Securities and Exchange Commission, Nigeria

Annual Report and Audited Consolidated and Separate Financial Statements For the year ended 31 December 2022

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Board of the Commission:

Mairiga A. Katuka***	Chairman
Emomotimi Agama***	Director General
Frana Chukwuogor***	Executive Commissioner, Legal and Enforcement
Bola Ajomale***	Executive Commissioner, Operations
Samiya Hassan Usman***	Executive Commissioner, Corporate Services
Garba Kurfi** *	Non-Executive Commissioner
Lekan Belo***	Non-Executive Commissioner
Mohammed Ali	Representative of The Federal Ministry of Finance
Olufemi Lijadu*	Chairman
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
Ladi Rekiya Faruk*	Non-Executive Commissioner
Lamido Yuguda**	Director General
Reginald Karawusa**	Executive Commissioner, Legal and Enforcement
Ibrahim Boyi**	Executive Commissioner, Corporate Services
Dayo Obisan**	Executive Commissioner, Operations

Corporate Secretary	
Chukwuma Thomas Megwa	Secretary to the Commission

*	Exited 17th June 2023 following dissolution of the Board
**	Exited 19th April 2024
***	Appointed 8th July 2024

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 2022.

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	
	2022 N '000	2021 N '000	2022 N '000	2021 N '000
Income	12,709,050	6,377,146	12,528,383	6,258,055
Expenses	(7,107,965)	(14,873,389)	(7,019,500)	(14,716,377)
Profit/(Loss) for the year	**5,601,085**	**(8,496,243)**	**5,508,883**	**(8,458,322)**

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
26 September 2024

Securities and Exchange Commission, Nigeria
Statement of Board's responsibility for the Consolidated and separate financial statements
For the year ended 31 December 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 on 26 September 2024 by:

Mairiga A. Katuka
Chairman, Board of the Commission
FRC/2024/PRO/DIR/003/183610

Emomotimi Agama
Director-General
FRC/2024/PRO/DIR/003/687199

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

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Securities & Exchange Commission, Nigeria, ("the Commission") and its subsidiaries (together "the Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2022, and the consolidated and separate statements of 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 2022 and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, 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 2022", which includes the Corporate Information, Report of the Board of the Commission, Statement of Board's Responsibility for the Consolidated and Separate Financial Statements, and Other National Disclosures. 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 IFRS Accounting Standards as issued by the International Accounting Standards Board, 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 control as the Board determine is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, 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.

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 financial statements, including the disclosures, and whether the consolidated 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 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/PRO/ICAN/004/00000003918
For: Ernst & Young
Lagos, Nigeria

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0679138

2 December 2024

Securities and Exchange Commission, Nigeria
Consolidated and separate statements of profit or loss and other comprehensive income
For the year ended 31 December 2022

		Group		Commission	
	Note	2022	2021	2022	2021
		N '000	N '000	N '000	N '000
Fee income from operations	5	11,915,823	5,471,400	11,915,823	5,471,400
Interest income calculated using effective interest metho	6	242,520	759,058	242,520	759,058
Other income	7	548,699	143,908	368,031	24,817
Finance income on lease receivables	8	2,008	2,780	2,008	2,780
Total income		**12,709,050**	**6,377,146**	**12,528,383**	**6,258,055**
Employee benefits expenses	9	(5,467,885)	(12,904,299)	(5,467,885)	(12,904,299)
Depreciation and amortisation expenses	10	(141,471)	(185,204)	(139,086)	(179,453)
Other operating expenses	11	(1,512,407)	(1,759,758)	(1,426,328)	(1,608,497)
Net impairment reversal/(charge) on financial assets	12	15,336	(21,104)	15,336	(21,104)
Finance expense on lease liabilities	13	(1,537)	(3,024)	(1,537)	(3,024)
Total expenses		**(7,107,965)**	**(14,873,389)**	**(7,019,500)**	**(14,716,377)**
Profit/(Loss) for the year*		**5,601,085**	**(8,496,243)**	**5,508,883**	**(8,458,322)**
Other comprehensive income: **Items that will not be subsequently reclassified to profit or loss:**					
Remeasurement gain on defined benefit plan	27	26,316	3,584,438	26,316	3,584,438
Other comprehensive income for the year		**26,316**	**3,584,438**	**26,316**	**3,584,438**
Total comprehensive income for the year		**5,627,401**	**(4,911,805)**	**5,535,199**	**(4,873,884)**

* The Commission is income tax exempted
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 2022

		Group			Commission		
	Note	**31 December 2022**	**31 December 2021***	**1 January 2021***	**31 December 2022**	**31 December 2021***	**1 January 2021***
		N '000	**N '000**	**N '000**	**N '000**	**N '000**	**N '000**
Assets							
Non-current assets							
Property and equipment	14	2,670,394	2,770,069	2,913,651	2,668,299	2,765,726	2,903,779
Right of use assets	15	4,356	14,294	49,067	4,356	14,294	49,067
Intangible assets	16	1	1	17,868	1	1	17,868
Investments in consolidated structured entities	17	-	-	-	15,000,000	15,000,000	15,000,000
Staff loans	18.5	39,456	220,532	270,382	39,456	220,532	270,382
Investment securities at amortised cost	20.3	2,499,615	2,532,760	4,021,389	2,499,615	2,532,760	4,021,389
Finance lease receivables	22.1	8,564	13,476	18,414	8,564	13,476	18,414
Total non-current assets		**5,222,386**	**5,551,132**	**7,290,771**	**20,220,291**	**20,546,789**	**22,280,899**
Current assets							
Advances to the Consolidated Revenue Fund	19	3,239,267	2,156,007	738,258	3,239,267	2,156,007	738,258
Staff loans	18.5	130,928	30,893	290,194	130,928	30,893	290,194
Other receivables	18	928,628	278,598	228,970	806,195	156,166	106,538
Investment securities at amortised cost	20.3	281,114	281,114	6,752,651	281,114	281,114	6,752,651
Prepayments	21	1,264,034	1,222,410	1,397,752	1,264,034	1,222,410	1,397,752
Finance lease receivables	22.1	4,606	5,059	5,059	4,606	5,059	5,059
Cash and bank balances	23	15,607,802	14,454,470	280,075	628,514	419,905	279,252
Total current assets		**21,456,378**	**18,428,551**	**9,692,959**	**6,354,658**	**4,271,554**	**9,569,704**
Total assets		**26,678,764**	**23,979,683**	**16,983,730**	**26,574,949**	**24,818,343**	**31,850,603**
Liabilities							
Non current liabilities							
Retirement benefit obligations	27	2,284,116	1,931,648	5,604,408	2,284,116	1,931,648	5,604,408
Payable to Consolidated Revenue Fund	25(d)	1,424,627	-	-	1,424,627	-	-
Lease liabilities	24	3,493	1,474	72,862	3,493	1,474	72,862
Total non-current liabilities		**3,712,236**	**1,933,122**	**5,677,270**	**3,712,236**	**1,933,122**	**5,677,270**
Current liabilities							
Lease liabilities	24	2,435	9,649	5,092	2,435	9,649	5,092
Accruals	25(a)	23,070	18,605	24,501	14,140	14,140	19,163
Sundry and other creditors	25(b)	15,635,934	16,469,933	816,688	533,366	2,312,923	694,255
Payable to related entities	25(c)	-	-	-	17,108,540	17,008,785	17,041,214
Payable to Consolidated Revenue Fund	25(d)	506,478	600,089	600,089	506,478	600,089	600,089
Provisions	26	207,010	535,739	535,739	207,010	535,739	535,739
Total current liabilities		**16,374,927**	**17,634,015**	**1,982,109**	**18,371,969**	**20,481,325**	**18,895,552**
Total liabilities		**20,087,163**	**19,567,137**	**7,659,379**	**22,084,205**	**22,414,446**	**24,572,822**
Equity							
Capital grant	28	496,858	496,858	496,858	496,858	496,858	496,858
General reserve fund	29	1,549,452	447,676	447,676	1,549,452	447,676	447,676
Accumulated reserve fund		4,545,291	3,468,012	8,379,817	2,444,434	1,459,363	6,333,247
Total equity		**6,591,601**	**4,412,546**	**9,324,351**	**4,490,744**	**2,403,897**	**7,277,781**
Total liabilities and equity		**26,678,764**	**23,979,683**	**16,983,730**	**26,574,949**	**24,818,343**	**31,850,603**

*Refer to Note 19 for details.

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

The consolidated and separate financial statements were approved and authorised for issue by the Board of the Commission on 26 September 2024 and signed on its behalf by:

Mairiga A. Katuka
Chairman, Board of the Commission
FRC/2024/PRO/DIR/003/183610

Emomotimi Agama
Director-General
FRC/2024/PRO/DIR/003/687199

Additionally certified by:

Samiya Hassan Usman
Executive Commissioner, Corporate Services
FRC/2024/PRO/DIR/003/301875

Securities and Exchange Commission, Nigeria
Consolidated and separate statements of changes in equity
For the year ended 31 December 2022

Group

	Note	Capital grant N'000	General reserve fund N'000	Accumulated reserve fund N'000	Total N'000
At 1 January 2022		**496,858**	**447,676**	**3,468,012**	**4,412,546**
Profit for the year				5,601,085	**5,601,085**
Other comprehensive income					**-**
Remeasurement gain on defined benefit plan	27	-	-	26,316	**26,316**
Total comprehensive Income		**496,858**	**447,676**	**9,095,413**	**10,039,947**
Transfer to general reserve fund	29	-	1,101,776	(1,101,776)	-
Transfer to Consolidated Revenue Fund account	25(d)	-	-	(3,448,352)	(3,448,352)
At 31 December 2022		**496,858**	**1,549,452**	**4,545,291**	**6,591,601**
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	27	-	-	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**

Commission

	Note	Capital grant N'000	General reserve fund N'000	Accumulated reserve fund N'000	Total N'000
At 1 January 2022		**496,858**	**447,676**	**1,459,363**	**2,403,897**
Profit for the year				5,508,883	5,508,883
Other comprehensive income					
Remeasurement gain on defined benefit plan	27	-	-	26,316	26,316
Total comprehensive income		**496,858**	**447,676**	**6,994,562**	**7,939,096**
Transfer to general reserve fund	29	-	1,101,776	(1,101,776)	-
Transfer to Consolidated Revenue Fund account	25(d)	-	-	(3,448,352)	(3,448,352)
At 31 December 2022		**496,858**	**1,549,452**	**2,444,434**	**4,490,744**
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	27	-	-	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**

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

Securities and Exchange Commission, Nigeria
Consolidated and separate statements of cash flows
For the year ended 31 December 2022

		Group		Commission	
		31 December 2022	**31 December 2021**	**31 December 2022**	**31 December 2021**
	Note	**N '000**	**N '000**	**N '000**	**N '000**
Cash flows used in operating activities	30	838,677	5,348,448	(106,156)	(8,685,514)
Benefits paid	27	(36,792)	(148,420)	(36,792)	(148,420)
Net cash flows from/(used in) operating activities		**801,911**	**5,200,028**	**(142,948)**	**(8,833,934)**
Cash flows from investing activities					
Acquisition of property and equipment	14	(33,317)	(20,886)	(33,180)	(20,665)
Additions to staff loans	4.3	(8,310)	(54,569)	(8,310)	(54,569)
Repayment of staff loans	4.3	88,380	344,763	88,380	344,763
Proceeds from disposal of property and equipment		11,368	4,878	11,368	4,877
Finance lease payments received - principal	22	5,831	5,059	5,831	5,059
Finance lease payments received - interest	22	2,008	2,780	2,008	2,780
Interest received from staff loans	6	9,530	102,960	9,530	102,960
Interest received from investment securities	20.4	282,663	764,504	282,663	764,504
Proceeds from matured investment securities	20.4	-	12,339,814	-	12,339,814
Acquisition of investment securities	20.4	-	(4,485,383)	-	(4,485,383)
Prepayment of lease	15	-	(17,600)	-	(17,600)
Net cash flows from investing activities		**358,153**	**8,986,320**	**358,290**	**8,986,540**
Cash flows used in financing activities					
Lease payments - principal	24	(5,100)	(7,472)	(5,100)	(7,472)
Interest payments on lease	24	(1,632)	(4,483)	(1,632)	(4,483)
Net cash flows used in financing activities		**(6,732)**	**(11,955)**	**(6,732)**	**(11,955)**
Net increase in cash and cash equivalents		1,153,332	14,174,395	208,608	140,653
Cash and cash equivalents at the beginning of the year	23	14,454,470	280,075	419,905	279,252
Cash and cash equivalents at end of year		**15,607,802**	**14,454,470**	**628,514**	**419,905**

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

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 2022.

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. The consolidated financial statements are presented in Naira and all values rounded to the nearest thousand, except otherwise indicated which is the Group’s presentation and functional currency.

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).
The consolidated and separate financial statements are prepared in accordance with the regulatory framework which 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

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 Group has prepared the consolidated and separate financial statements on the basis that it will continue as a going concern.

2.4 Changes in accounting policies and disclosures

i) Standards and interpretations effective for the first time for 31 December 2022 year end

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 2022, except for the adoption of new standards effective as of 1 January 2022. 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 2022, but do not have an impact on the consolidated and separate financial statements of the Group and the Commission.

2.4 Changes in accounting policies and disclosures (Cont'd)

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

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it. The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). 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. This amendment had no impact on the consolidated and separate financial statements of the Group and the Commission.

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

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 Business Combinations 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 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. This amendment had no impact on the consolidated and separate financial statements of the Group and the Commission.

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

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of 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. In accordance with the transitional provisions, the Group applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application). These amendments had no impact on the consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. This amendment had no impact on the consolidated and separate financial statements of the Group and the Commission.

(d) IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. These amendments had no impact on the consolidated financial statements of the Group as it is not a first-time adopter. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. This amendment had no impact on the consolidated and separate financial statements of the Group and the Commission.

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

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 between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Group 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 date of initial application). These amendments had no impact on the consolidated financial statements of the Group as there were no modifications of the Group's financial instruments during the period. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. This amendment had no impact on the consolidated and separate financial statements of the Group and the Commission.

2.4 Changes in accounting policies and disclosures (Cont'd)

(f) IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. These amendments had no impact on the consolidated financial statements of the Group as it did not have assets in scope of IAS 41 as at the reporting date. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. This amendment had no impact on the consolidated and separate financial statements of the Group and the Commission.

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) that 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 Group.

(b) Amendments to IAS 1 : Classification of Liabilities as Current and 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 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

(c) 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's financial statements.

2.4 Changes in accounting policies and disclosures (Cont'd)

(d) 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 revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(e) 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 should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. The Group is currently assessing the impact of the amendments. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

(f) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16. The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy in accordance with IAS 8 that results in information that is relevant and reliable. The Group is currently assessing the impact of the amendments. The amendments are effective for annual reporting periods beginning on or after 1 January 2024.

(g) Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers. The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

2.5 Consolidation

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

(a) Subsidiaries

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

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

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

(b) Consolidated structured entities

The consolidated financial statements of the Group comprise the financial statements of the parent entity and the three controlled structured entities as at 31 December 2022. 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.

2.5 Consolidation - Continued

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 when 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 asset 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.

2.7 Financial instruments (Cont'd)

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.

2.7 Financial instruments (Cont'd)

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.

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 principal 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. 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.

2.9 Revenue recognition - Continued

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 reliably measured. Subsequent expenditures are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.
For replacement parts, the carrying amount of the replaced part is derecognized. All other repair and maintenance costs are charged to 'Other operating expenses' during the financial period in which they are incurred.

Section 49(1&2) of the Land Use Act of 1978 makes land a freehold for government agencies. Consequently land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:
- Buildings: 40 years
- Motor vehicles: 4 years
- Office furniture, fittings and equipment: 4 years
- IT hardware: 4 years

2.12 Property and equipment - Continued

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 are IT Software which consist of capitalised development costs being an internally generated intangible asset. 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 operates a defined contribution pension plan in accordance with the Pension Reform Act of 2014. The Commission 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.

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.

2.14 Employee benefits - Continued

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 Consolidated Revenue Fund

In line with section 62 of the Finance Act 2020, the Commission established a general reserve fund and it allocates thereto at the end of each financial year, one-fifth of its operating surplus for the year. The balance of the operating surplus is payable to the Consolidated Revenue Fund of the Federation. Prior to October 2022, the Government deducts 25% of the total revenue of the Commission at source as advance contribution to Consolidated Revenue Fund (CRF). With effect from October 2022, the percentage of revenue being deducted at source as advance contribution to CRF is increased to 40%. The advance contribution to CRF is recognised and presented as current asset until the following year when a reconciliation is done in line with the requirement of the Finance Act 2020. Upon finalisation of the reconciliation exercise, the actual amount determined as due to the Federation is charged to Accumulated Reserve Fund in equity with a corresponding amount recognised as payable to CRF. In addition, the amount previously recognised as advance to CRF is reclassified to payable to CRF as utilisation of advance payment to CRF.

2.16 Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 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 as repealed by the Finance Act 2020 section 62, the Commission makes an annual appropriation representing twenty percent of the operating surplus of the Commission for the year to a general reserve fund, provided that the cost to revenue ratio of each corporation shall not exceed fifty percent.
All remaining surplus after the statutory appropriations to the general reserve fund is payable to the Federal Government of Nigeria not later than threee 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.

General reserve fund:

General reserve fund represents one-fifth of the Commission's operating surplus for the financial years which is 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 as repealed by the Finance Act 2020 section 62.

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.

2.18 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.

2.19 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.

2.19 Critical accounting estimates and judgements (Cont'd)

Estimates and assumptions

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

Measurement of the expected credit loss allowance

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

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- The probability of default, loss given default and the recovery rate;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and associated ECL; and
- Establishing groups of financial assets for the purposes of measuring ECL.

Defined benefit plans

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

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

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

Further details about defined benefit obligations are given in Note 26.

Depreciation and carrying value of property and equipment

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

Leases

The determination of whether an arrangement is a lease or it contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

2.20 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 a reclassification was done in the current accounting year, refer to note 19 for details.

2.21 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 2022 N'000	31 December 2021 N'000
Cash and cash equivalents			
Bank balances	22	15,605,585	14,451,242
Other financial assets			
Staff loans and other receivables	18	1,478,434	907,788
Advances to the Consolidated Revenue Fund	18	3,239,267	2,156,007
Investment securities at amortised cost	19	2,782,783	2,832,456
Finance lease receivables	21	14,464	20,295
Gross amount		**23,120,533**	**20,367,788**
Allowance for Impairment of financial assets		(382,770)	(398,107)
Net amount		**22,737,763**	**19,969,682**

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 2022 N'000**	**31 December 2021 N'000**
Cash and cash equivalents			
Bank balances	22	627,100	417,480
Other financial assets			
Staff loans and other receivables	18	1,353,315	782,669
Investment securities at amortised cost	19	2,782,783	2,832,456
Finance lease receivables	21	14,464	20,295
Gross amount		4,777,662	4,052,900
Allowance for Impairment of financial assets		(380,084)	(395,420)
Net amount		4,397,578	3,657,480

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.

Commission

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 2022 N'000	**Effect on surplus 31 December 2021 N'000**
Increase/decrease in estimated cash flows		
+10%	2,514	2,940
-10%	(2,514)	(2,940)

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 2022 N'000	**Effect on surplus 31 December 2021 N'000**
Increase/decrease in Loss Given Default		
+10%	2,514	2,940
-10%	(2,514)	(2,940)

	Effect on surplus 31 December 2022 N'000	**Effect on surplus 31 December 2021 N'000**
Increase/decrease in Probability of Default		
+10%	2,612	2,333
-10%	(2,591)	(2,333)

3.1.1 Credit risk management - continued

iii) Sensitivity to macroeconomic variables

Inflation

	Effect on surplus 31 December 2022 N'000	Effect on surplus 31 December 2021 N'000
Increase/decrease in Inflation		
+10%	3,510	1,188
-10%	(3,510)	(1,188)

Prime Lending Rate

	Effect on surplus 31 December 2022 N'000	Effect on surplus 31 December 2021 N'000
Increase/decrease in Prime Lending Rate		
+10%	5,503	-
-10%	(5,503)	-

GDP Growth Rate

	Effect on surplus 31 December 2022 N'000	Effect on surplus 31 December 2021 N'000
Increase/decrease in GDP Growth Rate		
+10%	(500)	-
-10%	500	-

Crude Oil Price

	Effect on surplus 31 December 2022 N'000	Effect on surplus 31 December 2021 N'000
Increase/decrease in Crude Oil Price		
+10%	-	(780)
-10%	-	780

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 2022 N'000	Effect on surplus 31 December 2021 N'000
Increase/decrease in estimated cash flows		
+10%	205	1,858
-10%	(205)	(1,858)

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 2022 N'000	Effect on surplus 31 December 2021 N'000
Increase/decrease in Loss Given Default		
+10%	205	1,858
-10%	(205)	(1,858)

3.1.1 Credit risk management - continued

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 2022 N'000	Effect on surplus 31 December 2021 N'000
Increase/decrease in Probability of Default		
+10%	205	1,474
-10%	(205)	(1,474)

iii) Sensitivity to macroeconomic variables

Inflation

	Effect on surplus 31 December 2022 N'000	Effect on surplus 31 December 2021 N'000
Increase/decrease in Inflation		
+10%	267	154
-10%	(267)	(154)

Prime Lending Rate

	Effect on surplus 31 December 2022 N'000	Effect on surplus 31 December 2021 N'000
Increase/decrease in Prime Lending Rate		
+10%	378	-
-10%	(378)	-

GDP Growth Rate

	Effect on surplus 31 December 2022 N'000	Effect on surplus 31 December 2021 N'000
Increase/decrease in GDP Growth Rate		
+10%	(500)	-
-10%	500	-

Crude Oil Price

	Effect on surplus 31 December 2022 N'000	Effect on surplus 31 December 2021 N'000
Increase/decrease in Crude Oil Price		
+10%	(30)	(325)
-10%	30	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 2022 N'000	Effect on surplus 31 December 2021 N'000
Increase/decrease in estimated cash flows		
+10%	129	176
-10%	(129)	(176)

3.1.1 Credit risk management - continued

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.

Commission

Staff Loans

	2022			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	N'000	N'000	N'000	N'000
Gross EAD	195,526	-	-	195,526
Loss allowance	(25,142)	-	-	(25,142)
Carrying amount	170,384	-	-	170,384

	2021			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	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	-	334	251,425

Investment securities

	2022			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	N'000	N'000	N'000	N'000
Gross EAD	2,782,783	-	-	2,782,783
Loss allowance	(2,054)	-	-	(2,054)
Carrying amount	2,780,729	-	-	2,780,729

	2021			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	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

Finance lease receivables

	2022			
	Stage 1 12-month	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	N'000	N'000	N'000	N'000
Gross EAD	14,464	-	-	14,464
Loss allowance	(1,294)	-	-	(1,294)
Carrying amount	13,170	-	-	13,170

	2021			
	Stage 1 12-month	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	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

3.1.2 Concentration of risks of financial assets with credit risk exposure

Industry sectors

Group

At 31 December 2022 (N'000)	Other financial assets	Bank balances	Investment securities	Total
Government	-	-	2,782,783	2,782,783
Financial services	-	15,605,585	-	15,605,585
Others	183,554	-	-	183,554
	183,554	**15,605,585**	**2,782,783**	**18,571,922**

Commission

At 31 December 2022 (N'000)	Other financial assets	Bank balances	Investment securities	Total
Government	-	-	2,782,783	2,782,783
Financial services	-	627,100	-	627,100
Others	183,554	-	-	183,554
	183,554	**627,100**	**2,782,783**	**3,593,437**

Group

At 31 December 2021 (N'000)		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**

Other financial assets represent staff loans and finance lease receivable.

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 2022 N'000	December 2021 N'000	31 December 2022 N'000	31 December 2021 N'000
(i) **Investment securities**				
B	2,780,729	2,813,874	2,780,729	2,813,874
	2,780,729	**2,813,874**	**2,780,729**	**2,813,874**

	Group		Commission	
	31 December 2022 N'000	31 December 2021 N'000	31 December 2022 N'000	31 December 2021 N'000
(ii) **Bank balances**				
B	15,605,585	14,451,242	627,100	417,480
	15,605,585	**14,451,242**	**627,100**	**417,480**

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

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

3.1.4 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:

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 2022, 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.

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 2022

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	23,070	-	-	-	23,070
Sundry and other creditors	15,633,484	-	-	-	15,633,484
Lease liabilities	-	1,632	5,162	-	6,794
Payable to Consolidated Revenue Fund	-	506,478	1,424,627	-	1,931,105
Total financial liabilities	**15,656,554**	**508,110**	**1,429,789**	**-**	**17,594,453**
Assets used to manage liquidity					
Cash and cash equivalents	15,607,802	-	-	-	15,607,802
Investment securities at amortised cost	-	281,114	2,499,615	-	2,780,729
Staff loan and other receivables	-	130,928	39,456	-	170,384
Finance lease receivables	-	7,839	7,839	-	15,678
Total financial assets	**15,607,802**	**419,881**	**2,546,910**	**-**	**18,574,593**
Gap	**(48,753)**	**(88,229)**	**1,117,121**	**-**	**980,139**

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	-	1,632	6,794	5,162	13,588
Payable to Consolidated Revenue Fund	-	600,089	-	-	600,089
Total financial liabilities	**16,483,436**	**601,721**	**6,794**	**5,162**	**17,097,113**

3.2 Liquidity risk - Continued

Assets used to manage liquidity	**Less than 3 months N'000**	**3 -12 months N'000**	**1 - 2 years N'000**	**Over 2 years N'000**	**Total N'000**
Cash and cash equivalents	14,454,470	-	-	-	14,454,470
Investment securities at amortised cost	-	281,114	2,532,760	-	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**	**319,846**	**2,761,131**	**7,839**	**17,543,286**
Gap	**(2,028,966)**	**(281,875)**	**2,754,337**	**2,677**	**446,173**

At 31 December 2022
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	17,640,126	-	-	-	17,640,126
Lease liabilities	-	1,632	5,162	-	6,794
Payable to Consolidated Revenue Fund		506,478	1,424,627		1,931,105
Total financial liabilities	**17,654,266**	**508,110**	**1,429,789**	**-**	**19,592,165**
Assets used to manage liquidity					
Cash and cash equivalents	628,514	-	-	-	628,514
Investment securities at amortised cost	-	281,114	2,499,615	-	2,780,729
Staff loan and other receivables	-	130,928	39,456	-	170,384
Finance lease receivables	-	7,839	7,839	-	15,678
Total financial assets	**628,514**	**419,881**	**2,546,910**	**-**	**3,595,305**
Gap	**(17,025,752)**	**(88,229)**	**1,117,121**	**-**	**(15,996,860)**

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	-	1,632	6,794	5,162	13,588
Payable to Consolidated Revenue Fund	-	600,089	-	-	600,089
Total financial liabilities	**19,331,081**	**601,721**	**6,794**	**5,162**	**19,944,758**
Assets used to manage liquidity					
Cash and cash equivalents	419,905	-	-	-	419,905
Investment securities at amortised cost	-	-	2,532,760	-	2,532,760
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**	**2,761,131**	**7,839**	**3,227,607**
Gap	**(18,911,176)**	**(562,989)**	**2,754,337**	**2,677**	**(16,717,151)**

The Commission has a negative liquidity gap of N15.9billion (Dec 2021: N16.7billion) as at year end 2022. 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. In addition, the payable to related parties are being managed and settled in a flexible arrangement.

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 2022. Also, the Group is not exposed to commodity price risk.

3.3.3 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair value of financial instruments. Interest rate risk arises when the Group invests in interest bearing financial instruments. The 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 general 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 2022**		**At 31 December 2021**	
	Carrying value 2022	**Fair value 2022**	**Carrying value 2021**	**Fair value 2021**
	N'000	**N'000**	**N'000**	**N'000**
Financial assets				
Cash and bank balances	15,607,802	15,607,802	14,454,470	14,454,470
Debt securities at amortised cost				
- Federal Government of Nigeria bonds and treasury bills	2,780,729	2,077,520	2,813,874	3,830,814
Staff loans	170,384	171,799	251,425	301,850
Other receivables	928,628	928,628	278,598	278,598
	19,487,543	**18,785,748**	**17,798,368**	**18,839,478**
Financial liabilities				
Sundry and other creditors	15,633,484	15,633,484	16,464,831	16,464,831
Accruals	23,070	23,070	18,605	18,605
	15,656,554	**15,656,554**	**16,483,436**	**16,483,436**

Commission	**At 31 December 2022**		**At 31 December 2021**	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
	N'000	**N'000**	**N'000**	**N'000**
Financial assets				
Cash and bank balances	628,514	628,514	419,905	419,905
Debt securities (amortised cost)				
- Federal Government of Nigeria bonds and treasury bills	2,780,729	2,077,520	2,813,874	3,830,814
Staff loans	170,384	171,799	251,425	301,850
Other receivables	806,195	806,195	156,166	156,166
	4,385,822	**3,684,028**	**3,641,370**	**4,708,735**
Financial liabilities				
Sundry and other creditors	17,640,126	17,640,126	19,316,941	19,316,941
Accruals	14,140	14,140	14,140	14,140
	17,654,266	**17,654,266**	**19,331,081**	**19,331,081**

3.5 Fair value of financial assets and liabilities - Continued

Group 31 December 2022 Financial Assets not measured at fair values	Carrying Value N'000	Fair Value Hierarchy Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Financial assets					
Debt securities at amortised cost					
- Federal Government of Nigeria bonds and treasury bills	2,780,729	2,077,520	-	-	2,077,520
Staff loans	170,384	-	-	171,799	171,799
	2,951,113	**2,077,520**	**-**	**171,799**	**2,249,319**

Commission 31 December 2022	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	2,780,729	2,077,520	-	-	2,077,520
Staff loans	170,384	-	-	171,799	171,799
	2,951,113	**2,077,520**	**-**	**171,799**	**2,249,319**

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 2021 Financial Assets not measured at fair values	Carrying Value N'000	Fair Value Hierarchy Level 1 N'000	Level 2 N'000	Level 3 N'000	Total 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 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	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 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 2022 N'000	31 December 2021 N'000
Cash and bank balances	Amortised cost	15,607,802	14,454,470
Staff loans and other receivables	Amortised cost	1,099,012	499,130
Investment securities	Amortised cost	2,780,729	2,813,874

Commission

Assets	Measurement category	Carrying amount 31 December 2022 N'000	31 December 2021 N'000
Cash and bank balances	Amortised cost	628,514	419,905
Staff loans and other receivables	Amortised cost	976,579	376,698
Investment securities	Amortised cost	2,780,729	2,813,874

b) Financial liabilities

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

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 (2) 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

4.2 Significant Increase in Credit Risk - Continued

ii) Qualitative Indicators:

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

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

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

iii) Backstop:

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

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

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

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 Sr. Unsecured Bond.	The LGD was determined taking into consideration the nature of Investment securities the entity is exposed to. The entities investment securities are majorly in sovereignc(Federal government of nigeria) instruments. As such recoverability of investment is high hence a LGD of 5% was adopted.
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, Gross Domestic Product (GDP) and prime lending rate were identified as economic variables affecting the credit risk.	The Nigerian inflation rate, Gross Domestic Product (GDP) and prime lending rate were identified as economic variables affecting the credit risk.
Probability weightings	Historical data on GDP for the last 48 quarters was used to determine base of 68.75%, upturn, 14.58% and downturn of 16.67% scenarios.	Historical data on GDP for the last 48 quarters was used to determine base of 68.75%, upturn, 14.58% and downturn of 16.67% scenarios.

Change in Macroeconomic indicator in current year

During the year, the Commission replaced the crude oil macro economic variables and introduced the prime lending rate due to the following reasons:
Crude Oil: The crude oil price during the year was significantly affected due to the Russian- Ukraine war. The resultant effect of this was not witnessed in the economy. During the peak crude oil price period in the world, Nigeria was unable to benefit from the price increase because of oil bunkering, theft and irregulated prices in the economy. The crude oil as a dependent variable was not statistically correct as expected, coefficient result was positively correlated with the historical default which is expected to be negatively correlated and as such could not be adopted in the computation. The P-Value when regressed with other variables was above 5%.
As stated above the Commission introduced the following independent variable to its set of macro indicators to better predict the economy:
Prime lending rate: The prime lending rate, is the best interest rate financial institutions offer the most creditworthy customers, known as prime borrowers. These are customers with years in business, dependable income, and high credit scores. These rates reflect the best interest rate that can be offered by any financial institution. The following variable is always published quarterly and its verifiable. Because this rate best represents the economy, the regression analysis obtained from the application of this variable was statistically significant at a P-value lower than 5%. The coefficient of relationship between the default rate and the p-value which is expected to be positive was accurately predicted by the variables.

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;
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

4.3 Expected Credit Loss Impairment Parameters - Continued

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:

Group and Commission

Staff Loans	**Stage 1**	**Stage 2**	**Stage 3 Lifetime ECL**	**Purchased Credit Impaired**	**Total**
	12-Month ECL	**Lifetime ECL**			
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Loss allowance as at 1 January 2022	22,418	-	1,752	-	24,171
P or L impact on De-recognised loans	-	-	-	-	-
Total net P or L charge during the period	971	-	-	-	971
Loss allowance as at 31 December 2022	23,389	-	1,752	-	25,142

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 Lifetime ECL**	**Purchased Credit Impaired**	**Total**
	12-Month ECL	**Lifetime ECL**			
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Gross carrying amount as at 1 January 2022	273,509	-	2,087	-	275,596
New financial assets originated or purchased	8,310	-	-	-	8,310
Financial assets derecognised during the period other than write-offs	(86,293)	-	(2,087)	-	(88,380)
Gross carrying amount as at 31 December 2022	195,526	-	-	-	195,526

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**
Loss allowance as at 1 January 2021	3,175	-	2,039	-	5,214
Movements with P or L impact	(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

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:

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
New financial assets originated or purchased	54,569	-	-	-	54,569
Financial assets derecognised during the period other than write-offs	(344,403)	-	(360)	-	(344,763)
Gross carrying amount as at 31 December 2021	273,509	-	2,087	-	275,596

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.

The Commission investment securities are investment in federal government bonds (sovereign instruments). Due to the sovereign characteristics embedded in the financial asset, it is assumed that recoverability of funds invested in the financial asset is highly probable. Based on this assumption, the LGD of the sovereign securities were revised during the year from 35% Moody's 1st lien bank loan LGD to an assumption of 5% to fairly present the loss given default on the financial asset.

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 2022	18,582	-	-	-	18,582
Movements with P or L impact					
Total net P or L charge/writeback during the year	(16,528)	-	-	-	(16,528)
Loss allowance as at 31 December 2022	2,054	-	-	-	2,054

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 2022	2,832,456	-	-	-	2,832,456
Financial assets derecognised during the period other than write-offs	(49,673)	-	-	-	(49,673)
Gross carrying amount as at 31 December 2022	2,782,783	-	-	-	2,782,783

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	21,255	-	-	-	21,255
Movements with P or L impact					
Total net P or L charge during the period	(2,673)	-	-	-	(2,673)
Loss allowance as at 31 December 2021	18,582	-	-	-	18,582

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

4.3 Expected Credit Loss Impairment Parameters - continued

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	**Lifetime ECL**	**Lifetime ECL**		
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Loss allowance as at 1 January 2022	1,760	-	-	-	1,760
Total net P or L charge during the period	(466)	-	-	-	(466)
Loss allowance as at 31 December 2022	1,294	-	-	-	1,294

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 2022	20,295	-	-	-	20,295
Interest accrued	2,008				2,008
Financial assets derecognised during the period other than write-offs	(7,839)	-	-	-	(7,839)
Gross carrying amount as at 31 December 2022	14,464	-	-	-	14,464

4.3 Expected Credit Loss Impairment Parameters - continued

Finance lease receivables	**Stage 1**	**Stage 2**	**Stage 3**	**Purchased Credit**	**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	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

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

		Group		Commission	
5	**Fee income from operations**	**2022**	**2021**	**2022**	**2021**
		N '000	**N '000**	**N '000**	**N '000**
	Market transaction fees	4,984,603	3,039,587	4,984,603	3,039,587
	Registration of securities				
	- Bonds	1,114,949	771,160	1,114,949	771,160
	- Equities	180,539	196,385	180,539	196,385
	- Right issues	2,830	2,263	2,830	2,263
	- Bonus shares	10,015	49,904	10,015	49,904
	Registration of operators	1,209,729	485,149	1,209,729	485,149
	Penalties	425,319	709,817	425,319	709,817
	Annual Regulatory Fees	345,680	-	345,680	-
	Fund Supervisory Fees	2,936,105	-	2,936,105	-
	Other transaction fees	706,054	217,135	706,054	217,135
		11,915,823	**5,471,400**	**11,915,823**	**5,471,400**

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 - Bonds	232,990	637,960	232,990	637,960
	Investment securities - Treasury bills	-	18,138	-	18,138
	Staff loans	9,530	102,960	9,530	102,960
		242,520	**759,058**	**242,520**	**759,058**
7	**Other income**				
	Other receipts from capital market operators	2,200	11,668	2,200	11,543
	Workshop/training fees	180,667	118,966	-	-
	Gains on sale of assets	9,908	-	9,908	-
	Other income	27,194	13,274	27,194	13,274
	Other provisions no longer required*	328,729	-	328,729	-
		548,699	**143,908**	**368,031**	**24,817**

*Other provisions no longer required relates to the income from derecognised liability on two legal cases which have been settled and no further claims arising, see (Note 26).

8	**Finance income on leases**				
	Finance lease				
	Finance income on net investment in lease	2,008	2,780	2,008	2,780
		2,008	**2,780**	**2,008**	**2,780**

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 expenses**				
	Wages and salaries	3,386,312	5,104,040	3,386,312	5,104,040
	Other staff allowances **	1,214,470	1,814,538	1,214,470	1,814,538
	Reorganization and Severance cost to voluntrary exit staff	435	3,508,240	435	3,508,240
	- Curtailment Cost on voluntary exit of staff (Note 27)	(289,881)	999,914	(289,881)	999,914
	- Defined contribution plan	451,092	551,301	451,092	551,301
	- Defined benefit plan (Note 27)	705,457	926,266	705,457	926,266
		5,467,885	**12,904,299**	**5,467,885**	**12,904,299**

** 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)	131,533	159,592	129,149	153,841
	Depreciation of right of use assets (note 15)	9,938	7,748	9,938	7,748
	Amortisation of intangible assets (note 16)	-	17,864	-	17,864
		141,471	**185,204**	**139,087**	**179,453**

11 Other operating expenses

	Group		Commission	
	2022	**2021**	**2022**	**2021**
	N '000	**N '000**	**N '000**	**N '000**
Administrative expenses (see (a) below)	52,635	63,790	52,290	49,878
Audit fees	18,605	18,605	14,140	14,140
Board members' compensation, allowances and expenses	46,974	56,364	46,974	56,364
Capital market development expenses	24,869	99,852	-	681
Donations	23,265	12,016	23,265	12,016
Fuel	161,752	70,840	143,161	49,479
Information technology expenses	97,126	99,455	97,126	99,365
Insurance	71,402	101,288	71,402	101,288
Legal fees	44,954	44,685	44,954	44,685
Loss on disposal of investments	-	552,754	-	552,754
Maintenance costs	218,255	220,912	210,379	213,337
Meeting expenses	23,970	15,911	23,899	14,694
Other expenses (see (b) below)	68,281	24,963	67,781	45,055
Printing and stationery	56,126	29,902	55,697	29,510
Professional fees (see (c) below)	6,685	18,302	6,685	18,302
Rates and utilities	81,187	84,553	81,185	83,885
Subscriptions	53,444	26,986	52,029	26,736
Training and capacity building	215,564	95,180	188,109	72,951
Travelling expense	247,315	123,400	247,256	123,377
	1,512,407	**1,759,758**	**1,426,328**	**1,608,497**

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.

12 Net impairment charges/(write-back)

Impairment charges on staff loans and other receivable (note 18.5)	1,658	23,898	1,658	23,898
Impairment write-back on investment securities measured at amortised cost (note 19.2)	(16,528)	(2,673)	(16,528)	(2,673)
Impairment write-back on finance lease receivables (note 21.1)	(466)	(121)	(466)	(121)
	(15,336)	**21,104**	**(15,336)**	**21,104**

13 Finance expense on leases

Interest expense (included in finance expenses on lease)	1,537	3,024	1,537	3,024
	1,537	**3,024**	**1,537**	**3,024**

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 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)	(16,857)	-	(69,866)
At 31 December 2021	**801,846**	**3,078,553**	**1,550,878**	**923,676**	**562,593**	**5,805**	**6,923,350**
At 1 January 2022	**801,846**	**3,078,553**	**1,550,878**	**923,676**	**562,593**	**5,805**	**6,923,351**
Additions	-	-	25,070	8,247	-	-	33,317
Disposal	-	-	(36,014)	(24,448)	(11,428)	-	(71,890)
At 31 December 2022	**801,846**	**3,078,553**	**1,539,934**	**907,475**	**551,165**	**5,805**	**6,884,778**
Accumulated depreciation							
At 1 January 2021	-	**1,131,186**	**1,513,298**	**835,161**	**579,032**	-	**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**	**562,469**	-	**4,153,283**
At 1 January 2022	-	**1,205,598**	**1,509,810**	**875,404**	**562,469**	-	**4,153,281**
Charge for the year	-	76,964	26,810	27,636	123	-	131,533
Disposal	-	-	(35,878)	(23,124)	(11,428)	-	(70,430)
At 31 December 2022	-	**1,282,562**	**1,500,742**	**879,916**	**551,164**	-	**4,214,384**
Carrying amount at 31 December 2021	**801,846**	**1,872,955**	**41,068**	**48,272**	**124**	**5,805**	**2,770,069**
Carrying amount at 31 December 2022	**801,846**	**1,795,991**	**39,192**	**27,559**	**1**	**5,805**	**2,670,394**

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 2021	**801,846**	**3,085,846**	**1,559,412**	**910,437**	**560,853**	**5,805**	**6,924,199**
Additions	-	-	5,597	15,068	-	-	20,665
Disposal	-	(7,293)	(41,585)	(4,130)	(16,857)	-	(69,865)
At 31 December 2021	**801,846**	**3,078,553**	**1,523,424**	**921,375**	**543,996**	**5,805**	**6,874,999**
At 1 January 2022	**801,846**	**3,078,553**	**1,523,424**	**921,375**	**543,996**	**5,805**	**6,874,999**
Additions	-	-	24,933	8,247	-	-	33,180
Disposal	-	-	(36,014)	(24,448)	(11,428)	-	(71,890)
At 31 December 2022	**801,846**	**3,078,553**	**1,512,344**	**905,174**	**532,568**	**5,805**	**6,836,289**
Accumulated depreciation							
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**
At 1 January 2022	-	**1,205,598**	**1,486,698**	**873,104**	**543,872**	-	**4,109,272**
Charge for the year	-	76,964	24,426	27,636	123	-	129,149
Disposal	-	-	(35,878)	(23,124)	(11,428)	-	(70,430)
At 31 December 2022	-	**1,282,562**	**1,475,246**	**877,616**	**532,567**	-	**4,167,991**
Carrying amount at 31 December 2021	**801,846**	**1,872,955**	**36,726**	**48,271**	**124**	**5,805**	**2,765,726**
Carrying amount at 31 December 2022	**801,846**	**1,795,991**	**37,098**	**27,558**	**1**	**5,805**	**2,668,299**

There were no impairment losses on any class of property and equipment during the year (31 December, 2021: Nil)

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (31 December, 2021: 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 2022	31 December 2021	31 December 2022	31 December 2021
	N' 000	N' 000	N' 000	N' 000
At 1 January	23,574	69,193	23,574	69,193
Additions during the year	-	17,600	-	17,600
Disposal**	-	(63,219)	-	(63,219)
At 31 December	23,574	23,574	23,574	23,574
Accumulated Depreciation				
At 1 January	9,280	20,126	9,280	20,126
Charge for the year	9,938	7,748	9,938	7,748
Disposal**	-	(18,594)	-	(18,594)
At 31 December	19,218	9,280	19,218	9,280
Carrying value	**4,356**	**14,294**	**4,356**	**14,294**

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 2022	31 December 2021	31 December 2022	31 December 2021
	N' 000	N' 000	N' 000	N' 000
Cost				
At 1 January	665,508	665,508	665,508	665,508
Additions		-	-	-
At 31 December	**665,508**	**665,508**	**665,508**	**665,508**
Accumulated amortisation				
At 1 January	665,507	647,643	665,507	647,643
Amortisation charge		17,864	-	17,864
At 31 December	**665,507**	**665,507**	**665,507**	**665,507**
Carrying amount	**1**	**1**	**1**	**1**

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

	Group		Commission	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	N' 000	N' 000	N' 000	N' 000
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 32.3.

18 Staff loans and other receivables

Staff loans

	Group		Commission	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	N' 000	N' 000	N' 000	N' 000
Gross loans	195,526	275,596	195,526	275,596
Allowance for Impairment of staff loans (note 18.2)	(25,142)	(24,171)	(25,142)	(24,171)
	170,384	**251,425**	**170,384**	**251,425**
Other receivables				
Receivables from fee income	944,809	290,683	944,809	290,683
Sundry debtors	338,099	219,076	212,980	216,390
Other receivables from fund managers	-	122,433	-	-
	1,282,908	**632,192**	**1,157,789**	**507,073**
Allowance for Impairment of receivables from fee income (note 18.4)	(138,614)	(138,516)	(138,614)	(138,516)
Allowance for Impairment of sundry debtors (note 18.3)	(215,666)	(215,077)	(212,979)	(212,390)
	(354,280)	**(353,594)**	**(351,594)**	**(350,907)**
	928,628	**278,598**	**806,195**	**156,166**
	1,099,012	**530,023**	**976,579**	**407,591**

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.

	Group		Commission	
18.1 Movement in allowance for impairment of staff loans	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
	N' 000	**N' 000**	**N' 000**	**N' 000**
Balance, beginning of year	24,171	5,214	24,171	5,214
Charges/(write back) for the year	971	18,957	971	18,957
Balance, end of year	**25,142**	**24,171**	**25,142**	**24,171**
18.2 Movement in allowance for impairment of sundry debtors				
Balance, beginning of year	215,077	210,213	212,390	207,526
Charges for the year	589	4,864	589	4,864
Balance, end of year	**215,666**	**215,077**	**212,979**	**212,390**

	Group		Commission	
18.3 Movement in allowance for impairment of receivables from fee income	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
	N' 000	**N' 000**	**N' 000**	**N' 000**
Balance, beginning of year	138,516	138,440	138,516	138,440
Charge for the year	98	77	98	77
Balance, end of year	**138,614**	**138,516**	**138,614**	**138,516**
18.4 Summary of write-back/charges to statement of profit or loss				
Impairment charges/(write-back) on staff loan (note 18.2)	971	18,957	971	18,957
Impairment charge on sundry debtors (note 18.3)	589	4,864	589	4,864
Impairment charge on fee receivables (note 18.4)	98	77	98	77
	1,658	**23,898**	**1,658**	**23,898**
18.5 Classification of staff loans				
Current	130,928	30,893	130,928	30,893
Non-current	39,456	220,532	39,456	220,532
	170,384	**251,425**	**170,384**	**251,425**
19 Advances to the Consolidated Revenue Fund				
Advance payment to CRF	3,239,267	2,156,007	3,239,267	2,156,007
	3,239,267	**2,156,007**	**3,239,267**	**2,156,007**

The advance payment to the consolidated revenue fund constitutes the 25% deduction at source till September 2022 and increased to 40% from October 2022 of all revenue income generated into the commission account which is based on government directive through Federal Ministry of Finance effective in 2020. In addition, an amount of N2.1billion has been utilized in current year to settle payable to Federal Government based on reconcilation done for the year ended 2020 and 2021. Refer to note 25(d).

During the year, the Commission modified the classification of advances to the consolidated revenue fund to reflect more appropriately the government directive for the annual reconciliation and settlement of the consolidated revenue fund. As a result, the advances to the consolidated revenue fund was reclassified from 'Non-current Asset' to 'Current Assets'. Comparative amounts in the statement of financial position were restated for consistency.

	Group		Commission	
19.1 Analysis of movement during the year	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
	N' 000	**N' 000**	**N' 000**	**N' 000**
At 1 January	2,156,007	2,156,007	2,156,007	2,156,007
Utilisation of advance payment to CRF	(2,117,336)	-	(2,117,336)	-
Additions of Advances deducted at source	3,200,596	-	3,200,596	-
At 31 December	**3,239,267**	**2,156,007**	**3,239,267**	**2,156,007**

		Group		Commission	
20	**Investment securities at amortised cost**	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
		N' 000	**N' 000**	**N' 000**	**N' 000**
	Debt securities at amortised cost	2,782,783	2,832,456	2,782,783	2,832,456
	Less impairment allowance on debt securities	(2,054)	(18,582)	(2,054)	(18,582)
		2,780,729	**2,813,874**	**2,780,729**	**2,813,874**
20.1	**Debt securities at amortised cost**				
	- Federal Government of Nigeria Bonds (note 19.4)	2,782,783	2,832,456	2,782,783	2,832,456
		2,782,783	**2,832,456**	**2,782,783**	**2,832,456**
20.2	**Movement in allowance for impairment of investment securities**				
	Balance, beginning of year	18,582	21,254	18,582	21,254
	(Write-back) for the year	(16,528)	(2,673)	(16,528)	(2,673)
	Balance, end of year	**2,054**	**18,582**	**2,054**	**18,582**
20.3	**Classification of Investment securities**				
	Current	281,114	281,114	281,114	281,114
	Non-current	2,499,615	2,532,760	2,499,615	2,532,760
		2,780,729	**2,813,874**	**2,780,729**	**2,813,874**

20.4 Analysis of movement during the year

	Group		Commission	
	31 December 2022	**31 December 2021**	**31 December 2022**	**31 December 2021**
Federal Government of Nigeria bonds:	**N' 000**	**N' 000**	**N' 000**	**N' 000**
At 1 January	2,832,456	4,037,271	2,832,456	4,037,271
Additions	-	3,985,383	-	3,985,383
Redemption	-	(5,063,654)	-	(5,063,654)
Loss on Liquidation	-	-	-	-
Interest received	(282,663)	(764,504)	(282,663)	(764,504)
Amortised interest income	232,990	637,960	232,990	637,960
At 31 December	**2,782,783**	**2,832,456**	**2,782,783**	**2,832,456**
Nigeria Treasury Bills:				
At 1 January	-	6,758,023	-	6,758,023
Additions	-	500,000	-	500,000
Redemption	-	(7,276,161)	-	(7,276,161)
Loss on Liquidation	-	-	-	-
Amortised interest earned	-	18,138	-	18,138
At 31 December	-	-	-	-

21 Prepayments

Prepaid staff allowance	1,092,987	1,063,133	1,092,987	1,063,133
Prepaid motor vehicle allowance	171,047	159,277	171,047	159,277
	1,264,034	**1,222,410**	**1,264,034**	**1,222,410**
Classification of prepayments				
Current	1,264,034	1,222,410	1,264,034	1,222,410
Non-current	-	-	-	-
	1,264,034	**1,222,410**	**1,264,034**	**1,222,410**

22 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 2022	**31 December 2021**	**31 December 2022**	**31 December 2021**
	N' 000	**N' 000**	**N' 000**	**N' 000**
Finance lease receivables	14,464	20,295	14,464	20,295
Allowance for impairment of finance lease receivables	(1,294)	(1,760)	(1,294)	(1,760)
	13,170	**18,535**	**13,170**	**18,535**
At 1 January	20,295	25,354	20,295	25,354
Interest income	2,008	2,780	2,008	2,780
Payments received during the year -principal	(5,831)	(5,059)	(5,831)	(5,059)
Payments received during the year - interest	(2,008)	(2,780)	(2,008)	(2,780)
At 31 December	**14,464**	**20,295**	**14,464**	**20,295**

22.1 Movement in allowance for impairment of finance lease receivables

Balance, beginning of year	1,760	1,881	1,760	1,881
(Write-back) for the year	(466)	(121)	(466)	(121)
Balance, end of year	**1,294**	**1,760**	**1,294**	**1,760**
Current	4,606	5,059	4,606	5,059
Non-current	8,564	13,476	8,564	13,476
	13,170	**18,535**	**13,170**	**18,535**

22.2 Finance lease receivables

Maturity analysis – contractual undiscounted cash flows (Leases)	**31 December 2022**	**31 December 2021**
	N' 000	**N' 000**
Next 12 months	7,839	7,839
2 years	7,839	7,839
3 years	-	7,839
4 years	-	-
5 years	-	-
Total undiscounted finance lease receivables at 31 December 2022	**15,678**	**23,517**
Unearned finance income	(1,214)	(3,221)
Finance lease receivables at 31 December 2022	**14,464**	**20,296**

23 Cash and bank balances

	Group		Commission	
	31 December 2022	**31 December 2021**	**31 December 2022**	**31 December 2021**
	N' 000	**N' 000**	**N' 000**	**N' 000**
Cash in hand	2,217	3,228	1,414	2,425
Unrestricted Balances held with Central Bank of Nigeri	15,605,585	14,451,242	627,100	417,480
	15,607,802	**14,454,470**	**628,514**	**419,905**

All bank balances with Central Bank of Nigeria are current in nature.
The amount for cash and bank balances also represents cash and cash equivalents for the purpose of statement of cash flows.

24 Lease liabilities*

	Group		Commission	
	31 December 2022	**31 December 2021**	**31 December 2022**	**31 December 2021**
	N' 000	**N' 000**	**N' 000**	**N' 000**
At 1 January	11,123	77,954	11,123	77,954
Additions	-	-	-	-
De-recognition	-	(57,899)	-	(57,899)
Interest expense	1,537	3,024	1,537	3,024
Payments made during the year - principal	(5,100)	(7,472)	(5,100)	(7,472)
Payments made during the year - interest	(1,632)	(4,483)	(1,632)	(4,483)
At 31 December	**5,928**	**11,123**	**5,928**	**11,123**
Current	2,435	9,649	2,435	9,649
Non-current	3,493	1,474	3,493	1,474
	5,928	**11,123**	**5,928**	**11,123**

See Note 15 for details on right of use assets

25 Account payables and other liabilities

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

	31 December 2022	31 December 2021	31 December 2022	31 December 2021
25(a) Accruals	**N' 000**	**N' 000**	**N' 000**	**N' 000**
Accrued audit fee payable	23,070	18,605	14,140	14,140
	23,070	**18,605**	**14,140**	**14,140**
25(b) Sundry and other creditors				
Accounts payable	196,822	441,420	195,822	440,920
Sundry creditors*	458,198	451,196	335,764	328,762
Payable to voluntary exited staff	-	1,538,474	-	1,538,474
Payable to investors**	14,978,465	14,033,741	-	-
	15,633,484	16,464,831	531,586	2,308,156
Non financial liabilities:				
Withholding tax payable	275	1,418	275	1,418
Pay-As-You-Earn payable	2	40	2	40
Value added tax payable	2,139	3,396	1,469	3,061
Stamp Duty	34	248	34	248
	15,635,934	**16,469,933**	**533,366**	**2,312,923**

*Sundry creditors balance constitute retention fee withheld payable to vendors and other outstanding balances for legal and professional fees.
**Payable to investors relates to funds remitted by registered agent based on monies collected from buyouts and 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.

25(c) Payable to related entities	**Group**		**Commission**	
	31 December 2022	**31 December 2021**	**31 December 2022**	**31 December 2021**
	N' 000	**N' 000**	**N' 000**	**N' 000**
Capital Market Development Fund	-	-	5,548,334	5,573,204
Nigerian Capital Market Institute	-	-	5,290,540	5,165,915
National Investor Protection Fund	-	-	6,269,666	6,269,666
	-	**-**	**17,108,540**	**17,008,785**

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.

25 Account payables and other liabilities (Cont'd)

25(d) Payable to Consolidated Revenue Fund

	Group		Commission	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	N' 000	N' 000	N' 000	N' 000
At 1 January	600,089	600,089	600,089	600,089
Transfers from statement of changes in equity	3,448,352	-	3,448,352	-
Utilisation of advance payment to CRF	(2,117,336)	-	(2,117,336)	-
At 31 December	**1,931,105**	**600,089**	**1,931,105**	**600,089**

Classification of payable to consolidated revenue fund

Current	506,478	600,089	506,478	600,089
Non-current	1,424,627	-	1,424,627	-
	1,931,105	**600,089**	**1,931,105**	**600,089**

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 was a transfer of 3.4billion during the year based on the reconcilation for the Commission and the advances to CRF deduction for each year 2020 and 2021 was utilized. Refer to note (19.1)

During the year, the Commission classified the portion of payable to consolidated revenue fund to non-current liabilities and current liabilities based on the annual reconciliation and repayment plan for the balance to be paid to consolidated revenue fund.

26 Provisions

	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	N' 000	N' 000	N' 000	N' 000
At 1 January	535,739	535,739	535,739	535,739
Unused amount reversed	(328,729)	-	(328,729)	-
At 31 December	**207,010**	**535,739**	**207,010**	**535,739**

The balance of N207million is provision for litigation on a case with Mega Wealth Limited where the Commission had identified Megawealth Limited as an illegal capital market operator and acted against it along with other such operators and for which judgement has been delivered against the Commission at court of appeal and notice of appeal has been made at supreme court which is pending.

The sum of N328million was derecognised as provision was based on case with Akintola Williams Delloitte and the appellant was an external auditor of Cadbury Plc. and was brought before the APC in connection with overstatement in the financial statement of Cadbury Nigeria Plc between 2003 and 2006 which has been settled out of court and the case between Elakama, NSE and Ndi-Okereke regarding the forensic audit report of the NSE ordered by the Commission and holding that the Commission lacked power over the defendants who were no longer executive officers of the NSE and thus Ndi-Okereke undertook to relinquish her rights to the judgement and the matter stood concluded. The provision for both cases in the books of the Commission stood at N10million and N318million respectively.

27 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) and signed by Wayne van Jaarsveld (FRC/2021/002/00000024507). The projected unit credit basis was used 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.

27 Retirement benefit obligations (Cont'd)

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

	Group		Commission	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Statement of financial position liability for:	N' 000	N' 000	N' 000	N' 000
Net defined benefit liability	**(2,284,116)**	**(1,931,648)**	**(2,284,116)**	**(1,931,648)**

Profit or loss charge:

	Legacy fund	Gratuity scheme	Total
31 December 2022	N' 000	N' 000	N' 000
Current service cost	1,831	214,730	216,561
Net interest cost	141,166	135,739	276,905
Curtailment Cost	-	(289,881)	(289,881)
Past service cost	-	211,991	211,991
	142,997	**272,579**	**415,576**

	Legacy fund	Gratuity scheme	Total
31 December 2021	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**

Recognized in other comprehensive income

	Legacy fund	Gratuity scheme	Total
31 December 2022			
Remeasurement gains/(losses) are recognised in other comprehensive income.			
Remeasurement losses/(gains)	38,607	(64,923)	(26,316)
	38,607	**(64,923)**	**(26,316)**
31 December 2021			
Remeasurement loss/(gains)	(247,530)	(3,336,908)	(3,584,438)
	(247,530)	**(3,336,908)**	**(3,584,438)**

As at the last valuation date - 31 December 2022 - 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 2023. Expected contributions to Legacy fund, Gratuity and Executive management schemes for the year ending 31 December 2023 are nil, nil and nil respectively. The salary weighted average age and past service for the schemes are shown below;

	Legacy fund	Gratuity scheme
31 December 2022		
Pension/salary weighted average age	66.7 years	47.5 years
Salary weighted past service	-	11.2 years
31 December 2021		
Pension/salary weighted average age	65.7 years	46.4 years
Salary weighted past service	-	10.4 years

27 Retirement benefit obligations (Cont'd)

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 2022				
Defined benefit obligation	(369,273)	(369,273)	(2,954,184)	(3,692,730)
Total	**(369,273)**	**(369,273)**	**(2,954,184)**	**(3,692,730)**
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)**

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

	Group		**Commission**	
	31 December 2022	**31 December 2021**	**31 December 2022**	**31 December 2021**
	N' 000	**N' 000**	**N' 000**	**N' 000**
Defined benefit obligation	(3,692,730)	(3,635,248)	(3,692,730)	(3,635,248)
Fair value of plan assets	1,408,614	1,703,600	1,408,614	1,703,600
	(2,284,116)	**(1,931,648)**	**(2,284,116)**	**(1,931,648)**

31 December 2022

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

	Legacy fund	**Gratuity scheme**	**Total**
	N' 000	**N' 000**	**N' 000**
Opening defined benefit obligation	2,573,877	1,061,371	3,635,248
Current service cost	1,831	214,730	216,561
Interest cost	324,468	156,915	481,383
Remeasurement gains	(47,349)	(65,602)	(112,951)
Past Service Cost	-	211,991	211,991
Curtailment Cost	-	(289,881)	(289,881)
Administrative cost paid	(1,831)	-	(1,831)
Voluntary Exit Settlement Benefit/Transfer to current liability	-	-	-
Benefits paid	(410,998)	(36,792)	(447,790)
	2,439,998	**1,252,732**	**3,692,730**

31 December 2021

	Legacy fund	**Gratuity scheme**	**Total**
The movement in the defined benefit obligation is as follows:			
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**

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:

27 Retirement benefit obligations (Cont'd)

Actuarial (Gain) / Loss

31 December 2022	**Legacy fund**	**Gratuity scheme**	**Total**
	N' 000	**N' 000**	**N' 000**
Change in Economic Assumptions	(86,913)	(43,350)	(130,263)
Change in Demographic Assumption	-	-	-
Experience:			-
Pension/Salary Increases	-	68	68
Demographic Experience	39,564	(22,320)	17,244
	(47,349)	**(65,602)**	**(112,951)**

31 December 2021	**Legacy fund**	**Gratuity scheme**	**Total**
	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)**

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

31 December 2022	**Legacy fund**	**Gratuity scheme**	**Total**
	N' 000	**N' 000**	**N' 000**
At the beginning of the year	1,544,382	159,218	1,703,600
Interest income	183,302	21,176	204,478
Employer contribution paid	-	-	-
Administrative cost paid	(1,831)	-	(1,831)
Remeasurement losses	(85,956)	(679)	(86,635)
Benefits paid	(410,998)	-	(410,998)
	1,228,899	**179,715**	**1,408,614**
Composition of plan assets			
Cash	406,397	179,715	586,112
Equity	99,049	-	99,049
Bonds	723,453	-	723,453
	1,228,899	**179,715**	**1,408,614**
Quoted	822,502	-	822,502
Unquoted	406,397	179,715	586,112
	1,228,899	**179,715**	**1,408,614**
31 December 2021			
At the beginning of the period	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 gains	(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**

27 Retirement benefit obligations (Cont'd)

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

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.

The principal actuarial assumptions were as follows:

	Legacy fund	Gratuity scheme
31 December 2022		
Discount rate	14.0%	14.0%
Pension allowance increase	0.0%	2.5%
31 December 2021		
Discount rate	13.7%	13.3%
Pension allowance increase	0.0%	2.5%

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 2022

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**
	(114,128)	126,105	144,212	(131,264)	(37,145)	35,529

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**
	(57,303)	62,771	17,805	(16,861)	4,959	(4,486)

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 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		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)

27 Retirement benefit obligations (Cont'd)

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

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.

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.

28 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 (2021: no additions).

29 a) General reserve fund

General reserve fund represents one-fifth of the Commission’s operating surplus for the financial years which is retained and balance of the operating surplus is to be paid to the consolidated revenue fund of the Federal Government of Nigeria in compliance with the Finance Act 2020, section 62.

	Group		**Commission**	
	31 December 2022	**31 December 2021**	**31 December 2022**	**31 December 2021**
	N' 000	**N' 000**	**N' 000**	**N' 000**
At 1 January	447,676	447,676	447,676	447,676
one-fifth of operating surplus in current year	1,101,776	-	1,101,776	-
At 31 December	**1,549,452**	**447,676**	**1,549,452**	**447,676**

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 as repealed by Finance Act 2020, section 62.

30 Net cash flows used in operating activities

		Group		Commission	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		N' 000	N' 000	N' 000	N' 000
Profit/(Loss) for the year		5,601,085	(8,496,243)	5,508,883	(8,458,322)
Adjustments for:					
– Depreciation of property and equipment	(Note 14)	131,533	159,592	129,149	153,841
– Depreciation of right of use assets	(Note 15)	9,938	7,748	9,938	7,748
– Amortisation of intangible assets	(Note 16)	-	17,864	-	17,864
- Defined benefit plan expenses/(income)	(Note 27)	415,576	1,926,180	415,576	1,926,180
-Impairment charge on sundry debtors	(Note 18.4)	589	4,864	589	4,864
-Impairment charge on fee receivables	(Note 18.4)	98	77	98	77
- Impairment charge on staff loans	(Note 18.4)	971	18,957	971	18,957
- Impairment write back on investment securities	(Note 20.2)	(16,528)	(2,673)	(16,528)	(2,673)
- Impairment write back on finance lease receivables	(Note 22.1)	(466)	(121)	(466)	(121)
– Interest expense on lease liability	(Note 13)	1,537	3,024	1,537	3,024
– Finance income on leases	(Note 8)	(2,008)	(2,780)	(2,008)	(2,780)
– Other income	(Note 7)	-	(13,274)	-	(13,274)
– Interest Income on staff loan	(Note 6)	(9,530)	(102,960)	(9,530)	(102,960)
– Interest Income on investment securities	(Note 6)	(232,990)	(656,098)	(232,990)	(656,098)
-Gain on Disposal of PPE	(Note 7)	(9,908)	-	(9,908)	-
-Other provisions no longer required	(Note 7)	(328,729)	-	(328,729)	-
Changes in operating assets and liabilities					
-Change in prepayments		(41,624)	175,342	(41,624)	175,342
-Change in other receivables		(650,716)	(54,569)	(650,716)	(54,569)
-Change in advance payment to Consolidated Revenue Fund		(3,200,596)	(1,417,749)	(3,200,596)	(1,417,749)
-Change in sundry creditors		(834,020)	13,787,163	(1,779,557)	(247,414)
-Change in payable to related entities		-	-	99,755	(32,429)
-Change in accruals		4,465	(5,896)	-	(5,023)
Cash flows used in operating activities		**838,677**	**5,348,448**	**(106,156)**	**(8,685,514)**

31 Contingent liabilities and commitments

Legal proceedings

The Group is presently involved in litigations but there are no contingent liabilities arising from these matters following assessment (2021: Nil). The total claims for which the entity is a defendant is N5.7billion (2021: N4.14billion). However, the Board of Directors estimate that the outflow of economic resources from the litigations is not possible nor probable.

Capital commitments

There are no capital commitments on the Group as at the end of the year (2021:nil).

32 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.

32.1 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 2022	31 December 2021	31 December 2022	31 December 2021
	N' 000	N' 000	N' 000	N' 000
Short term benefits /executive compensation	356,027	356,012	356,027	356,012
Post employment benefits	567,635	-	567,635	-
	923,662	**356,012**	**923,662**	**356,012**

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

	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Senior management	105	99	105	99
Management	173	196	173	196
Non management	88	72	88	72
	366	**367**	**366**	**367**

32.2 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 2022 N' 000	31 December 2021 N' 000
Nigerian Capital Market Development Fund	Subsidiary	Payable	5,548,334	5,573,204
Nigeria Capital Market Institute	Subsidiary	Payable	5,290,540	5,165,915
National Investors Protection Fund	Subsidiary	Payable	6,269,666	6,269,666

	31 December 2022 N' 000	31 December 2021 N' 000
Key management personnel: staff loan	1,036,178	2,268,252

None of the loans to key management personnel is either past due nor impaired. Hence no specific provision was required in 2022 (2021: nil) for the loans made to key management personnel. The staff 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 and the current year transaction is N24.8million for Nigerian Capital Market Fund and N124.6million for Nigeria Capital Market Institute and nil for National Investors Protection Fund.

32.3 Consolidated structured entities

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.

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 systemic 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.

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.

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 2022

	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	-	-	2,095
Staff loans and other receivables	6,319,427	5,484,024	5,229,218
Total non-current assets	**6,319,427**	**5,484,024**	**5,231,312**
Current assets			
Cash and bank balances	14,978,465	-	823
Total current assets	**14,978,465**	**-**	**823**
Total assets	**21,297,892**	**5,484,024**	**5,232,135**
Equity			
Accumulated reserve fund	1,193,595	480,624	228,335
Capital	5,000,000	5,000,000	5,000,000
Total equity	**6,193,595**	**5,480,624**	**5,228,335**
Liabilities			
Current liabilities			
Sundry and other creditors	15,104,297	3,400	3,800
Total current liabilities	**15,104,297**	**3,400**	**3,800**
Total liabilities	**15,104,297**	**3,400**	**3,800**
Total equity and liabilities	**21,297,892**	**5,484,024**	**5,232,135**
Statement of profit or loss and other comprehensive income			
Workshop/training fees	-	-	180,667
Other Income	-	-	-
Total income	**-**	**-**	**180,667**
Depreciation and amortisation expenses			(2,383)
Other operating expenses	(1,700)	(26,569)	(57,806)
Net impairment gain on financial assets	7,470	6,929	4,711
Total expenses	**5,770**	**(19,641)**	**(55,478)**
Profit/(Loss) for the year	**5,770**	**(19,641)**	**125,189**
Other comprehensive income			
Total comprehensive income/(loss) for the year	**5,770**	**(19,641)**	**125,189**

32.3 Consolidated structured entities (Cont'd)
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 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**

33 Events after reporting date

On 17th June 2023, the Board was dissolved by the Presidency. However, the Director General and Executive Commissioners exited 19th April 2024. Thereafter, on the 8th July 2024, new Board members were appointed. This appointment was made after the reporting year ended on 31st December 2022. The relevant information can be seen on the corporate information page.
This event does not impact the financial statements for the period ended 31st December 2022, as it is a non-adjusting event. However, it is disclosed to provide relevant information to the users of the financial statements.

There are no other events after reporting date that require adjustments or 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 2022

The Group	**2022 N '000**	**%**	**2021 N '000**	**%**
Gross income	12,709,050		6,377,146	
Bought in goods and services				
- local	(1,498,608)		(1,783,886)	
Value added	**11,210,442**	**100%**	**4,593,260**	**100%**
Distribution				
Employees				
Employee benefit expenses	5,467,885	49%	12,904,299	281%
Providers of capital				
Profit/(Loss) for the year	5,601,085	50%	(8,496,243)	(185%)
To provide for enhancement of assets and growth				
Depreciation, impairment and amortisation expenses	141,471	1%	185,204	4%
	11,210,441	**100%**	**4,593,260**	**100%**

The Commission	**2022 N '000**	**%**	**2021 N '000**	**%**
Gross income	12,528,383		6,258,055	
Bought in goods and services				
- local	(1,412,529)		(1,632,628)	
Value added	**11,115,854**	**100%**	**4,625,427**	**100%**
Distribution				
Employees				
Employee benefit expenses	5,467,885	49%	12,904,299	279%
Providers of capital				
Profit/(Loss) for the year	5,508,883	50%	(8,458,322)	(183%)
To provide for enhancement of assets and growth				
Depreciation, impairment and amortisation expenses	139,086	1%	179,450	4%
	11,115,854	**100%**	**4,625,427**	**100%**

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

	31 December 2022 N '000	31 December 2021 N '000	31 December 2020 N '000	31 December 2019 N '000	31 December 2018 N '000
Non-current assets					
Property and equipment	2,670,394	2,770,069	2,913,651	3,025,958	3,055,829
Right of use assets	4,356	14,294	49,067	59,130	-
Intangible assets	1	1	17,868	45,642	76,463
Staff loans	39,456	220,532	270,382	607,991	664,652
Investment securities at amortised cost	2,499,615	2,532,760	4,021,389	4,012,030	4,021,143
Prepayments	-	-	-	425,360	1,071,311
Retirement benefit assets	-	-	-	-	88,022
Finance lease receivables	8,564	13,476	18,414	22,704	-
Total non-current assets	**5,222,386**	**5,551,132**	**7,290,771**	**8,198,814**	**8,977,419**
Current assets					
Advances to the Consolidated Revenue Fund	3,239,267	2,156,007	738,258	-	-
Staff loans	130,928	30,893	290,194		
Other receivables	928,628	278,598	228,970	203,046	174,729
Investment securities at amortised cost	281,114	281,114	6,752,651	12,493,045	14,886,346
Prepayments	1,264,034	1,222,410	1,397,752	1,100,760	1,588,621
Finance lease receivables	4,606	5,059	5,059	4,381	-
Cash and bank balances	15,607,802	14,454,470	280,075	467,664	583,067
Total current assets	**21,456,378**	**18,428,551**	**9,692,959**	**14,268,896**	**17,232,763**
Total assets	**26,678,764**	**23,979,683**	**16,983,730**	**22,467,710**	**26,210,183**
Equity and liabilities					
Equity					
Capital grant	496,858	496,858	496,858	496,858	496,858
General reserve fund	1,549,452	447,676	447,676	447,676	447,676
Accumulated reserve fund	4,545,291	3,468,012	8,379,817	13,347,954	22,371,380
Total equity	**6,591,601**	**4,412,546**	**9,324,351**	**14,292,488**	**23,315,914**
Liabilities					
Non current liabilities					
Retirement benefit obligations	2,284,116	1,931,648	5,604,408	5,886,003	-
Payable to Consolidated Revenue Fund	1,424,627	-	-	-	
Lease liabilities	3,493	1,474	72,862	70,166	-
Total non-current liabilities	**3,712,236**	**1,933,122**	**5,677,270**	**5,956,169**	**-**
Current liabilities					
Lease liabilities	2,435	9,649	5,092	4,399	-
Accruals	23,070	18,605	24,501	94,977	32,017
Sundry and other creditors	15,635,934	16,469,933	816,688	874,263	1,299,840
Payable to Consolidated Reserve Fund	506,478	600,089	600,089	709,677	760,872
Provisions	207,010	535,739	535,739	535,739	801,540
Total current liabilities	**16,374,927**	**17,634,015**	**1,982,109**	**2,219,055**	**2,894,269**
Total liabilities	**20,087,163**	**19,567,137**	**7,659,379**	**8,175,224**	**2,894,269**
Total equity and liabilities	**26,678,764**	**23,979,683**	**16,983,730**	**22,467,710**	**26,210,183**

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

	2022 N '000	2021 N '000	2020 N '000	2019 N '000	2018 N '000
Fee income from operations	11,915,823	5,471,400	4,876,946	5,905,062	5,473,477
Interest income	242,520	759,058	953,252	2,424,147	2,561,913
Other operating income	548,699	143,908	171,638	368,709	128,842
Finance income on leases	2,008	2,780	3,458	4,004	-
Total income	**12,709,050**	**6,377,146**	**6,005,294**	**8,701,922**	**8,164,232**
Employee benefits expense	(5,467,885)	(12,904,299)	(11,065,645)	(15,334,309)	(6,460,767)
Depreciation and amortisation expenses	(141,471)	(185,204)	(167,562)	(241,591)	(270,583)
Other operating expenses	(1,512,407)	(1,759,758)	(1,269,423)	(2,581,170)	(2,433,324)
Net impairment on financial assets	15,336	(21,104)	(55,886)	47,034	1,262
Finance expense on leases	(1,537)	(3,024)	(11,121)	(10,538)	-
Total expenses	**(7,107,965)**	**(14,873,389)**	**(12,569,637)**	**(18,120,574)**	**(9,163,412)**
Profit/(Loss) for the year	**5,601,085**	**(8,496,243)**	**(6,564,343)**	**(9,418,652)**	**(999,180)**
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Remeasurement gains/ (loss) on defined benefit scheme	26,316	3,584,438	3,584,438	424,366	(12,522)
Other comprehensive income/(loss) for the year	**26,316**	**3,584,438**	**3,584,438**	**424,366**	**(12,522)**
Total comprehensive income/(loss) for the year	**5,627,401**	**(4,911,805)**	**(2,979,905)**	**(8,994,286)**	**(1,011,702)**

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

	31 December 2022	31 December 2021	31 December 2020	31 December 2019	31 December 2018
	N '000	N '000	N '000	N '000	N '000
Assets					
Non-current assets					
Property and equipment	2,668,299	2,765,726	2,903,779	3,006,141	3,033,276
Right of use assets	4,356	14,294	49,067	59,130	-
Intangible assets	1	1	17,868	45,642	76,463
Investment in consolidated structured entities	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Staff loans	39,456	220,532	270,382	607,991	664,652
Investment securities at amortised cost	2,499,615	2,532,760	4,021,389	4,012,030	4,021,143
Prepayments	-	-	-	425,360	1,071,311
Retirement benefit assets	-	-	-	-	88,022
Finance lease receivables	8,564	13,476	18,414	22,704	-
Total non-current assets	**20,220,291**	**20,546,789**	**22,280,899**	**23,178,998**	**23,954,867**
Current assets					
Advances to the Consolidated Revenue Fund	3,239,267	2,156,007	738,258	-	-
Staff loans	130,928	30,893	290,194		
Other receivables	806,195	156,166	106,538	203,046	174,729
Investment securities at amortised cost	281,114	281,114	6,752,651	12,493,045	14,886,346
Prepayments	1,264,034	1,222,410	1,397,752	1,100,760	1,586,921
Finance lease receivables	4,606	5,059	5,059	4,381	-
Cash and bank balances	628,514	419,905	279,252	466,841	392,638
Total current assets	**6,354,658**	**4,271,554**	**9,569,704**	**14,268,073**	**17,040,634**
Total assets	**26,574,949**	**24,818,343**	**31,850,603**	**37,447,071**	**40,995,501**
Equity and liabilities					
Equity					
Capital grant	496,858	496,858	496,858	496,858	496,858
General reserve fund	1,549,452	447,676	447,676	447,676	447,676
Accumulated reserve fund	2,444,434	1,459,363	6,333,247	11,310,634	20,193,059
Total equity	**4,490,744**	**2,403,897**	**7,277,781**	**12,255,168**	**21,137,593**
Liabilities					
Non current liabilities					
Retirement benefit obligations	2,284,116	1,931,648	5,604,408	5,886,003	-
Payable to Consolidated Revenue Fund	1,424,627	-	-	-	-
Lease liabilities	3,493	1,474	72,862	70,166	-
Total non-current liabilities	**3,712,236**	**1,933,122**	**5,677,270**	**5,956,169**	**-**
Current liabilities					
Lease liabilities	2,435	9,649	5,092	4,399	-
Accruals	14,140	14,140	19,163	94,977	26,250
Sundry and other creditors	17,641,906	19,321,708	17,735,469	17,890,942	18,269,246
Payable to Consolidated Reserve Fund	506,478	600,088	600,089	709,677	760,872
Provisions	207,010	535,739	535,739	535,739	801,540
Total current liabilities	**18,371,969**	**20,481,324**	**18,895,552**	**19,235,734**	**19,857,908**
Total liabilities	**22,084,205**	**22,414,446**	**24,572,822**	**25,191,903**	**19,857,908**
Total equity and liabilities	**26,574,949**	**24,818,343**	**31,850,603**	**37,447,071**	**40,995,501**

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

	31 December 2022	31 December 2021	31 December 2020	31 December 2019	31 December 2018
	N '000	N '000	N '000	N '000	N '000
Statement of Profit or Loss and Other Comprehensive Income (Commission)					
Fee income from operations	11,915,823	5,471,400	4,876,946	5,905,062	5,473,477
Interest income	242,520	759,058	953,252	2,424,147	2,561,913
Other operating income	368,031	24,817	122,514	316,458	58,464
Finance income on leases	2,008	2,780	3,458	4,004	-
Total income	**12,528,383**	**6,258,055**	**5,956,170**	**8,649,671**	**8,093,854**
Employee benefits expenses	(5,467,885)	(12,904,299)	(11,065,645)	(15,334,309)	(6,460,767)
Depreciation and amortisation expenses	(139,086)	(179,453)	(157,503)	(229,903)	(259,291)
Other operating expenses	(1,426,328)	(1,608,497)	(1,239,609)	(2,399,604)	(2,014,457)
Net impairment on financial assets	15,336	(21,104)	(55,886)	47,034	1,262
Finance expense on leases	(1,537)	(3,024)	(11,121)	(10,538)	-
Total expenses	**(7,019,500)**	**(14,716,377)**	**(12,529,764)**	**(17,927,320)**	**(8,733,253)**
Profit/(Loss) for the year	**5,508,883**	**(8,458,322)**	**(6,573,594)**	**(9,277,649)**	**(639,399)**
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Remeasurement gains/ (loss) on defined benefit scheme	26,316	3,584,438	3,584,438	424,366	(12,522)
Other comprehensive income/(loss) for the year	**26,316**	**3,584,438**	**3,584,438**	**424,366**	**(12,522)**
Total comprehensive income/(loss) for the year	**5,535,199**	**(4,873,884)**	**(2,989,156)**	**(8,853,283)**	**(651,921)**