	(Note 26)	1,926,180	(275,533)	1,926,180	(275,533)
- Impairment charge other receivable	(Note 18.5)	4,941	192,648	4,941	192,648
- Impairment charge/(write back) on staff loans	(Note 18.5)	18,957	(121,642)	18,957	(121,642)
- Impairment charge on investment securities	(Note 19.2)	(2,673)	(14,351)	(2,673)	(14,351)
- Impairment charge on finance lease receivables	(Note 21)	(121)	(769)	(121)	(769)
– Interest expense on lease liability	(Note 13)	3,024	11,121	3,024	11,121
– Finance income on leases	(Note 8)	(2,780)	(3,458)	(2,780)	(3,458)
– Other income	(Note 7)	(13,274)	-	(13,274)	-
– Interest Income on staff loan	(Note 6)	(102,960)	(73,917)	(102,960)	(73,917)
– Interest Income on investment securities	(Note 6)	(656,098)	(879,335)	(656,098)	(879,335)
-(Gain) on Disposal of treasury bills/Bond Before Maturity	(Note 7)	-	-	-	-
-Loss on Disposal of treasury bills/Bonds Before Maturity	(Note 11)	552,754	-	552,754	-
Changes in operating assets and liabilities					
-Change in prepayments		175,342	128,368	175,342	128,368
-Change in other receivables		(54,569)	(218,572)	(54,569)	(96,140)
-Change in staff loans		290,194	169,057	290,194	169,057
-Change in advance payment to Consolidated Revenue Fund		(1,417,749)	(738,258)	(1,417,749)	(738,258)
-Change in sundry creditors		15,653,245	(57,575)	1,618,668	(173,125)
-Change in payable to related entities		-	-	(32,429)	17,652
-Change in accruals		(5,896)	(70,476)	(5,023)	(75,814)
-Change in provisions		-	-	-	-
Cash flows used in operating activities		8,057,478	(6,147,760)	(5,976,485)	(6,147,874)

30 Contingent liabilities and commitments

Legal proceedings

The Group is presently involved in several litigations but there are three major litigation suits, for which provisions has been made amounting to N535million (2020: N535million), see Note 25. The Board of the Commission are of the opinion that no material adverse outcome will result therefrom.

Capital commitments

There are no capital commitments on the Group as at the end of the year (2020: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 2021	31 December 2020	31 December 2021	31 December 2020
	N' 000	N' 000	N' 000	N' 000
Short term benefits /executive compensation	356,012	339,713	356,012	339,713
Post employment benefits	-	-	-	-
	356,012	339,713	356,012	339,713

The average number of persons, excluding Commissioners, employed

	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Senior management	99	68	99	68
Management	196	357	196	357
Non management	72	105	72	105
	367	530	367	530

31.2 Balances with related parties

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

Commission	Nature of relationship	Nature of balance	31 December 2021 N' 000	31 December 2020 N' 000
Nigerian Capital Market Development Fund	Subsidiary	Payable	5,573,204	5,673,913
National Investors Protection Fund	Subsidiary	Payable	5,165,915	5,095,935
Nigeria Capital Market Institute	Subsidiary	Payable	6,269,666	6,271,366

None of the loans to key management personnel is either past due nor impaired. Hence no specific provision was required in 2021 (2020: 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 (Cont'd)

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 2021

	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	-	-	4,341
Staff loans and other receivables	6,311,957	5,501,965	5,099,883
Total non-current assets	6,311,957	5,501,965	5,104,224
Current assets			
Cash and bank balances	14,033,741	-	823
Total current assets	14,033,741	-	823
Total assets	20,345,698	5,501,965	5,105,047
Equity			
Accumulated reserve fund	1,187,824	500,265	103,147
Capital	5,000,000	5,000,000	5,000,000
Total equity	6,187,824	5,500,265	5,103,147
Liabilities			
Current liabilities			
Sundry and other creditors	14,157,874	1,700	1,900
Total current liabilities	14,157,874	1,700	1,900
Total liabilities	14,157,874	1,700	1,900
Total equity and liabilities	20,345,698	5,501,965	5,105,047
Statement of profit or loss and other comprehensive income			
Workshop/training fees	-	-	118,966
Other Income	63	63	-
Total income	63	63	118,966
Depreciation and amortisation expenses	-	-	(5,752)
Other operating expenses	(1,700)	(100,709)	(48,853)
Net impairment on staff loans and other receivable	(24,119)	(20,553)	(20,763)
Total expenses	(25,819)	(121,262)	(75,367)
(Loss)/profit for the year	(25,756)	(121,200)	43,599
Other comprehensive income			
Other comprehensive income for the year	-	-	-
Total comprehensive (loss)/income for the year	(25,756)	(121,200)	43,599

31.3 Consolidated structured entities (Cont'd)
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 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			
Other Income	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			
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	(22,231)	(21,668)	(4,005)

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 2021

The Group	2021 N '000	%	2020 N '000	%
Gross income	6,377,146		6,005,294	
Bought in goods and services				
- local	(1,783,886)		(1,336,430)	
Value added	4,593,260	100%	4,668,864	100%
Distribution				
Employees				
Employee benefit expenses	12,904,299	281%	8,863,932	174%
Providers of capital				
Loss for the year	(8,496,243)	(185%)	(4,362,630)	(81%)
To provide for enhancement of assets and growth				
Depreciation, impairment and amortisation expenses	185,204	4%	167,562	7%
	4,593,260	100%	4,668,864	100%

The Commission	2021 N '000	%	2020 N '000	%
Gross income	6,258,055		5,956,170	
Bought in goods and services				
- local	(1,632,628)		(1,306,619)	
Value added	4,625,427	100%	4,649,551	100%
Distribution				
Employees				
Employee benefit expenses	12,904,299	279%	8,863,932	192%
Providers of capital				
Loss for the year	(8,458,322)	(183%)	(4,371,881)	(94%)
To provide for enhancement of assets and growth				
Depreciation, impairment and amortisation expenses	179,450	4%	157,500	3%
	4,625,427	100%	4,649,551	100%

	31 December 2021 N '000	31 December 2020 N '000	31 December 2019 N '000	31 December 2018 N '000	31 December 2017 N '000
Non-current assets					
Property and equipment	2,770,067	2,913,651	3,025,958	3,055,829	3,243,133
Right of use assets	14,294	49,067	59,130	-	-
Intangible assets	2	17,867	45,642	76,463	97,869
Staff loans	251,425	270,382	607,991	664,652	1,009,683
Advance	2,156,007	738,258	-	-	-
Investment securities at amortised cost	2,813,874	4,021,389	4,012,030	4,021,143	2,333,349
Prepayments	-	-	425,360	1,071,311	1,380,528
Retirement benefit assets	-	-	-	88,022	130,084
Finance lease receivables	13,476	18,414	22,704	-	-
Total non-current assets	8,019,145	8,029,028	8,198,814	8,977,419	8,194,646
Current assets					
Other receivables	278,598	228,970	203,046	174,729	204,816
Investment securities at amortised cost	-	6,752,651	12,493,045	14,886,346	5,373,035
Prepayments	1,222,410	1,397,752	1,100,760	1,588,621	1,501,798
Finance lease receivables	5,059	5,059	4,381	-	-
Cash and bank balances	14,454,470	280,075	467,664	583,067	11,471,575
Total current assets	15,960,537	8,664,507	14,268,896	17,232,763	18,551,225
Total assets	23,979,682	16,693,535	22,467,710	26,210,183	26,745,870
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	3,468,012	8,379,817	13,347,954	22,371,380	23,802,181
Total equity	4,412,546	9,324,351	14,292,488	23,315,914	24,746,715
Liabilities					
Non current liabilities					
Retirement benefit obligations	1,931,648	5,604,408	5,886,003	-	-
Lease liabilities	1,474	72,862	70,166	-	-
Total non-current liabilities	1,933,122	5,677,270	5,956,169	-	-
Current liabilities					
Lease liabilities	9,649	5,092	4,399	-	-
Accruals	18,605	24,501	94,977	32,017	53,478
Sundry and other creditors	16,469,933	816,688	874,263	1,299,840	800,335
Payable to Consolidated Reserve Fund	600,088	600,088	709,677	760,872	525,342
Provisions	535,739	535,739	535,739	801,540	620,000
Total current liabilities	17,634,014	1,982,108	2,219,055	2,894,269	1,999,154
Total liabilities	19,567,136	7,659,378	8,175,224	2,894,269	1,999,154
Total equity and liabilities	23,979,684	16,983,729	22,467,710	26,210,183	26,745,870

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

	2021	2020	2019	2018	2017
	N '000	N '000	N '000	N '000	N '000
Fee income from operations	5,471,400	4,876,946	5,905,062	5,473,477	5,116,651
Interest income	759,058	953,252	2,424,147	2,561,913	2,706,196
Other operating income	143,908	171,638	368,709	128,842	67,596
Finance income on leases	2,780	3,458	4,004		
Total income	6,377,146	6,005,294	8,701,922	8,164,232	7,890,443
Employee benefits expense	(12,904,299)	(8,863,932)	(15,334,309)	(6,460,767)	(5,759,407)
Depreciation and amortisation expenses	(185,204)	(167,562)	(241,591)	(270,583)	(299,391)
Other operating expenses	(1,759,758)	(1,269,423)	(2,581,170)	(2,433,324)	(1,849,264)
Net impairment on financial assets	(21,104)	(55,886)	47,034	1,262.00	-
Finance expense on leases	(3,024)	(11,121)	(10,538)	-	-
Total expenses	(14,873,389)	(10,367,924)	(18,120,574)	(9,163,412)	(7,908,063)
Loss for the year	(8,496,243)	(4,362,630)	(9,418,652)	(999,180)	(17,619)
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Remeasurement gains/ (loss) on defined benefit scheme	3,584,438	(605,506)	424,366	(12,522)	225,517
Other comprehensive (loss)/income for the year	3,584,438	(605,506)	424,366	(12,522)	225,517
Total comprehensive (loss)/income for the year	(4,911,805)	(4,968,136)	(8,994,286)	(1,011,702)	207,898

	31 December 2021 N '000	31 December 2020 N '000	31 December 2019 N '000	31 December 2018 N '000	31 December 2017 N '000
Assets					
Non-current assets					
Property and equipment	2,765,725	2,903,779	3,006,141	3,033,276	3,209,429
Right of use assets	14,294	49,067	59,130	-	-
Intangible assets	2	17,867	45,642	76,463	97,869
Investment in consolidated structured entities	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Staff loans	251,425	270,382	607,991	664,652	1,009,683
Advances to the Consolidated Revenue Fund	2,156,007	738,258	-	-	-
Investment securities at amortised cost	2,813,874	4,021,389	4,012,030	4,021,143	2,333,349
Prepayments	-	-	425,360	1,071,311	1,380,531
Retirement benefit assets	-	-	-	88,022	130,084
Finance lease receivables	13,476	18,414	22,704	-	-
Total non-current assets	23,014,803	23,019,156	23,178,998	23,954,867	23,160,945
Current assets					
Other receivables	156,166	106,538	203,046	174,729	204,816
Investment securities at amortised cost	-	6,752,651	12,493,045	14,886,346	5,373,035
Prepayments	1,222,410	1,397,752	1,100,760	1,586,921	1,501,643
Finance lease receivables	5,059	5,059	4,381	-	-
Cash and bank balances	419,905	279,252	466,841	392,638	11,346,938
Total current assets	1,803,540	8,541,252	14,268,073	17,040,634	18,426,432
Total assets	24,818,343	31,560,408	37,447,071	40,995,501	41,587,377
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	1,459,363	6,333,247	11,310,634	20,193,059	21,264,079
Total equity	2,403,897	7,277,781	12,255,168	21,137,593	22,208,613
Liabilities					
Non current liabilities					
Retirement benefit obligations	1,931,648	5,604,408	5,886,003	-	-
Lease liabilities	1,474	72,862	70,166	-	-
Total non-current liabilities	1,933,122	5,677,270	5,956,169	-	-
Current liabilities					
Lease liabilities	9,649	5,092	4,399	-	-
Accruals	14,140	19,163	94,977	26,250	47,712
Sundry and other creditors	19,321,708	17,735,469	17,890,942	18,269,246	18,185,710
Payable to Consolidated Reserve Fund	600,088	600,088	709,677	760,872	525,342
Provisions	535,739	535,739	535,739	801,540	620,000
Total current liabilities	20,481,324	18,895,551	19,235,734	19,857,908	19,378,764
Total liabilities	22,414,446	24,572,821	25,191,903	19,857,908	19,378,764
Total equity and liabilities	24,818,343	31,850,602	37,447,071	40,995,501	41,587,377

	31 December 2021 N '000	31 December 2020 N '000	31 December 2019 N '000	31 December 2018 N '000	31 December 2017 N '000
Statement of Profit or Loss and Other Comprehensive Income (Commission)					
Fee income from operations	5,471,400	4,876,946	5,905,062	5,473,477	5,116,651
Interest income	759,058	953,252	2,424,147	2,561,913	2,706,196
Other operating income	24,817	122,514	316,458	58,464	2,382
Finance income on leases	2,780	3,458	4,004	-	-
Total income	6,258,055	5,956,170	8,649,671	8,093,854	7,825,229
Employee benefits expenses	(12,904,299)	(8,863,932)	(15,334,309)	(6,460,767)	(5,600,639)
Depreciation and amortisation expenses	(179,453)	(157,503)	(229,903)	(259,291)	(294,170)
Other operating expenses	(1,608,497)	(1,239,609)	(2,399,604)	(2,014,457)	(1,652,640)
Net impairment on financial assets	(21,104)	(55,886)	47,034	1,262	-
Finance expense on leases	(3,024)	(11,121)	(10,538)	-	-
Total expenses	(14,716,377)	(10,328,051)	(17,927,320)	(8,733,253)	(7,547,449)
(Loss)/profit for the year	(8,458,322)	(4,371,881)	(9,277,649)	(639,399)	277,780
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Remeasurement (loss)/gains subsequently on defined benefit scheme	3,584,438	(605,506)	424,366	(12,522)	225,517
Other comprehensive (loss)/income for the year	3,584,438	(605,506)	424,366	(12,522)	225,517
Total comprehensive (loss)/income for the year	(4,873,884)	(4,977,387)	(8,853,283)	(651,921)	503,297