

**CENTRAL SECURITIES CLEARING SYSTEM PLC**

**Annual Report**

**31 December 2020**

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**Corporate Information**

Board of Directors:	Mr. Oscar N. Onyema OON	- Chairman
	Mr. Haruna Jalo-Waziri	- Managing Director
	Mr. Bayo Olugbemi*	- Non-Executive Director
	Mr. Uche Ike	- Non-Executive Director
	Mr. Eric Idiahi	- Non-Executive Director
	Mr. Roosevelt Ogbonna	- Non-Executive Director
	Ms. Tinuade Awe	- Non-Executive Director
	Chief Onyenwechukwu Patrick Ezeagu	- Non-Executive Director
	Mr. Oluwaseyi Abe	- Non-Executive Director
	Mrs. Chinelo Anohu	- Independent Director
	Mr. Ibrahim Dikko	- Independent Director
	Mr. Oluseyi Owoturo**	- Non-Executive Director
	Mrs. Tairat Tijani***	- Non-Executive Director

\*Mr. Bayo Olugbemi retired from the Board on the 28th of April 2020 (with effect on Friday, 22 May 2020).

\*\*Mr. Oluseyi Owoturo joined the Board on Friday, 22 May 2020.

\*\*\*Mrs. Tairat Tijani joined the Board on Wednesday, 21 October 2020.

Registered Office: Central Securities Clearing System Plc  
1st Floor, The Nigerian Stock Exchange Building  
No. 2/4, Customs Street  
Marina, Lagos

Company's registration number: 201018

Company secretary: Charles I. Ojo

Independent auditor: KPMG Professional Services  
KPMG Tower  
Bishop Aboyade Cole Street  
Victoria Island  
PMB 40014, Falomo  
Lagos

Bankers:

- Access Bank Plc
- Citibank Nig Plc
- Coronation Merchant Bank Limited
- Ecobank Nigeria Plc
- Fidelity Bank Plc
- First Bank of Nigeria Limited
- FSDH Merchant Bank Limited
- FCMB Plc
- Guaranty Trust Bank Plc
- Keystone Bank Plc
- Nova Merchant Bank Limited
- Providus Bank Limited
- Rand Merchant Bank
- Stanbic IBTC Bank Plc
- Sterling Bank Plc
- SunTrust Bank Nigeria Limited
- Titan Trust Bank
- Union Bank Plc
- United Bank for Africa Plc
- Wema Bank Plc
- Zenith Bank Plc

Registrar: Africa Prudential Plc  
220B Ikorodu Road  
Palmgrove  
Lagos

Actuary: O & A Hedge Actuarial Consulting  
(Actuaries & Chartered Insurers)  
Suite 28, Motorways Centre, 1 Motorways Avenue  
Opposite 7up Bottling Plant  
Alausa Ikeja, Lagos - Nigeria  
FRC/2016/00000015764

## Directors' report

for the year ended 31 December 2020

The Directors present their report on the affairs of Central Securities Clearing System Plc ("the Company" or "CSCS") and its subsidiary ("the Group"), together with the annual financial statements and independent auditor's report for the year ended 31 December 2020.

### Legal form

The Company was incorporated on 29 July 1992 as a Private Limited Liability Company and effectively commenced business operations on 14 April 1997. The Company transmuted to a Public Company following the resolution of its shareholders at its Annual General Meeting of 16 May 2012.

### Principal activity and business review

The Central Securities Clearing System Plc is a Financial Market Infrastructure (FMI) Company that undertakes the business of depository, clearing and settling of securities traded in the Nigerian Capital Market. The Company was licensed by the Securities and Exchange Commission and operates a computerized depository, clearing, settlement and delivery system for transactions in shares and fixed income securities listed/traded on the Nigerian Stock Exchange, NASD OTC Exchange or any other authorized/organized Securities Trading Platform in the Nigerian Capital Market. CSCS was licensed by the Securities and Exchange Commission as an agent for Central Depository, Clearing and Settlement of transactions in the capital market. CSCS keeps and maintains an electronic book-entry record of all securities to facilitate the safekeeping and easy transfer of securities between parties during a trade.

The Company also acts as a depository for Federal Government of Nigeria (FGN) Bonds, Municipal and Corporate Debt instruments. The Company has one (1) subsidiary company namely: Insurance Repository Nigeria Limited and one (1) associate Company - NG Clearing Limited.

### Operating results

Highlights of the Group and Company's operating results for the year are as follows:

	Group		Company	
	31 December 2020	31 December 2020	31 December 2019	31 December 2019
<i>In thousands of Naira</i>				
Total operating income	12,087,177	12,087,177	9,206,140	9,206,140
Profit before tax	7,392,696	7,334,741	6,042,434	5,986,837
Income tax	(464,361)	(464,361)	(1,141,755)	(1,141,755)
<b>Profit for the year</b>	<b>6,928,335</b>	<b>6,870,380</b>	<b>4,900,679</b>	<b>4,845,082</b>
Actuarial gain on long term incentive scheme	1,169	1,169	1,216	1,216
Other comprehensive income, net of tax	(42,441)	(42,441)	340,590	340,590
<b>Total comprehensive income</b>	<b>6,887,063</b>	<b>6,829,108</b>	<b>5,242,485</b>	<b>5,186,888</b>
Basic and diluted earnings per share (kobo)	139k	137k	98k	97k

### Ownership structure

The issued and fully paid-up share capital of the Company was 5,000,000,000 ordinary shares of N1 each as at 31 December 2020 (31 December 2019: 5,000,000,000 ordinary shares of N1 each). The shareholding structure as at the reporting date is as shown below:

Shareholders	31 December 2020		31 December 2019	
	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage
The Nigerian Stock Exchange	1,459,555,913	29.19%	1,459,555,913	29.19%
Artemis Limited	830,641,902	16.61%	1,000,641,902	20.01%
Access Bank Plc	375,000,000	7.50%	375,000,000	7.50%
United Bank for Africa Plc	268,500,000	5.37%	268,500,000	5.37%
Ess-ay Investments Limited	500,029,756	10.00%	317,142,674	6.34%
ZPC/Leadway Insurance Prem .Coll. & Investment Account	250,000,000	5.00%	250,000,000	5.00%
Others with shareholdings less than 5%	1,316,272,429	26.33%	1,329,159,511	26.58%
	<b>5,000,000,000</b>	<b>100%</b>	<b>5,000,000,000</b>	<b>100%</b>

**Directors' report**  
for the year ended 31 December 2020

**Directors and their interests**

The following directors of the Company held office during the year and represent the Company's shareholders. The directors which have direct and indirect interests in the issued share capital of the Company as recorded in the register of directors' shareholding are noted below:

Director	31 December 2020			31 December 2019		
	Direct	Indirect	Total	Direct	Indirect	Total
Mr. Oscar N. Onyema OON	-	-	-	-	-	-
Mr. Haruna Jalo-Waziri	-	-	-	-	-	-
Mr. Bayo Olugbemi*	-	2,345,111	2,345,111	-	2,345,111	2,345,111
Mr. Emeka Madubuike****	-	-	-	-	6,750,000	6,750,000
Mr. Ariyo Olushekun*****	-	-	-	1,800,000	1,540,000	3,340,000
Mr. Uche Ike	-	-	-	-	-	-
Mr. Eric Idiahi	-	830,641,902	830,641,902	-	1,000,641,902	1,000,641,902
Mr. Roosevelt Ogbonna	-	-	-	-	-	-
Ms. Tinuade Awe	-	620,000	620,000	-	620,000	620,000
Chief Onyenwechukwu Patrick Ezeagu	-	525,000	525,000	-	525,000	525,000
Mr. Oluwaseyi Abe	-	-	-	-	-	-
Mrs. Chinelo Anohu	-	-	-	-	-	-
Mr. Ibrahim Dikko	-	-	-	-	-	-
Mr. Oluseyi Owoturo**	-	-	-	-	-	-
Mrs. Tairat Tijani***	-	-	-	-	-	-

\*Mr. Bayo Olugbemi retired from the Board on the 28 of April 2020 (with effect on Friday, 22 May 2020).

\*\*Mr. Oluseyi Owoturo joined the Board on Friday, 22 May 2020.

\*\*\*Mrs. Tairat Tijani joined the Board on Wednesday, 21 October 2020.

\*\*\*\* Mr. Emeka Madubuike resigned as a Non-Executive Director on April 30, 2019

\*\*\*\*\* Mr. Ariyo Olushekun resigned as a Non-Executive Director on April 30, 2019

**Directors' interests in contracts**

Except as disclosed above, no director has notified the Company, for the purposes of Section 277 of the Companies and Allied Matters Act of Nigeria, of any interest in contracts during the year.

**Analysis of shareholding**

The shareholding pattern of the Company as at 31 December 2020 was as stated below:

Share range	No of shareholders	Percentage of shareholders	No of holdings	Percentage holdings
1 - 1,000	425	36.4%	169,630	0.00%
1,001 - 5,000	157	13.4%	450,715	0.01%
5,001 - 10,000	71	6.1%	589,755	0.01%
10,001 - 50,000	211	18.2%	5,680,445	0.11%
50,001 - 100,000	56	4.8%	4,261,810	0.09%
100,001 - 500,000	97	8.3%	28,485,695	0.57%
500,001 - 1,000,000	28	2.4%	22,865,728	0.46%
Above 1,000,000	123	10.5%	4,937,496,222	98.75%
	<b>1,168</b>	<b>100%</b>	<b>5,000,000,000</b>	<b>100%</b>

The shareholding pattern of the Company as at 31 December 2019 was as stated below:

Share range	No of shareholders	Percentage of shareholders	No of holdings	Percentage holdings
1 - 1,000	410	36.7%	160,732	0.00%
1,001 - 5,000	133	11.9%	377,731	0.01%
5,001 - 10,000	64	5.7%	514,894	0.01%
10,001 - 50,000	200	17.9%	5,360,673	0.11%
50,001 - 100,000	59	5.3%	4,715,099	0.09%
100,001 - 500,000	92	8.2%	27,884,146	0.56%
500,001 - 1,000,000	32	2.9%	26,605,744	0.53%
Above 1,000,000	127	11.4%	4,934,380,981	98.70%
	<b>1,117</b>	<b>100%</b>	<b>5,000,000,000</b>	<b>100%</b>

## Directors' report

for the year ended 31 December 2020

### Substantial interest in shares

According to the register of members at 31 December 2020, no shareholder held more than 5% of the issued share capital of the Company except the following:

	31 December 2020		31 December 2019	
	Number of shares held	% of shareholding	Number of shares held	% of shareholding
<b>Shareholders</b>				
The Nigerian Stock Exchange	1,459,555,913	29.19%	1,459,555,913	29.19%
Artemis Limited	830,641,902	16.61%	1,000,641,902	20.01%
Access Bank Plc	375,000,000	7.50%	375,000,000	7.50%
United Bank for Africa Plc	268,500,000	5.37%	268,500,000	5.37%
Ess-ay Investment Ltd	500,029,756	10.00%	317,142,674	6.34%
ZPC/Leadway Insurance Prem. Coll. &	250,000,000	5.0%	250,000,000	5.0%

### Donations and charitable gifts

The Company made contributions and donations to non-political organisations amounting to N118.2 million (31 December 2019: N32.7 million) during the year, as listed below:

Beneficiary	Purpose	Amount
<i>In thousands of Naira</i>		
SEC-led CMSCC Initiative	Ambulance Donation to Capital Market Support Committee for COVID-19	30,581
EAC Trustees/ Capital Market COVID-19	Donation to Capital Market Support Committee for COVID-19 (CMSCC)	30,000
CSCS Participants/Stakeholders	Other COVID-19 Donation - Face Masks & Hand Sanitizers	35,593
Camcan Workshop	Capital Market Correspondents Ass. of Nigeria (CAMCAN) Workshop Sponsorship	500
Association of Securities Dealing House	Donation to Association of Securities Dealing House of Nigeria	10,000
True Nigeria Express Limited	Nigeria @ 60 Signature Sponsorship	500
Dream Diary Limited	Sponsorship Law Digest	550
Duchlight Limited	Sponsorship Commodity Trading Ecosystem	3,000
Business Day Media	Investing & Capital Market Sponsorship	700
HR Expo African Limited	Virtual HR Expo Africa Sponsor	484
Business Media limited	2020 Digital Dialogue Sponsorship	500
Business Media limited	Nigeria Business Leadership Award	800
Special Olympics (SO) Nigeria	Special Olympics Sponsorship	5,000
		<b>118,207</b>

- i) The Company did not make donation to any political party during the year ended 31 December 2020 (31 December 2019: Nil).

### Human resources

#### i) **Employment, Employee training and Development**

Employment at CSCS follows a very thorough process that focuses on merit. The Group ensures that the most qualified persons are recruited for appropriate levels regardless of their state of ethnicity, religion or physical condition. Training and development of staff is an uncompromised strategy of the Group towards ensuring that staff are properly skilled and re-skilled to undertake their respective assignments. The Group did not employ any disabled person during the year under review.

#### i) **Health, safety and welfare of employees**

The Group takes the health, safety and welfare of its employees very seriously, with a strong conviction that a healthy workforce will always be highly productive and will deliver superior performances at all times. Consequently, top health care providers have been carefully selected under a managed care scheme to look after the health care needs of employees and their dependents.

### Property and Equipment

Information relating to changes in property and equipment is given in Note 15 to the financial statements. In the opinion of the Board of Directors, the market value of the Group's properties is not significantly different from the value shown in the Annual Report.

### Events after reporting date

There were no significant events after the reporting date that could affect the reported amount of assets and liabilities as of the reporting date.

**Directors' report**

for the year ended 31 December 2020

**Dividends**

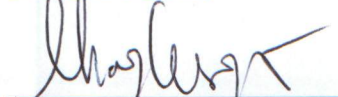
During the period, the Board of Directors, pursuant to the powers vested in it by the provisions of section 379 of the Companies and Allied Matters Act (CAMA), 2020 proposed a final dividend of 117 kobo per share (31 December 2019: 86 kobo per share) from the retained earnings account as at 31 December 2020, pending the approval of the shareholders at the 2020 Annual General Meeting.

Payment of dividends is subject to withholding tax at a rate of 10%.

**Auditor**

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditors to the Company. In accordance with Section 357 (2) of the Companies and Allied Matters Act of Nigeria therefore, the auditor will be re-appointed at the next annual general meeting of the Company without any resolution being passed.

BY ORDER OF THE BOARD



Charles I. Ojo  
Company Secretary  
Central Securities Clearing System Plc  
FRC/2014/NBA.00000006051  
24 March 2021

## Audit Committee Report

### TO MEMBERS OF CENTRAL SECURITIES CLEARING SYSTEM PLC

In line with the provisions of Section 359(6) of the Companies and Allied Matters Act (CAMA), 2020 we the Audit Committee hereby state as follows:

- That we have reviewed the audit plan and scope, and the Management letter on the audit of accounts of the Company.
- That the audit plan and scope for the year ended 31 December 2020 are adequate in our opinion.
- That the accounting and reporting policies of the Company conform to legal requirements and ethical practices.
- That the Internal Control and Internal Audit functions were operating effectively.



Mr. Nornah Awoh  
Chairman, Audit Committee  
FRC/2021/003/00000022526  
24 March, 2021

#### Members of the Committee

- 1 Mr. Nornah Awoh - Chairman
- 2 Mr. Patrick Adebayo Ajayi - Member
- 3 Mr. Oluwaseyi Abe - Member
- 4 Chief Onyenwechukwu Patrick Ezeagu - Member

The Company Secretary acted as a Secretary to the Committee.



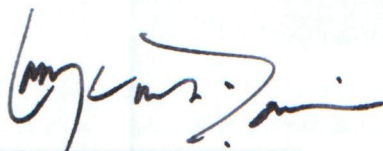
**Statement of Directors' Responsibilities in Relation to the Financial Statements for the year ended 31 December 2020**

The directors accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

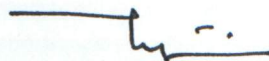
The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act (CAMA), 2020 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The directors have made assessment of the Group and the Company's ability to continue as a going concern and have no reason to believe that the Group and the Company will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Mr. Oscar N. Onyema OON  
Chairman  
FRC/2013/IODN/00000001802  
24 March 2021





Mr. Haruna Jalo-Waziri  
Managing Director/CEO  
FRC/2017/IODN/00000017488  
24 March 2021

**Statement of Corporate Responsibility for the Financial Statements for the Year Ended 31 December 2020**

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director/CEO and Chief financial Officer, hereby certify the financial statements of the Central Securities Clearing System Plc for the year ended 31 December 2020 as follows:

- a) That we have reviewed the audited consolidated and separate financial statements of the Company for the year ended 31 December 2020
- b) That the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.
- c) That the audited consolidated and separate financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the year ended 31 December 2020
- d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company and its subsidiary is made known to the officer by other officers of the companies, during the period end 31 December 2020
- e) That we have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of audited consolidated and separate financial statements, and certify that the Company's internal controls are effective as of that date
- f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.
- g) That we have disclosed the following information to the Company's Auditors and Audit Committee:
  - (i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have identified for the Company's auditors any material weaknesses in internal controls, and
  - (ii) there is no fraud that involves management or other employees who have a significant role in the Company's internal control.

  
Mr. Haruna Jalo-Waziri  
Managing Director/CEO  
FRC/2017/IODN/0000001748  
24 March 2021

  
Mr. Peter Medunoye  
Chief Financial Officer  
FRC/2019/001/00000020289  
24 March 2021



**KPMG Professional Services**

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Lagos

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234 (1) 271 8599  
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**INDEPENDENT AUDITOR'S REPORT**

To the Shareholders of Central Securities Clearing System Plc

**Report on the Audit of the Consolidated and Separate Financial Statements**

**Opinion**

We have audited the consolidated and separate financial statements of Central Securities Clearing System Plc ("the Company") and its subsidiaries (together, "the Group"), which comprise:

- the consolidated and separate statements of financial position as at 31 December, 2020;
- the consolidated and separate statements of profit or loss and other comprehensive income;
- the consolidated and separate statements of changes in equity;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

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 Company and its subsidiaries as at 31 December, 2020, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 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 Company in accordance with 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.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Registered in Nigeria No BN 986925

Partners:

Adegoke A. Oyelami	Chibuzor N. Anyanechi	Martins I. Arogie	Olutoyin I. Ogunlowo
Adekunle A. Elebute	Chineme B. Nwigbo	Mohammed M. Adama	Oluwafemi O. Awotoye
Adetola P. Adeyemi	Elijah O. Oladunmoye	Nneka C. Eluma	Oluwatoyin A. Gbagi
Adeyemi K. Ajayi	Goodluck C. Obi	Olabimpe S. Afolabi	Tayo I. Ogungbenro
Ajibola O. Olomola	Ibitomi M. Adepoju	Oladimeji I. Salaudeen	Temitope A. Onitiri
Akinyemi Ashade	Ijeoma T. Emezie-Ezigbo	Olanike I. James	Tolulope A. Odukale
Ayobami L. Salami	Joseph O. Tegbe	Olufermi A. Babern	Victor U. Onyenkpa
Ayodele A. Soyinka	Kabir O. Okunlola	Olumide O. Olayinka	
Ayodele H. Othihiwa	Lawrence C. Amadi	Olusegun A. Sowande	



#### *Classification and measurement of investment securities*

Investment securities account for over 47% of the Group's total assets and interest income derived from the investment securities account for 62% of total operating income in the current year. Due to the significance of these financial assets in the context of the financial position and the financial performance of the Group, as well as the requirements of IFRS 9: Financial Instruments as regards classification and measurement of investment securities, the classification and measurement of investment securities was an area that had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

#### *How the matter was addressed in our audit*

Our procedures in this area included the following:

- We tested the design and implementation of controls that are relevant to the classification and measurement of securities.
- We assessed the appropriateness of the Group's classification of investment securities by determining whether the cashflows of the investment securities are strictly payments of principal and interest and also assessing the Group's business model for changes relating to the classification and measurement of investment securities during the year.
- For investment securities measured at amortised cost, we performed a re-calculation of the carrying amounts of the investments.
- For investments whose contracts terms had changed during the year, we evaluated the changes made by management to the cash flows and effective interest rate to determine whether they are in accordance with Group's accounting policy.
- For investment securities measured at fair value, we tested the appropriateness of the market inputs used in computing the fair value by comparing them to independent data.

The Group's accounting policy on classification and measurement of investment securities and related disclosures on financial risks are in notes 4(l) and 6 respectively.

#### ***Information Other than the Financial Statements and Audit Report thereon***

The Directors are responsible for the other information which comprises the Directors' Report, Audit Committee Report, Statement of Directors' responsibilities, Statement of Corporate Responsibilities, Corporate Information and Other National Disclosures, which we obtained prior to the date of this audit report, but does not include the consolidated and separate financial statements and our auditor's report thereon. Other information also include the Corporate Governance Report, Strategy Report, Governance Structure, Enterprise Risk Management Report, Chairman's Address, Chief Executive Officer's Review, Notice of the Annual General Meeting, Board Appraisal Report (together "outstanding reports") which are expected to be made available to us after that date

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express 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.



When we review the outstanding reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee.

***Responsibilities of the Directors for the Consolidated and separate Financial Statements***

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group (and Company)'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 directors either intend to liquidate the Group (and Company) 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 misstatement, 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment 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 (and Company)'s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' 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 (and Company)'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 Company) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated 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 Audit Committee 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.

We also provide Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

*Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020.*

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
- iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account;

*A. A. Oyelami*

Adegoke A. Oyelami, FCA  
FRC/2012/ICAN/00000000444  
For: KPMG Professional Services  
Chartered Accountants  
31 March 2021  
Lagos, Nigeria



**Consolidated and Separate Statements of  
Profit or Loss and other Comprehensive Income**

For the year ended 31 December 2020

<i>In thousands of Naira</i>	Notes	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
Revenue	9	4,603,513	4,603,513	4,588,807	4,588,807
Investment income	10	7,443,495	7,443,495	4,612,237	4,612,237
Other income	11	40,169	40,169	5,096	5,096
<b>Total operating income</b>		<b>12,087,177</b>	<b>12,087,177</b>	<b>9,206,140</b>	<b>9,206,140</b>
Personnel expenses	12.1(i)	(2,051,082)	(2,051,082)	(1,317,186)	(1,317,186)
Other operating expenses	12.2	(1,837,027)	(1,837,027)	(1,268,438)	(1,256,104)
Finance cost	12.3	(74,234)	(74,234)	(48,546)	(48,546)
Depreciation and amortisation	12.4	(616,289)	(616,289)	(547,906)	(547,906)
Impairment (loss)/reversal on financial assets	20	(139,293)	(173,804)	(49,561)	(49,561)
<b>Total operating expenses</b>		<b>(4,717,925)</b>	<b>(4,752,436)</b>	<b>(3,231,637)</b>	<b>(3,219,303)</b>
Share of profit/(loss) of equity accounted investees (net of tax)	23	23,444	-	67,931	-
<b>Profit before tax</b>		<b>7,392,696</b>	<b>7,334,741</b>	<b>6,042,434</b>	<b>5,986,837</b>
Income tax	13(a)	(464,361)	(464,361)	(1,141,755)	(1,141,755)
<b>Profit for the year</b>		<b>6,928,335</b>	<b>6,870,380</b>	<b>4,900,679</b>	<b>4,845,082</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified to profit or loss:</i>					
Actuarial gain on long term incentive scheme	29.2(i)	1,169	1,169	1,216	1,216
Related Tax	29.2(i)	(351)	(351)	(365)	(365)
		818	818	851	851
<i>Items that are or may be reclassified subsequently to profit or loss:</i>					
Fair value (loss)/ gain - Debt investment at FVOCI	25(c)	(43,259)	(43,259)	339,739	339,739
		(43,259)	(43,259)	339,739	339,739
Other comprehensive income for the year, net of tax		(42,441)	(42,441)	340,590	340,590
<b>Total comprehensive income for the year</b>		<b>6,885,894</b>	<b>6,827,939</b>	<b>5,241,269</b>	<b>5,185,672</b>
<b>Profit attributable to:</b>					
Owners of the Parent		6,928,335	6,870,380	4,900,679	4,845,082
Non-controlling interest		-	-	-	-
		<b>6,928,335</b>	<b>6,870,380</b>	<b>4,900,679</b>	<b>4,845,082</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Parent		6,885,894	6,827,939	5,241,269	5,185,672
Non-controlling interest		-	-	-	-
		<b>6,885,894</b>	<b>6,827,939</b>	<b>5,241,269</b>	<b>5,185,672</b>
<b>Basic/diluted earnings per share (kobo)</b>	14	<b>139k</b>	<b>137k</b>	<b>98k</b>	<b>97k</b>

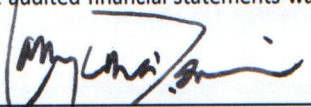
The summary of significant accounting policies form an integral part of these financial statements.


## Consolidated and Separate Statements of Financial Position

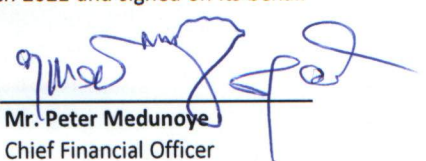
As at 31 December 2020

<i>In thousands of Naira</i>	Note	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
<b>Non-current assets</b>					
Property and equipment	15	1,354,103	1,354,103	1,083,510	1,083,510
Intangible assets	16	585,705	585,705	785,471	785,471
Intercompany receivables	22(a)	-	-	-	34,511
Equity-accounted investee	23	1,553,669	1,541,437	725,475	736,687
Investment in subsidiary	24	-	10,000	-	10,000
Investment securities	17(a)	19,570,294	19,570,294	21,960,972	21,960,972
<b>Total Non-Current Assets</b>		<b>23,063,771</b>	<b>23,061,539</b>	<b>24,555,428</b>	<b>24,611,151</b>
<b>Current assets</b>					
Investment securities	17(b)	-	-	5,005,511	5,005,511
Trade receivables	18(a)	160,450	160,450	177,043	177,043
Other assets	19(a)	424,482	424,482	181,877	181,877
Cash and cash equivalents	21	17,773,624	17,773,569	6,691,545	6,691,490
<b>Total Current Assets</b>		<b>18,358,556</b>	<b>18,358,501</b>	<b>12,055,976</b>	<b>12,055,921</b>
<b>Total Assets</b>		<b>41,422,327</b>	<b>41,420,040</b>	<b>36,611,404</b>	<b>36,667,071</b>
<b>Equity</b>					
Share capital	25(a)	5,000,000	5,000,000	5,000,000	5,000,000
Retained earnings		30,216,538	30,204,251	27,588,203	27,633,871
Fair value reserve	36(a)	273,770	273,770	317,029	317,029
Actuarial reserves		1,670	1,670	851	851
<b>Equity attributable to owners of the Parent</b>		<b>35,491,978</b>	<b>35,479,691</b>	<b>32,906,083</b>	<b>32,951,751</b>
Non-controlling interest		-	-	-	-
<b>Total Equity</b>		<b>35,491,978</b>	<b>35,479,691</b>	<b>32,906,083</b>	<b>32,951,751</b>
<b>Non-Current Liabilities</b>					
Deferred tax liabilities	13(b)	63,485	63,485	6,747	6,747
Long term incentive scheme	29.2	125,551	125,551	77,012	77,012
<b>Total Non-Current Liabilities</b>		<b>189,036</b>	<b>189,036</b>	<b>83,760</b>	<b>83,760</b>
<b>Current Liabilities</b>					
Intercompany payables	26	-	10,000	-	10,000
Payables and Accruals	27	1,533,907	1,533,907	727,368	727,368
Current tax liabilities	13(c)	436,529	436,529	652,254	652,254
Other liabilities	28	3,770,877	3,770,877	2,241,938	2,241,938
<b>Total Current Liabilities</b>		<b>5,741,313</b>	<b>5,751,313</b>	<b>3,621,560</b>	<b>3,631,560</b>
<b>Total Liabilities</b>		<b>5,930,349</b>	<b>5,940,349</b>	<b>3,705,320</b>	<b>3,715,320</b>
<b>Total Equity and Liabilities</b>		<b>41,422,327</b>	<b>41,420,040</b>	<b>36,611,404</b>	<b>36,667,071</b>

The audited financial statements was approved by the Board of Directors on 24 March 2021 and signed on its behalf by:

  
Mr. Oscar N. Onyema OON  
Chairman  
FRC/2013/IODN/00000001802

  
Mr. Haruna Jalo-Waziri  
Managing Director/CEO  
FRC/2017/IODN/00000017488

  
Mr. Peter Medunoye  
Chief Financial Officer  
FRC/2019/001/00000020289

The summary of significant accounting policies form an integral part of these financial statements.



**Consolidated and Separate Statements of Changes in Equity**  
For the year ended 31 December 2020

<b>The Group</b>						
<i>In thousands of Naira</i>	Notes	Share capital	Retained earnings	Fair value reserve	Actuarial reserves	Total
<b>Balance at 1 January 2020</b>		5,000,000	27,588,203	317,029	851	32,906,083
Profit for the period		-	6,928,335	-	-	6,928,335
Other comprehensive income:						
Fair value loss- FVOCI Financial instruments	25(c)	-	-	(43,259)	-	(43,259)
Actuarial gain on long term incentive	25(d)	-	-	-	1,169	1,169
Deferred tax impact	13(b)	-	-	-	(351)	(351)
<b>Total comprehensive income</b>		-	6,928,335	(43,259)	818	6,885,894
<i>Transactions with equity holders:</i>						
Dividends		-	(4,300,000)	-	-	(4,300,000)
<b>Balance at 31 December 2020</b>		<b>5,000,000</b>	<b>30,216,538</b>	<b>273,770</b>	<b>1,670</b>	<b>35,491,978</b>

<b>The Company</b>						
<i>In thousands of Naira</i>	Notes	Share capital	Retained earnings	Fair value reserve	Actuarial reserves	Total
<b>Balance at 1 January 2020</b>		5,000,000	27,633,871	317,029	851	32,951,751
Profit for the period		-	6,870,380	-	-	6,870,380
Other comprehensive income:						
Fair value loss- FVOCI Financial instruments	25(c)	-	-	(43,259)	-	(43,259)
Actuarial gain on long term incentive	25(d)	-	-	-	1,169	1,169
Deferred tax impact	13(b)	-	-	-	(351)	(351)
<b>Total comprehensive income</b>		-	6,870,380	(43,259)	818	6,827,939
<i>Transactions with equity holders:</i>						
Dividends		-	(4,300,000)	-	-	(4,300,000)
<b>Balance at 31 December 2020</b>		<b>5,000,000</b>	<b>30,204,251</b>	<b>273,770</b>	<b>1,670</b>	<b>35,479,691</b>

**Consolidated and Separate Statements of Changes in Equity**  
For the year ended 31 December 2020

<b>The Group</b>						
<i>In thousands of Naira</i>	<b>Notes</b>	<b>Share capital</b>	<b>Retained earnings</b>	<b>Fair value reserve</b>	<b>Actuarial reserves</b>	<b>Total</b>
<b>Balance at 1 January 2019</b>		5,000,000	26,187,524	(22,709)	-	31,164,814
Profit for the year		-	4,900,679	-	-	4,900,679
Other comprehensive income:						
Fair value gain- FVOCI Financial instruments	25(c)	-	-	339,739	-	339,739
Actuarial gain on long term incentive	25(d)	-	-	-	1,216	1,216
Deferred tax impact	13(b)	-	-	-	(365)	(365)
<b>Total comprehensive income</b>		-	4,900,679	339,739	851	5,241,269
<i>Transactions with equity holders:</i>						
Dividends		-	(3,500,000)	-	-	(3,500,000)
<b>Balance at 31 December 2019</b>		<b>5,000,000</b>	<b>27,588,203</b>	<b>317,029</b>	<b>851</b>	<b>32,906,083</b>

<b>The Company</b>						
<i>In thousands of Naira</i>	<b>Notes</b>	<b>Share capital</b>	<b>Retained earnings</b>	<b>Fair value reserve</b>	<b>Actuarial reserves</b>	<b>Total</b>
<b>Balance at 1 January 2019</b>		5,000,000	26,288,789	(22,709)	-	31,266,080
Profit for the period		-	4,845,082	-	-	4,845,082
Other comprehensive income:						
Fair value gain- FVOCI Financial instruments	25(c)	-	-	339,739	-	339,739
Actuarial gain on long term incentive	25(d)	-	-	-	1,216	1,216
Deferred tax impact	13(b)	-	-	-	(365)	(365)
<b>Total comprehensive income</b>		-	4,845,082	339,739	851	5,185,672
<i>Transactions with equity holders:</i>						
Dividends		-	(3,500,000)	-	-	(3,500,000)
<b>Balance at 31 December 2019</b>		<b>5,000,000</b>	<b>27,633,871</b>	<b>317,029</b>	<b>851</b>	<b>32,951,751</b>

The summary of significant accounting policies form an integral part of these financial statements.

Consolidated and Separate Statements of Cash Flows  
For the year ended 31 December 2020

		Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
<i>In thousands of Naira</i>					
<b>Cash flows from operating activities</b>					
Profit for the year		6,928,335	6,870,380	4,900,679	4,845,082
<b>Adjusted for:</b>					
Income tax expense recognised in profit	13(a)	464,361	464,361	1,141,755	1,141,755
Amortisation of intangible assets	12.4	327,088	327,088	345,685	345,685
Depreciation of property and equipment	12.4	289,201	289,201	202,221	202,221
Impairment loss on financial assets	20	139,293	173,804	40,760	40,760
Foreign exchange loss	12.2	87,782	87,782	597	597
Interest income	10	(7,443,495)	(7,443,495)	(4,612,237)	(4,612,237)
Share of (gain)/loss of equity accounted investee, net of tax	23	(23,444)	-	(67,931)	-
Movement in investment in Associate	23	(804,750)	(804,750)	(66,187)	(66,187)
Defined benefit charge	29.2(i)	49,709	49,709	-	-
Profit on disposal of property and equipment	11	(1,080)	(1,080)	(4,263)	(4,263)
		<b>13,000</b>	<b>13,000</b>	<b>1,881,079</b>	<b>1,893,413</b>
Tax paid	13(c)	(623,699)	(623,699)	(1,112,460)	(1,112,460)
<b>Changes in operating assets and liabilities</b>					
Trade receivables	35(ii)	(110,479)	(110,479)	(115,524)	(115,524)
Other assets	35(iii)	(242,605)	(242,605)	142,503	130,169
Payables and accruals	35(iv)	806,539	806,539	(145,505)	(145,505)
Other liabilities	35(v)	1,570,289	1,570,289	(867,642)	(867,642)
<b>Net cash flows used in/from operating activities</b>		<b>1,413,044</b>	<b>1,413,044</b>	<b>(217,549)</b>	<b>(217,549)</b>
<b>Cash flows from investing activities:</b>					
Purchase of property and equipment	15	(559,794)	(559,794)	(701,032)	(701,032)
Purchase of intangible assets	16	(127,322)	(127,322)	(41,555)	(41,555)
Proceeds on disposal of property and equipment	35(vii)	1,080	1,080	15,138	15,138
Net proceeds on disposal of investments (treasury bills)	35(viii)	4,752,327	4,752,327	1,130,302	1,130,302
Net proceeds on disposal of investment (bonds)	35(ix)	2,607,167	2,607,167	1,695,236	1,695,236
Interest received	35(x)	7,395,243	7,395,243	4,656,647	4,656,647
<b>Net cash flows from investing activities</b>		<b>14,068,701</b>	<b>14,068,701</b>	<b>6,754,736</b>	<b>6,754,736</b>
<b>Cash flows from financing activities:</b>					
Dividend paid	35(x)	(4,270,534)	(4,270,534)	(3,430,562)	(3,430,562)
Lease payment	35(v)	(41,350)	(41,350)	(41,350)	(41,350)
<b>Net cash flows used in financing activities</b>		<b>(4,311,884)</b>	<b>(4,311,884)</b>	<b>(3,471,912)</b>	<b>(3,471,912)</b>
Net increase in cash and cash equivalents		11,169,861	11,169,861	3,065,275	3,065,275
Cash and cash equivalents, beginning of the year		6,691,545	6,691,490	3,626,867	3,626,812
Effect of movements in exchange rates on cash held		(87,782)	(87,782)	(597)	(597)
Cash and cash equivalents, end of the year	21	17,773,624	17,773,569	6,691,545	6,691,490

The summary of significant accounting policies form an integral part of these financial statements.

## Notes to the Consolidated and Separate financial statements

For the year ended 31 December 2020

### 1 Description of business

Central Securities Clearing System Plc (CSCS) operates a computerized depository, clearing, settlement and delivery system for transactions in shares listed on the Nigerian Stock Exchange or any other authorized organized Securities Trading Platform. CSCS facilitates the delivery (transfer of shares from seller to buyer) and settlement (payment for bought shares) of securities transacted on the floors of The Nigerian Stock Exchange, NASD OTC Exchange or any other authorized/organized Securities Trading Platform. CSCS was licensed by the Securities and Exchange Commission as an agent for Central Depository, Clearing and Settlement of transactions in the capital market. CSCS keeps and maintains an electronic book-entry record of all securities to facilitate the safekeeping and easy transfer of securities between parties during a trade.

The Company also provides other business support services, such as LIEN Services, legal entity identifier issuance, document management and collateral management, to businesses. The Company is domiciled in Nigeria with its registered office at The Nigerian Stock Exchange Building, 2/4, Customs Street, Marina Lagos.

The consolidated and separate financial statements of the Company as at and for the year ended 31 December 2020 comprise the Company and its subsidiary (together referred to as the "Group") and the Group's interest in an equity accounted investee.

### 2 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standard.

#### (a) Statement of compliance

These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standard Board (IASB) and in the manner required the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011. The financial statements were authorised for issue by the Company's Board of Directors on 24 March 2020. Details of the accounting policies consistently applied by the Company for all years presented in the financial statements are included in Note 3.

#### (b) Functional and presentation currency

The consolidated and separate financial statements are presented in Nigerian Naira, which is the functional currency of the Group and Company. Except as indicated, financial information presented in Naira has been rounded to the nearest thousand.

#### (c) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. 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 year in which the estimate is revised and in any future years affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 5.

#### (d) Basis of measurement

These consolidated and separate financial statements have been prepared on a historical cost basis except for the following material items in the statement of financial position:

- Debt and equity securities measured at FVOCI
- Defined benefit liability. This has been measured as the present value of the defined benefit obligation,

### 3 Changes to the Group and Company's accounting policies

#### New standards, interpretations and amendments adopted by the Group

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2020 but did not have any material impact on the Group

#### Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments do not have a material effect on the consolidated and separate financial statements because the Group has not acquired any subsidiaries during the year. However, the Group has amended its accounting policies for acquisitions on or after 1 January 2020.

### 3 Changes to the Group and Company's accounting policies- Continued

#### Amendments to IAS 1 and IAS 8: Definition of Material

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

#### Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

These amendments had no impact on the consolidated and separate financial statements of the Group and Company.

### 4 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all financial years presented in these consolidated and separate financial statements.

#### (a) Basis of consolidation

##### (i) Business Combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Investments in subsidiary are measured at cost less impairment in the Company financial statements.

##### (ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity if it 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. The consolidated and separate financial statements incorporate the assets, liabilities and performance results of Insurance Repository Nigeria Limited. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. Investment in subsidiary is measured at cost in the separate financial statement.

##### (iii) Loss of control

When the Group loses control over a subsidiary, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any interest retained in the former subsidiary is measured at fair value when control is lost.

##### (iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated and separate financial statements. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

##### (v) Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interests in subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### 4 Summary of significant accounting policies- Continued

(vi) **Interest in equity-accounted investee**

The Group's interest in equity-accounted investees represents its interest in associates. Associates are those entities in which the Group and Company have significant influence, but not control, over the financial and reporting policies.

Interest in equity accounted investees are accounted for using the equity method. They are initially recognised at cost, which include transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investee, until the date on which the significant influence ceases. The Company invested in NG Clearing Limited. NG Clearing Limited is an associate company in which the Company has 24.7% ownership interest (2019: 22.6%). It is principally established to operate clearing house(s) for the clearance and settlement of transactions in financial securities and derivatives contracts. The Company was incorporated in the year 2016 and has commenced operations.

Investment in subsidiaries and equity-accounted investees are measured at cost less impairment in the separate financial statements.

(b) **Foreign currency transactions**

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates at the dates of the transactions. Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the investments measured at FVTOCI are recognised in other comprehensive income (except on impairment, in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss). Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated using the exchange rate at the date when fair value was measured. Non-monetary assets and liabilities measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(c) **Revenue recognition**

**Revenue from rendering of services**

Revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

Revenue is earned from depository fee, eligibility fee, transaction fee and participation fees.

- Depository fees represent the annual fees charged to companies quoted on the Nigerian Stock Exchange at a rate of market capitalisation.
- Eligibility Fees represents annual fees charged to stock broking firms for trading. This fees makes the stockbroking firms eligible to trade.
- Settlement banks participation fee represents annual fees charged to banks through which the value of the trades on the Nigerian Stock Exchange trading floor settles to all related parties.
- Legal entity identifier represents annual fee charged to all market participants on an annual basis for a unique identification number to enable them trade internationally and attract foreign investors confidence.
- The Group and Company provides lien services to lenders who have granted credit facilities to borrowers secured with securities deposited with the Company. Collateral Management fees and other incidental fees are charged and recognised in the statement of profit or loss once the lien service passed the five stages of revenue recognition in accordance with IFRS 15.
- Special account fee represents annual fee charged to individuals, families, corporate and stockbroking firms who desire to have their shares secured in a special account for proper monitoring.
- Website subscription fee represents annual fee charged annually to individual, family, corporate and stockbroking firms to enable them view their transactions online.
- Data centre subscription is earned from electronic document management services rendered to different levels of customers on contract basis. This income is recognised either according to percentage-of-completion or the terms and conditions of the contract letter for the period of the contract.

Revenue earned is recognized over the duration of the particular service or revenue is overtime as services are rendered. Any upfront fees or payment for services that are rendered over a period are treated as contract liability in line with IFRS 15 and recognized over the required period. These are presented as unearned income.

The following revenue are recognised at a point in time:

- Transaction fees are based on values of shares traded on the Nigerian Stock Exchange or any other authorized / organized Securities Trading Platform charged on the investors at a percentage of sales.
- Listing fee is a one-off charges on new issuance of equity and bond by the issuers. This is a percentage of the number number of shares multiplied by the market price.
- Nominal fees is charged to issuers or investors for block divestment and shares detachment at an arms length transaction.
- X-alert fee is charged to investors per transaction alerting them on transactions on their shares.
- DMO services fees are monthly charges to DMO on services rendered. For example: creation of ISIN codes, OTC transaction fees, etc

4 Summary of significant accounting policies- Continued

(c) Revenue recognition- Continued

Revenue	
At a point in time	Overtime
Transaction fees	Depository fee
Listing fees	Eligibility fees
Nominal fees	Settlement bank participation fees
X-alert fee	Legal Entity identifier
DMO Services	Collateral management
	Special account fee
	Website subscription fee

The Group and the Company apply practical expedient in considering income from contracts by not disclosing performance obligations that have duration of one year or less.

**Contract Liability**

IFRS 15 *Revenue from Contracts with Customers* establishes the principles that an entity applies when reporting information about the nature, amount, timing and uncertainty of revenue and cash flows from a contract with a customer.

Contract liability is recognised when a payment for customer is due (or already received, whichever is earlier) before a related performance obligation is satisfied.

Contract liability include payment received for collateral management services rendered as well as collateral management and sales and business development fees which are yet to be earned as at the year end 31 December 2020.

(d) **Share Capital**

Incremental costs attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with IAS 12.

(e) **Dividends distribution**

Dividend distributions to the Group and Company's shareholders are recognised in the Group's consolidated and separate financial statements in the year in which the dividend is declared and approved by the Group and Company's shareholders. Dividend paid is recognised gross of withholding tax (WHT) with the corresponding WHT remitted to the tax authorities.

(f) **Earnings per share**

The Group and Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss to ordinary shareholders of the Group and Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(g) **Employee benefits**

(i) **Short term employee benefits**

Short term employee benefits, such as salaries, paid absences and other benefits are accounted for on an accrual basis over the year which employees have provided services in the year. Bonuses are recognised to the extent that the Group and Company has a present obligation to its employees that can be measured reliably. All expenses related to employee benefits are recognised in the income statement as personnel expenses.

(ii) **Retirement benefit costs**

**Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due in respect of service rendered before the end of the reporting year. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available. The Company operates a funded contributory retirement benefit scheme for its employees under the provisions of the Pension Reform Act 2014 (as amended). The employer contributes 10% while the employee contributes 8% of the qualifying employee's salary.

4 Summary of significant accounting policies- Continued  
(g) Employee benefits- Continued

**Defined benefit plans - Long term incentive scheme**

The calculation of defined benefit obligations is performed annually by an external actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual year to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group and Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**Valuation Methodology**

- First, at the date of joining employment, Present value approach was used to determine the value of the expected future contributions at the proposed annual contribution rate by discounting at the assumed net of earnings discount rate over the period to retirement.
- Secondly the resulting value was adjusted for accumulation at the valuation rate of interest to the valuation date and thereafter, over the future years to retirement, from that date to give the projected lump sum.
- Finally, the projected cash sum was expressed as a proportion of the projected final total emoluments in the year of retirement to obtain the projected gross income replacement ratio.

(h) Taxation

**Income tax**

Income tax expense comprises current tax (company income tax, tertiary education tax National Information Technology Development Agency levy and Nigeria Police Trust Fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Company had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

(a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- National Information Technology Development Agency levy is computed on profit before tax
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year)

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.



#### 4 Summary of significant accounting policies- Continued

##### (h) Taxation- Continued

If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

##### (i) Property and equipment

###### (i) Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property and equipment are carried at the cost of acquisition or construction and depreciated over its estimated useful life.

The cost of acquisition comprises the acquisition price plus ancillary and subsequent acquisition costs, less any reduction received on the acquisition price. The cost of self-constructed property and equipment comprises the direct cost of materials, direct manufacturing expenses, and appropriate allocations of material and manufacturing overheads. Where an obligation exists to remove an asset or restore a site to its former condition at the end of its useful life, the present value of the related future payments is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized.

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment includes bearer plants related to agricultural activity.

###### (ii) Subsequent expenditure

Expenses for the repair of property and equipment, such as on-going maintenance costs, are normally recognized in profit or loss. The cost of acquisition or construction is capitalized if a repair (such as a complete overhaul of technical equipment) will result in future economic benefits to the Group.

###### (iii) Depreciation

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each part of an item of property and equipment. Significant asset components with different useful lives are accounted for and depreciated separately.

The following depreciation years, based on the estimated useful lives of the respective assets, are applied throughout the Group:

Computer Equipment	4 years
Furniture and Fittings	8 years
Motor vehicle	5 years
Office Equipment	5 years
Leasehold improvement	3 years
Capital work in progress	Not depreciated

Depreciation begins when an asset (tangible) is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

###### (iv) Derecognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal is the difference between the proceeds and the carrying amount which is recognised as an operating income or expense respectively in profit or loss.

When assets are sold, closed down or scrapped, the difference between the net proceeds and the net carrying amount of the assets is recognized as a gain or loss in other operating income or expenses, respectively.

**4 Summary of significant accounting policies- Continued**

**(i) Property and equipment- Continued**

**(v) Capital Work in progress**

Construction and other capital projects that are yet to be completed at the reporting date are classified as capital work in progress and recognised in Work-in-progress account. They are transferred to relevant classes of property and equipment upon completion of the project when items are ready for use. Items classified as work in progress are not depreciated.

**(j) Intangible assets**

**(i) Initial recognition and measurement**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis.

**(ii) Subsequent Expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred, on the same basis as intangible assets that are acquired separately.

**(iii) Amortisation**

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative years are as follows:

Software License	Over License term
Software under development	Not amortized

**(iv) Derecognition**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss.

**(v) Software under development**

Software under development represents qualifying capital expenditure on software, which is yet to be completed at the reporting date. They are transferred to intangible asset class upon completion. Items classified as software under development are not amortized.

Software under development is capitalised only if the expenditure can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources and ability to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, software under development is measured at cost less accumulated amortisation and any accumulated impairment losses.

**(k) Impairment of non-financial assets**

The carrying values of all non-financial assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment tests are performed not only on individual items of intangible assets, property, plant and equipment, but also at the level of cash-generating units.

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Cash-generating units are tested if there is an indication of possible impairment. Impairment testing involves comparing the carrying amount of each cash-generating unit or item of intangible assets, property or equipment to the recoverable amount, which is the higher of its fair value less costs to sell or value in use. If the carrying amount exceeds the recoverable amount, the asset is impaired by the amount of the difference.

Impairment losses are recognised in profit or loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Reversals of impairment losses are recognized in profit or loss.

#### 4 Summary of significant accounting policies- Continued

##### (k) Impairment of non-financial assets- Continued

For the purpose of calculating the recoverable amount, both the fair value less costs to sell and the value in use are determined from the present value of the future net cash flows. These are forecast on the basis of the Group and Company's current planning, the planning horizon normally being three to five years. Forecasting involves making assumptions, especially regarding future selling prices, sales volumes and costs. Where the recoverable amount is the fair value less costs to sell, the cash-generating unit is measured from the viewpoint of an independent market participant. Where the recoverable amount is the value in use, the cash-generating unit or individual asset is measured as currently used. In either case, net cash flows beyond the planning year are determined on the basis of long-term business expectations using individual growth rates derived from the respective market information.

##### (l) 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.

This policy is applied to contracts entered into (or changed) on or after 1 January 2019."

The Group and Company's major lease transactions are leases relating to the lease of its head office and Abuja branch.

##### (i) Definition of a lease

According to IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The change in definition of a lease mainly relates to the concept of control. This standard distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. Control is considered to exist if the customer has:

- the right to obtain substantially all of the economic benefits from the use of an identified asset; and
- the right to direct the use of that asset.

The Group and Company will apply the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or modified on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract).

##### (ii) The Group/Company is a lessee

Leases, under which the Group and Company possesses a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration is disclosed in the Group and Company's statement of financial position and recognised as a leased asset.

To assess whether a contract conveys the right to control, the use of an identified asset for a period time, the Group assesses whether throughout the period of use, it has both the following:

- (a) the right to obtain substantially all of the economic benefits from use of the identified asset, and
- (b) the right to direct the use of the identified asset.

As permitted by the standard, the Group and Company has elected not to recognise right-of-use asset and lease liability for lease of assets for less than 12 months (short-term leases) and lease of assets of a low value. Hence, the Group and Company recognises expenses associated with such leases as an expense on straight line basis over the lease period.

The Group and Company presents the right-of-use asset as a separate class under property, plant and equipment and depreciates over the life of the lease. It also presents lease liability in other liabilities in the statement of financial position.

##### (c) Policy applicable from 1 January 2019

At the 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 asset, the Group uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into, on or after 1 January 2019.

The Group and Company recognises a right-of-use asset and a lease liability at commencement date of the lease. The right-of-use asset is initially measured at cost, and subsequently measured at cost less any accumulated depreciation and possible impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Group and Company's incremental borrowing rate. Practically, the incremental borrowing rate of the Group and Company is used as the discount rate.

The lease liability is decreased by lease payment and increased by the interest cost on the lease liability. Remeasurement is done whenever there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group and Company has applied judgement to determine the lease term for its lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group and Company is reasonably certain to exercise such options impacts the lease term, which remarkably impacts the amount of right-of-use asset and lease liability recognised.

#### 4 Summary of significant accounting policies- Continued

##### (I) Financial Instruments

(i) The Group and Company's financial assets comprise the following:

##### (a) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions and highly liquid investments with maturities of three months or less when acquired. They are readily convertible into known amounts of cash and are held for cash management purposes and to meet short term obligations. Cash and cash equivalent are initially measured at fair value and subsequently measured at amortized cost.

##### (b) Fixed deposits

Fixed deposits, comprising principally funds held with banks and other financial institutions, are initially measured at fair value, plus direct transaction costs, and are subsequently re-measured to amortised cost using the effective interest rate method at each reporting date. Changes in carrying value are recognised in the Statement of Profit or Loss.

##### (c) Investment securities

Investment securities include all securities classified as fair value through other comprehensive Income and amortised cost. All investment securities are initially recorded at fair value and subsequently measured according to the respective classification.

##### (d) Other receivables

Other receivables comprise staff debtors and other receivables. They are carried at original invoice amount less any impairment for doubtful receivables. Impairment allowances for doubtful receivables are made using the expected credit loss model taking into account ageing, previous experience, general economic conditions and forward looking information. Other receivables are initially measured at fair value and subsequently measured at amortized cost.

##### (ii) Recognition and initial measurement

The Group and Company initially recognizes its financial assets and liabilities on the trade date, which is the date on which it becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Trade receivables are initially measured at fair value and subsequently measured at amortized cost.

##### (iii) Financial assets classification

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (FVOCI)-debt investment, FVOCI-equity investment, or fair value through profit or loss (FVTPL). Classification and measurement for debt securities is based on the Group and Company's business model for managing the financial instruments and the contractual cash flow characteristics of the instruments.

Debt instruments are measured at amortised cost if both of the following conditions are met and the asset is not designated as FVTPL:

- (a) the asset is held within a business model that is Held-to-Collect (HTC) as described below, and
- (b) the contractual terms of the instrument give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Debt instruments are measured at FVOCI if both of the following conditions are met and the asset is not designated as FVTPL:

- (a) the asset is held within a business model that is Held-to-Collect-and-Sell (HTC&S) as described below, and
- (b) the contractual terms of the instrument give rise, on specified dates, to cash flows that are SPPI.

All other debt instruments are measured at FVTPL.

On initial recognition of an equity investment that is not held for trading, the Group and Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

##### (a) Business model assessment

The Group and Company determines the business models at the level that best reflects how portfolios of financial assets are managed to achieve the Group and Company's business objectives. Judgment is used in determining the business models, which is supported by relevant, objective evidence including:

- How the economic activities of the Group and Company's businesses generate benefits, for example through trading revenue, enhancing yields or other costs and how such economic activities are evaluated and reported to key management personnel;
- How managers of the portfolio are compensated; e.g whether compensation is based on the fair value of assets managed or the contractual cashflows collected;
- The significant risks affecting the performance of the Group and Company's businesses, for example, market risk, credit risk, or other risks and the activities undertaken to manage those risks; and
- Historical and future expectations of sales of securities portfolios managed as part of a business model.

#### 4 Summary of significant accounting policies- Continued

##### (a) Business model assessment- Continued

The Group's business models fall into three categories, which are indicative of the key strategies used to generate returns:

- Hold-to-Collect (HTC): The objective of this business model is to hold securities to collect contractual principal and interest cash flows. Sales are incidental to this objective and are expected to be insignificant or infrequent.
- Hold-to-Collect-and-Sell (HTC&S): Both collecting contractual cash flows and sales are integral to achieving the objective of the business model.
- Other fair value business models: These business models are neither HTC nor HTC&S, and primarily represent business models where assets are held-for-trading or managed on a fair value basis.

##### (b) Assessment of whether cashflows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group and Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group and Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable - rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

##### (iv) Financial assets – Subsequent measurement and gains and losses

<b>Financial asset at amortised cost</b>	These assets are subsequently measured at amortised cost using effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
<b>Debt Investment at FVOCI</b>	These assets are subsequently measured at fair value through other comprehensive income and using effective interest rate method in recognising interest income. Changes in fair value are recognized initially in Other Comprehensive Income (OCI). When the asset is derecognized or reclassified, changes in fair value previously recognized in OCI and accumulated in equity are reclassified to profit and loss on a basis that always results in an asset measured at FVOCI having the same effect on profit and loss as if it were measured at amortized cost.
<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses including any interest or dividend income, are recognized in profit or loss.
<b>Equity investment at FVOCI</b>	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represent recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

##### (v) Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### 4 Summary of significant accounting policies- Continued

(vi) **Derecognition**

**Financial assets**

The Group and Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group and Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

**Financial liabilities**

The Group and Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group and Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(vii) **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(viii) **Fair value measurement**

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 in the principal or, in its absence, the most advantageous market to which the Group and Company has access at the date. The fair value of a liability reflects its non-performance risk.

When available, the Group and Company measure the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group and Company uses valuation technique that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

(ix) **Amortised cost**

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

(m) **Impairment**

**Non-derivative financial assets**

The Group and Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost and
- debt investments measured at FVOCI;

The Group and Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group and Company's historical experience and informed credit assessment and including forward-looking information.

#### 4 Summary of significant accounting policies- Continued

##### (m) Impairment- Continued

The Group and Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group and Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group and Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group and Company considers this to be B or BBB- or higher per Agosto & Co., Standard & Poor's, and Global Credit Rating.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and Company is exposed to credit risk.

##### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group and Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

##### Credit-impaired financial assets

At each reporting date, the Group and Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group and Company on terms that it would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

##### Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI

##### Write-off

The gross carrying amount of a financial asset is written off when the Group and Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group and Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets.

For corporate customers, the Group and Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group and Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group and Company's procedures for recovery of amounts due.

##### (n) Provisions

Provisions are measured in accordance with IAS 37 (*Provisions, Contingent Liabilities and Contingent Assets*). Where the cash outflow to settle an obligation is expected to occur after one year, the provision is recognized at the present value of the expected cash outflow. Claims for reimbursements from third parties are capitalized separately if their realization is virtually certain.

If the projected obligation declines as a result of a change in the estimate, the provision is reversed by the corresponding amount and the resulting income recognized in the operating expense item(s) in which the original charge was recognized.

Trade-related provisions are recorded mainly for the obligations in respect of services already received but not yet invoiced.

Provisions for litigation are recorded in the statement of financial position in respect of pending or future litigations, subject to a case-by-case examination. Such legal proceedings are evaluated on the basis of the available information, including that from legal counsel acting for the Group, to assess potential outcomes. Where it is more likely than not that a present obligation arising out of legal proceedings will result in an outflow of resources, a provision is recorded in the amount of the present value of the expected cash outflows if these are considered to be reliably measurable. These provisions cover the estimated payments to plaintiffs, court fees, attorney costs and the cost of potential settlements. The evaluation is based on the current status of the litigations as of each closing date and includes an assessment of whether the criteria for recording a provision are met and, if so, the amount of the provision to be recorded.

#### 4 Summary of significant accounting policies- Continued

##### (n) Provisions- Continued

Litigation and other judicial proceedings generally raise complex issues and are subject to many uncertainties and complexities including, but not limited to, the facts and circumstances of each particular case, the jurisdiction in which each suit is brought and differences in applicable law. The outcome of currently pending and future proceedings therefore cannot be predicted. As a result of a judgment in court proceedings or the conclusion of a settlement, the Group may incur charges in excess of presently established provisions and related insurance coverage.

Where the time effect of money is material, balances are discounted to current values using appropriate rates of interest. The unwinding of the discount is recognized as finance cost.

##### (o) Interest income

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset.

If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

##### (p) Contingent assets and liabilities

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 Group. Contingent assets are disclosed in the financial statements when they arise.

A contingent liability is a probable obligation 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 Group. However, they are recognised, if it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Contingent liabilities are disclosed in the financial statements when they arise.

##### (q) Other operating expenses

All other operating expenses are accounted for on accrual basis

##### (r) Standards issued but not yet effective

The standards and Interpretations that are issued, but not yet effective, up to the date of issuance of the Consolidated and separate financial statements are disclosed below. The Group and Company intends to adopt these standards, if applicable, when they become effective.

**IFRS 17 - Insurance Contracts** . IFRS 17 supersedes IFRS 4 Insurance Contracts and aims to increase comparability and transparency about profitability. The new standard introduces a new comprehensive model ("general model") for the recognition and measurement of liabilities arising from insurance contracts. In addition, it includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances and to specific contracts, such as:

- Reinsurance contracts held;
- Direct participating contracts; and
- Investment contracts with discretionary participation features.

The entity is in the process of determining the impact of IFRS 17 and will provide more detailed disclosure on the impact in future financial statements.

**Classification of liabilities as Current or Non-current - Amendments to IAS 1**

The amendments is applicable to annual periods beginning on or after 1 January 2023, aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

The group have not early adopted this and are currently assessing impact on the Company's financial reporting. The group do not anticipate that the application of the amendments in the future will have a material impact on the financial statements.

#### 5 Use of judgements and estimates

In preparing these consolidated and separate financial statements, the Directors have made judgement, estimates and assumptions that affect the application of the Group and Company's accounting policies and the reported amounts of assets, liabilities and expenses. Actual reports may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.



## 5 Use of judgements and estimates- Continued

### Judgements

Management has exercised judgment in determining the lease term of lease contracts during the year. Judgment has been applied to determine whether the Group is reasonably certain to exercise extension options.

### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties as at 31 December 2020 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year are discussed below;

### Impairment losses of financial assets

- (i) In the application of the Group and Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. In assessing the impairment, the Group and Company use historical information on the timing of the recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends. Actual results may differ from these estimates.

Financial assets accounted for at amortised cost and at fair value through other comprehensive income are evaluated for impairment on a basis described in the accounting policies.

(ii) **Key actuarial assumptions**

- Measurement of defined benefit obligations: key actuarial assumptions;

(iii) **Defined benefit obligation**

The Group and Company sponsored a defined benefit plan for the Managing Director. The Group and Company estimated its obligation to its Managing Director in the current year in return for service using the projected unit credit method. Also, the funding requirements were based on actuarial measurement which sets discount rates with reference to the expected long term rates of return on plan assets. Amounts contributed in each year into the plan were expensed in the year in which they were due. Note 29.1

(vi) **Measurement of fair values**

A number of the Group and Company's accounting policies and disclosures require the measurement of fair values.

The Group and Company has an established control framework with respect to the measurement of fair values. This includes a team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and report directly to the Chief Financial Officer.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Board Audit Committee.

When measuring the fair value of an asset or a liability, the Group and Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- (i) Level 1 : Quoted market price (unadjusted) in an active market for an identical instrument.
- (ii) Level 2 : Valuation techniques based on observable inputs, either directly- i.e. as prices or indirectly - i.e. derived from prices. This category includes instruments valued using; quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- (iii) Level 3 : Valuation techniques using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted prices or dealer price quotations. For all other financial instruments, the Group and Company determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bonds and equity prices, foreign currency exchange rates, equity and equity index prices volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instruments at the reporting date that would have been determined by market participants acting at arm's length.

Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determination of fair value. Availability of observable market prices and inputs varies depending on the product and market and is prone to changes based on specific events and general conditions in the financial markets.

Further information about the assumptions made in measuring fair values is included in note 8 to the financial statements.

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**6 Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the company's risk management framework and practices. The board of directors has established the Board Risk Committee, which is responsible for developing and monitoring the company's risk management policies. The committee reports regularly to the board of directors on its activities.

The risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board Risk Committee also oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board Risk Committee is assisted by the Management Risk Committee and the Internal Audit which undertake both regular and ad hoc review of risk management controls and procedures, the results of which are reported to the Board Risk Committee.

The Group and Company have exposure to the following risks arising from financial transactions:

- Credit risk
- Liquidity risk
- Market risk

**(a) Credit Risk**

Credit risk is the risk of financial loss to the Group and Company if a customer or counterparty to a financial transaction fails to meet its contractual/financial obligations under the transaction, and arises principally from the Group and Company's receivables from customers and investments in debt securities.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

The Impairment allowance on financial assets were as follows.

<i>In thousands of Naira</i>	Group	Company	Group	Company
	2020	2020	2019	2019
Impairment loss on trade receivables	243,630	243,630	116,559	116,559
Impairment loss on debt securities at amortised cost	58,715	58,715	64,885	64,885
Impairment loss on debt securities at FVTOCI	6,017	6,017	3,097	3,097
Impairment loss on cash and cash equivalent	15,551	15,551	79	79
	<b>323,913</b>	<b>323,913</b>	<b>184,620</b>	<b>184,620</b>

**(i) Trade receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Board Risk Committee has established a credit policy under which each of the Group and Company's customers is analysed individually for creditworthiness before the Group and Company's standard and delivery terms conditions are offered.

Trade receivables that are outstanding for more than 180 days are fully impaired as the Group considers collection of such receivables as doubtful. In monitoring customers' credit risk, customers are grouped according to their credit characteristics, which include bond dealers, legal entities or stockbroking firms.

The Group and Company establishes an allowance for impairment that represents its estimate of expected credit loss model in respect of trade receivables.

As at 31 December 2020, the maximum exposure to credit risk for trade receivables by type of counterparty was as follows:

<i>In thousands of Naira</i>	Notes	Carrying amount		Carrying amount	
		Group	Company	Group	Company
		31-Dec 2020	31-Dec 2020	31-Dec 2019	31-Dec 2019
<b>Trade receivables</b>					
Bond Dealers		14,422	14,422	22,899	22,899
Quoted Companies		137,167	137,167	93,634	93,634
Stock Broking Firms		22,366	22,366	20,705	20,705
Sales and Business Development		228,652	228,652	153,314	153,314
Settlement Banks		1,473	1,473	3,050	3,050
<b>Total</b>	18(a)	<b>404,080</b>	<b>404,080</b>	<b>293,602</b>	<b>293,602</b>
Impairment allowance for trade receivables	18(b)	(243,631)	(243,631)	(116,559)	(116,559)
<b>Total</b>		<b>160,449</b>	<b>160,449</b>	<b>177,043</b>	<b>177,043</b>

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	Notes	Carrying amount		Carrying amount	
		Group 31-Dec 2020	Company 31-Dec 2020	Group 31-Dec 2019	Company 31-Dec 2019
<i>In thousands of Naira</i>					
<b>Other receivables</b>					
Staff debtors		1,823	1,823	2,243	2,243
Sundry receivables		69,943	69,943	76,830	76,830
<b>Total</b>	19(a)	<b>71,766</b>	<b>71,766</b>	<b>79,073</b>	<b>79,073</b>
Impairment allowance for trade receivables	19(b)	(68,400)	(68,400)	(68,400)	(68,400)
<b>Total</b>		<b>3,366</b>	<b>3,366</b>	<b>10,673</b>	<b>10,673</b>

The movement in the allowance for impairment in respect of trade and other receivables was as follows:

	Other receivables			Trade receivables			
	Group 31-Dec 2020	Company 31-Dec 2020	Company 31-Dec 2019	Group 31-Dec 2020	Company 31-Dec 2020	Group 31-Dec 2019	Company 31-Dec 2019
<i>In thousands of Naira</i>							
Balance as at 1 January	68,400	68,400	68,400	116,559	116,559	75,799	75,799
Movement in the year	-	-	-	127,072	127,072	40,760	40,760
<b>Balance as at year end</b>	<b>68,400</b>	<b>68,400</b>	<b>68,400</b>	<b>243,631</b>	<b>243,631</b>	<b>116,559</b>	<b>116,559</b>

**Movement in the year:**

Impairment charge on financial assets	-	-	-	127,072	127,072	40,760	40,760
<b>Net movement in the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127,072</b>	<b>127,072</b>	<b>40,760</b>	<b>40,760</b>

**Expected credit loss assessment as at 1 January and 31 December 2020**

The Group and Company allocate each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions from agencies.

The Group and Company use a provision matrix to measure the ECLs of trade receivables from individual customers, which comprise a large number of small balances.

Loss rates approach was adopted for the ECLs of trade receivables evaluating its historical loss experience. The expected loss rate is estimated based on the average loss rate over the observable periods of 8 years, these rates are then multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group and Company's view of economic conditions over the expected lives of the receivables.

As at 31 December 2020, the ageing of trade receivables was as follows:

<i>In thousands of Naira</i>	Weighted- average loss rate	Gross carrying amount	Loss allowance	Credit Impaired
Trade receivables	39%	404,080	(243,631)	Yes
Other receivables	0%	71,766	(68,400)	No
		<b>475,846</b>	<b>(312,031)</b>	

	Carrying amount			
	Group 31-Dec 2020	Company 31-Dec 2020	Group 31-Dec 2019	Company 31-Dec 2019
<i>In thousands of Naira</i>				
Neither past due nor impaired 1 - 30 days	852	852	569	569
Neither past due nor impaired 31 - 90 days	24,942	24,942	16,657	16,657
Neither past due nor impaired 91 - 180 days	239,313	239,313	159,817	159,817
Credit impaired	138,973	138,973	-	-
<b>Total</b>	<b>404,080</b>	<b>404,080</b>	<b>177,043</b>	<b>177,043</b>

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

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(ii) Debt Securities

The Group and Company limit their exposure to credit risk by investing only in debt securities with counterparties that have a minimum credit rating of BB by reputable rating agency. Management actively monitors credit ratings and ensures that the Group has only made investment in line with the Investment Policy Manual as approved by the Board which provides target allocations in fixed tenured investments.

The Group and Company held total investments of N19,528,909(FVOCI - N4,527,460; Amortised Cost - N15,001,449) at 31 December 2020 (31 December 2019: N26,652,942(FVOCI - N5,193,939; Amortised Cost - N21,459,003)) which represents its maximum credit exposure on Federal Government Bonds, State Government Bonds, and Corporate Bonds. These investment are measured in accordance with IFRS 9 from January 1, 2020.

As at 31 December 2020, the maximum exposure to credit risk for investments was as follows:

In thousands of Naira	Notes	FVOCI		Amortised cost		FVOCI	
		Group	Company	Group	Company	Group	Company
		31-Dec	31-Dec	31-Dec	31-Dec	31-Dec	31-Dec
		2020	2020	2020	2020	2019	2019
Treasury Bills	17(b)	-	-	-	-	5,005,511	5,005,511
Federal Government Bonds	17(a)	3,962,032	3,962,032	8,589,204	8,589,204	217,111	217,111
State Government Bonds	17(a)	-	-	3,631,709	3,631,709	117,343	117,343
Corporate Bonds	17(a)	1,089,920	1,089,920	2,256,044	2,256,044	129,414	129,414
Gross carrying amount		5,051,951	5,051,951	14,476,958	14,476,958	5,469,379	5,469,379
Impairment loss allowance		-	-	(58,715)	(58,715)	-	-
<b>Total</b>		<b>5,051,951</b>	<b>5,051,951</b>	<b>14,418,243</b>	<b>14,418,243</b>	<b>5,469,379</b>	<b>5,469,379</b>

Movement in allowance for impairment

In thousands of Naira	FVOCI		Amortised cost		FVOCI	
	Group	Company	Group	Company	Group	Company
	2020	2020	2020	2020	2019	2019
	12-month ECL		12-month ECL		12-month ECL	
Balance at 1 January	3,097	3,097	64,885	64,885	9,412	9,412
Impairment loss /(reversal) for the year	2,920	2,920	(6,171)	(6,171)	(6,315)	(6,315)
<b>Total</b>	<b>6,017</b>	<b>6,017</b>	<b>58,715</b>	<b>58,715</b>	<b>3,097</b>	<b>3,097</b>

(iii) Cash and cash equivalents

The Group held cash and cash equivalents of N17.7billion at 31 December 2020 (31 December 2019: N6.69 billion) which represents its maximum credit exposure on these assets. The cash and cash equivalents with maturity profile of less than 3 months, are held with local banks which are rated "BB" by reputable rating agency.

Impairment on cash and cash equivalents has been measured on 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The impairment allowance on cash and cash equivalent for the year ended 31 December 2020 was N15.5million because of additional impairment charge. (2019: N79 thousand)

(iv) Total exposure to credit risk

The Group's exposure to credit risk was as follows:

In thousands of Naira	Notes	Group	Company	Group	Company
		31-Dec	31-Dec	31-Dec	31-Dec
		2020	2020	2019	2019
Trade receivables	18(a)	404,080	404,080	177,043	177,043
Other receivables	19(a)	71,766	71,766	10,673	10,673
Investment securities	17(a)(b)	14,476,958	14,476,958	21,447,004	21,447,004
Cash and cash equivalents	21	17,758,018	17,758,018	6,691,545	6,691,490
		<b>32,710,822</b>	<b>32,710,822</b>	<b>28,326,265</b>	<b>28,326,210</b>

(b) Liquidity risk

Liquidity risk is the risk that the Group and Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group and Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the Group and Company's reputation.

The Group and Company maintain the level of its cash and cash equivalents and other highly marketable debt investments in excess of expected cash outflows on financial liabilities. The Group and Company also monitors the level of expected cash inflows from trade receivables and other receivables together with expected cash outflows on trade and other payables. The expected receivables from maturing treasury bills with maturity profiles of less than 3 months as at 31 December 2020 was Nil (31 December 2019: N1.189 billion).

Notes to the Consolidated and Separate financial statements  
For the year ended 31 December 2020

Exposure to Liquidity Risk

The following are the remaining contractual maturities of financial instruments at the reporting date. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting arrangements.

Maturity Analysis

The Group

31 December 2020

In thousands of Naira	Contractual cashflows				Total	Carrying amount
	Less than 3 months	3 months - 6 months	6 months - 1 year	Above 1 year		
<b>Financial assets</b>						
Investment securities	754,440	766,156	1,324,690	17,205,643	20,050,930	19,570,294
Trade receivables	25,795	134,655	-	-	160,450	160,450
Other receivables	3,366	-	-	-	3,366	3,366
Cash and cash equivalents	17,773,569	-	-	-	17,773,569	17,773,624
<b>Total</b>	<b>18,557,170</b>	<b>900,812</b>	<b>1,324,690</b>	<b>17,205,643</b>	<b>37,988,315</b>	<b>37,507,734</b>
<b>Financial liabilities</b>						
Payables and accruals	259,790	-	248,645	-	508,435	509,935
Other liabilities	1,605,102	-	1,677,045	-	3,282,147	3,282,147
Lease liabilities	-	-	57,890	463,117	521,007	276,076
<b>Total</b>	<b>1,864,892</b>	<b>-</b>	<b>1,983,580</b>	<b>463,117</b>	<b>4,311,589</b>	<b>4,068,158</b>

The Company

31 December 2020

In thousands of Naira	Contractual cashflows				Total	Carrying amount
	Less than 3 months	3 months - 6 months	6 months - 1 year	Above 1 year		
<b>Financial assets</b>						
Investment securities	754,440	766,156	1,324,690	17,205,643	20,050,930	19,570,294
Trade receivables	25,795	134,655	-	-	160,450	160,450
Other receivables	3,366	-	-	-	3,366	3,366
Cash and cash equivalents	17,773,569	-	-	-	17,773,569	17,773,569
<b>Total</b>	<b>18,557,170</b>	<b>900,812</b>	<b>1,324,690</b>	<b>17,205,643</b>	<b>37,988,315</b>	<b>37,507,679</b>
<b>Financial liabilities</b>						
Payables and accruals	259,790	-	248,645	-	508,435	509,935
Other liabilities	1,605,102	-	1,677,045	-	3,282,147	3,282,147
Lease liabilities	-	-	57,890	463,117	521,007	276,076
<b>Total</b>	<b>1,864,892</b>	<b>-</b>	<b>1,983,580</b>	<b>463,117</b>	<b>4,311,589</b>	<b>4,068,158</b>

The Group

31 December 2019

In thousands of Naira	Contractual cashflows				Total	Carrying amount
	Less than 3 months	3 months - 6 months	6 months - 1 year	Above 1 year		
<b>Financial assets</b>						
Investment securities	1,929,829	505,075	5,358,102	24,169,350	31,962,356	26,916,383
Trade receivables	17,226	159,817	-	-	177,043	177,043
Other receivables	10,673	-	-	-	10,673	10,673
Cash and cash equivalents	6,691,545	-	-	-	6,691,545	6,691,545
<b>Total</b>	<b>8,649,272</b>	<b>664,892</b>	<b>5,358,102</b>	<b>24,169,350</b>	<b>38,841,617</b>	<b>33,795,643</b>
<b>Financial liabilities</b>						
Payables and accruals	118,954	-	124,649	-	243,603	243,603
Other liabilities	113,851	-	1,335,522	294,150	1,743,523	1,743,523
Lease liabilities	-	-	27,025	291,220	318,245	318,245
<b>Total</b>	<b>232,805</b>	<b>-</b>	<b>1,487,196</b>	<b>585,370</b>	<b>2,305,371</b>	<b>2,305,371</b>

The Company

31 December 2019

In thousands of Naira	Contractual cashflows				Total	Carrying amount
	Less than 3 months	3 months - 6 months	6 months - 1 year	Above 1 year		
<b>Financial assets</b>						
Investment securities	1,929,829	505,075	5,358,102	24,169,350	31,962,356	26,916,383
Trade receivables	17,226	159,817	-	-	177,043	177,043
Other receivables	10,673	-	-	-	10,673	10,673
Cash and cash equivalents	6,691,490	-	-	-	6,691,490	6,691,490
<b>Total</b>	<b>8,649,218</b>	<b>664,892</b>	<b>5,358,102</b>	<b>24,169,350</b>	<b>38,841,562</b>	<b>33,795,589</b>

Notes to the Consolidated and Separate financial statements  
For the year ended 31 December 2020

<i>Financial liabilities</i>						
Payables and accruals	118,954	-	124,649	-	243,603	243,603
Other liabilities	113,851	-	1,335,522	294,150	1,743,523	1,743,523
Lease liabilities	-	-	27,025	291,220	318,245	318,245
<b>Total</b>	<b>232,805</b>	<b>-</b>	<b>1,487,196</b>	<b>585,370</b>	<b>2,305,371</b>	<b>2,305,371</b>

(c) Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices – will affect the Group and Company's income or value of its holdings of financial instruments. The objective of market risk management is to manage market risk exposures within acceptable parameters, while optimising the return. The Group and Company do not use derivatives to manage market risks.

(i) Currency Risk

The Group and Company is minimally exposed to the financial risk related to the fluctuation of foreign exchange rates. This is so because its revenues, capital expenditures are principally based in Naira. A significant change in the exchange rates between the Naira (₦) (functional and presentation currency) relative to the US dollar would have an insignificant effect on the Group and Company's results of operations, financial position and cash flows. The Group and Company do not enter into any forward exchange contracts to manage the currency risk fluctuations.

The table below summaries the Group and Company's financial instruments at carrying amount, categorised by currency:

**The Group**

Financial instruments by currency as at 31 December 2020

<i>In thousands</i>	Note	Carrying amount					
		Naira	Naira	USD	GBP	Euro	
<b>Financial assets</b>							
Investments	17	19,570,294	14,781,277	11,180	-	-	
Trade receivables	18(a)	160,450	160,450	-	-	-	
Other receivables	19(a)	3,366	3,366	-	-	-	
Cash and cash equivalents	21	17,773,624	17,576,918	436	6	-	
		<b>37,507,734</b>	<b>32,522,011</b>	<b>11,616</b>	<b>6</b>	<b>-</b>	
<b>Financial liabilities</b>							
Payables and accruals	27	509,935	509,935	-	-	-	
Other liabilities	28	3,282,147	3,282,147	-	-	-	
		<b>3,792,082</b>	<b>3,792,082</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net Open Position</b>		<b>33,715,652</b>	<b>28,729,929</b>	<b>11,616</b>	<b>6</b>	<b>-</b>	

**The Company**

Financial instruments by currency as at 31 December 2020

<i>In thousands</i>	Note	Carrying amount					
		Naira	Naira	USD	GBP	Euro	
<b>Financial assets</b>							
Investments	17	19,570,294	14,781,277	11,180	-	-	
Trade receivables	18(a)	160,450	160,450	-	-	-	
Other receivables	19(a)	3,366	3,366	-	-	-	
Cash and cash equivalents	21	17,773,569	17,576,863	436	6	-	
		<b>37,507,679</b>	<b>32,521,956</b>	<b>11,616</b>	<b>6</b>	<b>-</b>	
<b>Financial liabilities</b>							
Payables and accruals	27	509,935	509,935	-	-	-	
Other liabilities	28	3,282,147	3,282,147	-	-	-	
		<b>3,792,082</b>	<b>3,792,082</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net Open Position</b>		<b>33,715,597</b>	<b>28,729,874</b>	<b>11,616</b>	<b>6</b>	<b>-</b>	

Notes to the Consolidated and Separate financial statements  
For the year ended 31 December 2020

The Group

Financial instruments by currency as at 31 December 2019

In thousands	Note	Carrying amount		USD	GBP	Euro
		Naira	Naira			
<b>Financial assets</b>						
Investments	17	21,960,972	21,960,972	-	-	-
Trade receivables	18(a)	177,043	177,043	-	-	-
Other receivables	19(a)	10,673	10,673	-	-	-
Cash and cash equivalents	21	6,691,545	6,691,526	9	9	-
		<b>28,840,233</b>	<b>28,840,214</b>	<b>9</b>	<b>9</b>	<b>-</b>
<b>Financial liabilities</b>						
Payables and accruals	27	243,603	243,603	-	-	-
Other liabilities	28	2,061,768	2,061,768	-	-	-
		<b>2,305,371</b>	<b>2,305,371</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Open Position</b>		<b>26,534,862</b>	<b>26,534,843</b>	<b>9</b>	<b>9</b>	<b>-</b>

The Company

Financial instruments by currency as at 31 December 2019

In thousands	Note	Carrying amount		USD	GBP	Euro
		Naira	Naira			
<b>Financial assets</b>						
Investment securities	17	21,960,972	21,960,972	-	-	-
Trade receivables	18(a)	177,043	177,043	-	-	-
Other receivables	19(a)	10,673	10,673	-	-	-
Cash and cash equivalents	21	6,691,490	6,691,471	9	9	-
		<b>28,840,178</b>	<b>28,840,159</b>	<b>9</b>	<b>9</b>	<b>-</b>
<b>Financial liabilities</b>						
Payables and accruals	27	243,603	243,603	-	-	-
Other liabilities	28	2,061,768	2,061,768	-	-	-
		<b>2,305,371</b>	<b>2,305,371</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Open Position</b>		<b>26,534,862</b>	<b>26,534,843</b>	<b>9</b>	<b>9</b>	<b>-</b>

The following significant exchange rates have been applied :

	Year end average rate		Year end spot rate	
	2020	2019	2020	2019
USD	410	368	410	365
GBP	516	485	516	483
EUR	467	410	467	409

The Group and Company sources its foreign currency needs from its bankers and licensed bureau de change operator. Based on history and evidence available, foreign currency needs are majorly sourced from the licensed bureau de change operator. Thus the weighted average rate was derived from a weighted average of the various official and autonomous sources rates' applicable at the reporting date.

Foreign exchange risk sensitivity analysis

The Group and Company's exposure to foreign currency risk is largely concentrated in US Dollar. Movement in exchange rate between the US Dollar, and the Nigerian Naira affects reported earnings statement of financial position size through increase or decrease in the remeasured amounts of assets and liabilities denominated in US Dollars.

In thousands of Naira	31 December	31 December
	2020	2019
US dollar effect of 10% up or down movement on profit before tax and balance sheet	477	333
US dollar effect of 10% up or down movement on equity, net of tax	477	333

**Notes to the Consolidated and Separate financial statements**  
For the year ended 31 December 2020

**(ii) Interest rate risk**

The Group and Company adopt a policy of ensuring that significant percentage of investable funds are invested into fixed rate financial assets (treasury bills, federal government bonds and other bonds) in line with its investment policy. The Group and Company is exposed to interest rate shocks even though most of its investments are on fixed rate to maturity investment, however the Group and Company could still be exposed to interest risk if rate increased higher than the fixed rate. Other areas the Group and Company could be exposed to interest risk is the opportunity cost of market movement.

CSCS conducts sensitivity analysis to reveal or measure the sensitivity of its net interest rate income to shift of rates.

**Interest rate profile**

At the end of the reporting year the interest rate profile of the Group's interest bearing financial instruments as reported to the Management of the Group are as follows:

<i>In thousands of Naira</i>	Note	Group 2020	Company 2020	Group 2019	Company 2019
<b>Financial instruments</b>					
Cash and cash equivalents	21	17,771,974	17,771,919	6,690,680	6,690,625
Investment securities	17	19,570,294	19,570,294	26,966,483	26,966,483
		<b>37,342,268</b>	<b>37,342,213</b>	<b>33,657,163</b>	<b>33,657,108</b>

**Interest rate sensitivity:**

The table below shows the impact on the Company's profit before tax if interest rates on financial instruments had increased or decreased by 100 basis points, with all other variables held constant.

<i>In thousands of Naira</i>	Group 2020	Company 2020	Group 2019	Company 2019
Increase in interest rate by 100 basis points (+10%)	373,423	373,422	336,572	336,571
Decrease in interest rate by 100 basis points (-10%)	(373,423)	(373,422)	(336,572)	(336,571)

**(d) Capital Management**

The Group manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of its capital structure.

The capital structure of the Group consist of the following:

- Share capital
- Retained earnings
- Other reserves

Information relating to the Group's Capital Structure is disclosed in Note 25 to the consolidated and separate financial statements.

The Group's risk management committee reviews the capital structure on a semi-annual basis. As part of this review, the committee considers the cost of capital and risks associated with share capital.

**Capital risk management**

The Group's risk management committee reviews the capital structure on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. Equity includes all capital and reserves of the company that are managed as capital. The Securities and Exchange Commission ("SEC") sets and monitors capital requirements for all Securities Clearing and Settlement Companies (CSDs). SEC prescribes the minimum capital requirement for a Central Securities Depository (CSD) operating in Nigeria. The minimum capital requirement for a CSD is five hundred million naira (N500,000,000.00). The Group has a total equity of N35.3 billion as at 31 December 2020 (31 December 2019: N32.9 billion). This is well above the minimum capital requirement set by SEC.

**7 Segment Reporting**

An operating segment is a component of the Group that engages in business activities from which it can earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Group's Management Committee (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

The Group's Management has considered the nature of product and services in determining the reportable segment of the group.

The Group has three (3) identifiable segments and the following summary describes the operations in each of these segments.

- i Operations: This Segment provides clearing and settlement services in regard to equities and other securities types including commercial papers traded on other recognized Exchange Platforms in the Nigerian Capital Market. Revenue recognised in this segment are revenues from core activities in note 9 of the financial statements and other income.
- ii Product and Services: This segment provides secondary data storage and disaster recovery in event of data loss to companies. It also stores securities used as collateral for credit facilities by companies. Revenue recognised in this segment are revenues from non core activities in note 9 of the financial statements.
- iii Treasury: This segment is responsible for investments and management of the Group's liquidity ensuring a balance between liquidity and profitability.



Notes to the Consolidated and Separate financial statements  
For the year ended 31 December 2020

<b>The Group</b>					
<b>31 December 2020</b>					
<i>In thousands of naira</i>	<b>Operations</b>	<b>Product and Services</b>	<b>Treasury</b>	<b>Unallocated segment</b>	<b>Total</b>
<b>Revenue:</b>					
Derived from external customers	4,118,040	485,473	7,443,495	-	12,047,008
Others	40,169	-	-	-	40,169
<b>Segment revenue</b>	<b>4,158,209</b>	<b>485,473</b>	<b>7,443,495</b>	<b>-</b>	<b>12,087,177</b>
<b>Expenses:</b>					
Personnel Expenses	(705,610)	(82,380)	(1,263,092)	-	(2,051,082)
Operating expenses	(631,971)	(73,783)	(1,131,273)	-	(1,837,027)
Finance cost	(25,538)	(2,982)	(45,715)	-	(74,234)
Depreciation and amortisation	(212,015)	(24,753)	(379,522)	-	(616,289)
Impairment (loss)/reversal on financial assets	(47,919)	(5,595)	(85,779)	-	(139,293)
<b>Segment Expense</b>	<b>(1,623,052)</b>	<b>(189,492)</b>	<b>(2,905,381)</b>	<b>-</b>	<b>(4,717,925)</b>
Segment operating income before tax	2,535,157	295,981	4,538,114	-	7,369,252
Share of profit of equity-accounted investee	-	-	-	23,444	23,444
Income tax	-	-	-	(464,361)	(464,361)
<b>Profit after tax</b>	<b>2,535,157</b>	<b>295,981</b>	<b>4,538,114</b>	<b>(464,361)</b>	<b>6,928,335</b>

**31 December 2020**

**Assets and liabilities**

<i>In thousands of naira</i>	<b>Operations</b>	<b>Product and Services</b>	<b>Treasury</b>	<b>Unallocated segment</b>	<b>Total</b>
Total assets	14,250,035	1,663,699	25,508,593	-	41,422,327
Total liabilities	2,040,148	238,188	3,652,013	-	5,930,349
Net asset	12,209,887	1,425,510	21,856,581	-	35,491,978

**The Group**

**31 December 2019**

<i>In thousands of naira</i>	<b>Operations</b>	<b>Product and Services</b>	<b>Treasury</b>	<b>Unallocated segment</b>	<b>Total</b>
<b>Revenue:</b>					
Derived from external customers	3,911,852	676,955	4,612,237	-	9,201,044
Others	5,096	-	-	-	5,096
<b>Segment revenue</b>	<b>3,916,948</b>	<b>676,955</b>	<b>4,612,237</b>	<b>-</b>	<b>9,206,140</b>
<b>Expenses:</b>					
Personnel Expenses	(1,185,467)	(98,789)	(32,930)	-	(1,317,186)
Operating expenses	(1,173,305)	(63,422)	(31,711)	-	(1,268,438)
Depreciation and amortisation	(48,546)	-	-	-	(48,546)
Allowance for doubtful receivables	(506,813)	(27,395)	(13,698)	-	(547,906)
<b>Segment Expense</b>	<b>(2,963,692)</b>	<b>(189,606)</b>	<b>(78,338)</b>	<b>-</b>	<b>(3,231,637)</b>
Segment operating income before tax	953,256	487,349	4,533,899	-	5,974,503
Share of loss of equity-accounted investee	-	-	-	67,931	67,931
Income tax expense	-	-	-	(1,141,755)	(1,141,755)
<b>Profit after tax</b>	<b>953,256</b>	<b>487,349</b>	<b>4,533,899</b>	<b>(1,073,824)</b>	<b>4,900,679</b>

**31 December 2019**

**Assets and liabilities**

<i>In thousands of naira</i>	<b>Operations</b>	<b>Product and Services</b>	<b>Treasury</b>	<b>Unallocated segment</b>	<b>Total</b>
Total asset	32,950,264	2,745,855	915,285	-	36,611,404
Total liabilities	3,334,788	277,899	92,633	-	3,705,320
Net asset	29,615,475	2,467,956	822,652	-	32,906,083

Notes to the Consolidated and Separate financial statements  
For the year ended 31 December 2020

8 Accounting classifications and fair values of financial assets and liabilities

The table below shows the carrying amounts and fair values of financial instruments measured at fair value, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The Group

31 December 2020

In thousands of Naira	Notes	Carrying amount			Fair value			Total fair value	
		FVOCI	Amortized Cost	FVTPL	Total carrying amount	Level 1	Level 2		Level 3
<b>Financial assets measured at fair value</b>									
- Treasury Bills	17(b)	-	-	-	-	-	-	-	
- Federal Government Bonds	17(a)	3,962,032	8,581,581	-	12,543,613	15,290,512	-	15,290,512	
- Corporate Government Bonds	17(a)	1,089,920	2,216,645	-	3,306,565	3,372,776	-	3,372,776	
- State Government Bonds	17(a)	-	3,620,016	-	3,620,016	4,582,958	-	4,582,958	
		<b>5,051,951</b>	<b>14,418,243</b>	<b>-</b>	<b>19,470,194</b>	<b>23,246,246</b>	<b>-</b>	<b>23,246,246</b>	

The carrying amount of cash and cash equivalents, trade receivables and payables are reasonable approximation of their fair values.

The Company

31 December 2020

In thousands of Naira	Notes	Carrying amount			Fair value			Total fair value	
		FVOCI	Amortized Cost	FVTPL	Total carrying amount	Level 1	Level 2		Level 3
<b>Financial assets measured at fair value</b>									
- Treasury Bills	17(b)	-	-	-	-	-	-	-	
- Federal Government Bonds	17(a)	3,962,032	8,581,581	-	12,543,613	15,290,512	-	15,290,512	
- Corporate Government Bonds	17(a)	1,089,920	2,216,645	-	3,306,565	3,372,776	-	3,372,776	
- State Government Bonds	17(a)	-	3,620,016	-	3,620,016	4,582,958	-	4,582,958	
		<b>5,051,951</b>	<b>14,418,243</b>	<b>-</b>	<b>19,470,194</b>	<b>23,246,246</b>	<b>-</b>	<b>23,246,246</b>	

The carrying amount of cash and cash equivalents, trade receivables and payables are reasonable approximation of their fair values.

The Group

31 December 2019

In thousands of Naira	Notes	Carrying amount			Fair value			Total fair value	
		FVOCI	Amortized Cost	FVTPL	Total carrying amount	Level 1	Level 2		Level 3
<b>Financial assets measured at fair value</b>									
- Treasury Bills	17(b)	5,005,511	-	-	5,005,511	5,005,511	-	5,005,511	
- Federal Government Bonds	17(a)	217,111	19,144,992	-	19,362,103	21,522,446	-	21,522,446	
- Corporate Government Bonds	17(a)	129,414	2,302,012	-	2,431,426	2,650,131	-	2,650,131	
- State Government Bonds	17(a)	117,343	-	-	117,343	117,343	-	117,343	
		<b>5,469,379</b>	<b>21,447,004</b>	<b>-</b>	<b>26,916,383</b>	<b>29,295,431</b>	<b>-</b>	<b>29,295,431</b>	

The Company

31 December 2019

In thousands of Naira	Notes	Carrying amount			Fair value			Total fair value	
		FVOCI	Amortized Cost	FVTPL	Total carrying amount	Level 1	Level 2		Level 3
<b>Financial assets measured at fair value</b>									
- Treasury Bills	17(b)	5,005,511	-	-	5,005,511	5,005,511	-	5,005,511	
- Federal Government Bonds	17(a)	217,111	19,144,992	-	19,362,103	21,522,446	-	21,522,446	
- Corporate Government Bonds	17(a)	129,414	2,302,012	-	2,431,426	2,650,131	-	2,650,131	
- State Government Bonds	17(a)	117,343	-	-	117,343	117,343	-	117,343	
		<b>5,469,379</b>	<b>21,447,004</b>	<b>-</b>	<b>26,916,383</b>	<b>29,295,431</b>	<b>-</b>	<b>29,295,431</b>	

The carrying amount of cash and cash equivalents, trade receivables and payables are reasonable approximation of their fair values.

Notes to the Consolidated and Separate financial statements  
For the year ended 31 December 2020

9 Revenue

	Group 31-Dec 2020	Company 31-Dec 2020	Group 31-Dec 2019	Company 31-Dec 2019
<i>In thousands of Naira</i>				
<b>Revenue from core activities</b>				
Eligibility fees	14,329	14,329	20,269	20,269
Depository fees	1,238,453	1,238,453	1,451,697	1,451,697
Transaction fees	2,865,258	2,865,258	2,439,885	2,439,885
	<b>4,118,040</b>	<b>4,118,040</b>	<b>3,911,852</b>	<b>3,911,852</b>
<b>Revenue from non-core activities</b>				
Collateral management fees	99,634	99,634	116,267	116,267
Data centre subscriptions	184,868	184,868	197,575	197,575
Nominal fees	110,142	110,142	262,151	262,151
Settlement banks participation fees	20,000	20,000	31,010	31,010
Statement of stock position fees	11,452	11,452	9,028	9,028
Special Accounts Fee	6,341	6,341	11,103	11,103
Website subscription fees	36,542	36,542	29,074	29,074
X-Alert fee	3,259	3,259	3,172	3,172
DMO Services - FG saving	5,709	5,709	10,964	10,964
Legal Entity Identifier subscription	6,326	6,326	6,611	6,611
Issuers portal	1,200	1,200	-	-
	<b>485,473</b>	<b>485,473</b>	<b>676,955</b>	<b>676,955</b>
<b>Total revenue</b>	<b>4,603,513</b>	<b>4,603,513</b>	<b>4,588,807</b>	<b>4,588,807</b>

10 Investment Income

	Group 31-Dec 2020	Company 31-Dec 2020	Group 31-Dec 2019	Company 31-Dec 2019
<i>In thousands of Naira</i>				
Interest income from:				
Fixed deposits	421,067	421,067	331,545	331,545
Treasury bills	407,203	407,203	1,033,149	1,033,149
Federal Government bonds	2,147,027	2,147,027	2,576,435	2,576,435
Corporate bonds	194,552	194,552	25,613	25,613
State bonds	550,531	550,531	458,134	458,134
<b>Total interest income calculated using the effective interest method</b>	<b>3,720,380</b>	<b>3,720,380</b>	<b>4,424,876</b>	<b>4,424,876</b>
Gain on disposal of Treasury bills	130,693	130,693	80,958	80,958
Gain on disposal of FGN bond	3,592,422	3,592,422	106,403	106,403
<b>Profit on disposal of investment</b>	<b>3,723,115</b>	<b>3,723,115</b>	<b>187,361</b>	<b>187,361</b>
<b>Total investment income</b>	<b>7,443,495</b>	<b>7,443,495</b>	<b>4,612,237</b>	<b>4,612,237</b>

The total amount of investment income on instruments measured at amortized cost for the Group and Company is N6.98bn

11 Other income

	Group 31-Dec 2020	Company 31-Dec 2020	Group 31-Dec 2019	Company 31-Dec 2019
<i>In thousands of Naira</i>				
Profit on disposal of property and equipment	1,080	1,080	4,263	4,263
Miscellaneous income	7,338	7,338	833	833
Other Income (Security Lending)	31,751	31,751	-	-
	<b>40,169</b>	<b>40,169</b>	<b>5,096</b>	<b>5,096</b>

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12 Expenses

12.1(i) Personnel Expenses

<i>In thousands of Naira</i>	Group	Company	Group	Company
	31 December 2020	31 December 2020	31 December 2019	31 December 2019
Salaries and allowances	1,087,973	1,087,973	801,448	801,448
Staff training and development	4,466	4,466	41,264	41,264
Staff welfare and medical expenses	108,844	108,844	125,976	125,976
Performance bonus (see note (i) below)	647,524	647,524	228,362	228,362
Long term incentive scheme expense(see note (ii) below)	49,709	49,709	44,054	44,054
Nigeria Social Insurance Trust Fund (NSITF)	54,866	54,866	2,601	2,601
Staff pension contribution (see note (iii) below)	97,700	97,700	73,481	73,481
	<b>2,051,082</b>	<b>2,051,082</b>	<b>1,317,186</b>	<b>1,317,186</b>

(i) Performance bonus accrual for 2020 was made because the full year result was above the required threshold of 75% performance as provided for in the revised board approved staff incentive bonus scheme for the year ended 31 December 2020.

(ii) Long Term Incentive Scheme is a defined benefit (as approved by the Board).

(iii) The Company operates a funded defined contribution retirement scheme for its employees under the provision of the Pension Reform Act of 2014. The employer contributes 10% while the employee contributes 8% of the qualifying employee's salary. The Company does not have any additional legal or constructive obligation to pay further contributions if the Pension Fund Administrators do not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior years.

12.1(ii) Employee Information:

(a) The average number of persons employed during the year were as follows:

	Group	Company	Group	Company
	31 December 2020	31 December 2020	31 December 2019	31 December 2019
Executive Directors	1	1	1	1
Management	5	5	5	5
Non-management	114	114	113	113
	<b>120</b>	<b>120</b>	<b>119</b>	<b>119</b>

(b) The Directors who received fees and other emoluments (excluding pension contributions and reimbursable expenses) were:

<i>In thousands of Naira</i>	Group	Company	Group	Company
	31 December 2020	31 December 2020	31 December 2019	31 December 2019
Chairman	15,651	15,651	13,333	13,333
Other non-executive Directors	122,201	122,201	104,100	104,100
	<b>137,852</b>	<b>137,852</b>	<b>117,433</b>	<b>117,433</b>

The Directors remuneration as shown above includes:

<i>In thousands of Naira</i>	Group	Company	Group	Company
	31 December 2020	31 December 2020	31 December 2019	31 December 2019
The Chairman	15,651	15,651	13,333	13,333
The highest paid Director	15,651	15,651	13,333	13,333

(c) The number of Directors who received fees and other emoluments (excluding pension contributions and reimbursable expenses) in the following ranges was:

	Group	Company	Group	Company
	31 December 2020	31 December 2020	31 December 2019	31 December 2019
N1,000,000 - N5,000,000	3	3	8	8
N5,000,001 and above	10	10	6	6
	<b>13</b>	<b>13</b>	<b>14</b>	<b>14</b>

Notes to the Consolidated and Separate financial statements  
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(d) The employees of the Group, other than Directors, who received remuneration in the following range (excluding pension contributions and other benefits) were:

	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
N60,000 - N1,000,000	-	-	-	-
N1,000,001 - N3,000,000	18	18	12	12
N3,000,001 - N6,000,000	54	54	66	66
N6,000,001 - N9,000,000	22	22	15	15
N9,000,001 and above	26	26	26	26
	<b>120</b>	<b>120</b>	<b>119</b>	<b>119</b>

12.2 Other operating expenses

<i>In thousands of Naira</i>	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
Maintenance expenses	30,373	30,373	27,831	27,831
Office running expenses (see note (a) below)	366,393	366,393	305,034	292,700
Business development (see note (b) below)	721,946	721,946	387,336	387,336
Board of Directors fees	137,852	137,852	117,433	117,433
Board of Directors expenses	210,716	210,716	233,939	233,939
Donations	118,207	118,207	32,700	32,700
Professional fees	91,774	91,774	91,139	91,139
Audit fees	20,000	20,000	20,000	20,000
Bank charges	4,822	4,822	13,151	13,151
Net loss on foreign exchange	87,782	87,782	597	597
Penalties	-	-	1,000	1,000
Industrial Training Fund (ITF)	37,789	37,789	13,274	13,274
Other miscellaneous expenses (see note (c) below)	9,373	9,373	25,004	25,004
	<b>1,837,027</b>	<b>1,837,027</b>	<b>1,268,438</b>	<b>1,256,104</b>

(a) Office running expenses represent expense incurred in running the business efficiently which comprise subscription, insurance, printing and stationery, marketing and brand communication expense, and other administrative expenses.

(b) Business development expenses can be analysed as follows:

<i>In thousands of Naira</i>	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
Data centre/IT Maintenance	183,063	183,063	100,449	100,449
Travelling	18,145	18,145	72,839	72,839
Business promotion/development	10,034	10,034	-	-
Digital centre services expenses	158,803	158,803	66,926	66,926
Software license fees	350,263	350,263	144,242	144,242
Legal Entity Identifier remittance	1,638	1,638	2,880	2,880
	<b>721,946</b>	<b>721,946</b>	<b>387,336</b>	<b>387,336</b>

(c) Other miscellaneous expenses

Other miscellaneous expenses can be analysed as follows:

<i>In thousands of Naira</i>	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
Filing fees	42	42	128	128
Entertainment	444	444	3,575	3,575
Annual General Meeting (AGM) expenses	8,715	8,715	17,974	17,974
Investor relations expense	-	-	3,013	3,013
Investor Protection Scheme (see note (d) below)	172	172	314	314
	<b>9,373</b>	<b>9,373</b>	<b>25,004</b>	<b>25,004</b>

(d) Investor protection expenses represents cost to buy back stocks which had remained unsettled due to financial inability of specific stockbroking firms. The Company bought back the shares to avoid distortions in the market.

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12.3 Finance Cost

	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
<i>In thousands of Naira</i>				
Lease interest	45,324	45,324	48,546	48,546
Interest expense on short-term borrowings	28,910	28,910	-	-
	<b>74,234</b>	<b>74,234</b>	<b>48,546</b>	<b>48,546</b>

12.4 Depreciation and amortisation

	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
<i>In thousands of Naira</i>				
Depreciation of property and equipment (See (15))	289,201	289,201	202,221	202,221
Amortisation of intangible assets (See (16))	327,088	327,088	345,685	345,685
	<b>616,289</b>	<b>616,289</b>	<b>547,906</b>	<b>547,906</b>

13 Taxation

13(a) Income tax expense recognised in profit or loss

	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
<i>In thousands of Naira</i>				
Corporate income tax	305,889	305,889	517,508	517,508
Excess dividend tax paid (see note (i) below)	-	-	534,070	534,070
Tertiary education tax	29,118	29,118	37,030	37,030
Information technology levy	72,621	72,621	59,868	59,868
Police trust fund	346	346	299	299
<b>Income tax</b>	<b>407,974</b>	<b>407,974</b>	<b>1,148,775</b>	<b>1,148,775</b>
<b>Deferred tax expense</b>				
Temporary differences - deferred tax	56,387	56,387	(7,020)	(7,020)
	<b>464,361</b>	<b>464,361</b>	<b>1,141,755</b>	<b>1,141,755</b>

(i) The Company has no excess dividend tax as at year end 2020 (2019: N534.07 million).

Reconciliation of effective tax rate

The Group

<i>in thousands of Naira</i>	31 December 2020		31 December 2019	
	Tax rate	Amount	Tax rate	Amount
Profit before tax		7,392,696		6,042,434
Income tax using the domestic corporation tax rate	30.0%	2,217,809	30.00%	1,812,730
Non-deductible expenses	3.4%	253,729	0.71%	42,901
Non taxable income	-28.53%	(2,109,261)	-23.65%	(1,428,962)
Tertiary Education tax	0.4%	29,118	2.00%	120,849
Impact of NITDA Levy	1.0%	72,621	0.99%	59,868
Excess Dividend Tax	0.0%	-	8.84%	534,070
Police trust fund	0.0%	346	0.00%	299
Recognition of previously unrecognised (derecognition of previously recognised)	-1.0%	(74,814)	0.00%	(154,163)
	<b>5.27%</b>	<b>464,361</b>	<b>18.90%</b>	<b>987,592</b>

The Company

<i>in thousands of Naira</i>	31 December 2020		31 December 2019	
	Tax rate	Amount	Tax rate	Amount
Profit before tax		7,334,741		5,986,837
Income tax using the domestic corporation tax rate	30.00%	2,200,420	30.00%	1,796,051
Non-deductible expenses	4.48%	328,543	0.72%	197,064
Non taxable income	-28.52%	(2,091,874)	-23.57%	(1,411,171)
Tertiary Education tax	0.40%	29,118	2.00%	119,737
Impact of NITDA Levy	0.99%	72,621	1.00%	59,868
Excess Dividend Tax	0.00%	-	8.92%	534,070
Police trust fund	0.00%	346	0.00%	299
Recognition of previously unrecognised (derecognition of previously recognised)	-1.02%	(74,814)	0.00%	(154,163)
	<b>6.33%</b>	<b>464,361</b>	<b>19.08%</b>	<b>1,141,755</b>

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13(b) Deferred tax (liabilities)/ assets:

Deferred tax (liabilities)/assets attributable to the following:

	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
<i>In thousands of Naira</i>				
Cash and cash equivalents	2,251	2,251	-	-
Investment securities	15,740	15,740	-	-
Property and equipment, and software	(124,758)	(124,758)	(64,453)	(64,453)
Trade receivables	-	-	34,967	34,967
Defined benefit plan	-	-	47,662	47,662
Other Receivable	-	-	(24,558)	(24,558)
Actuarial gain	(716)	(716)	(365)	(365)
Other liabilities	43,997	43,997	-	-
	<b>(63,485)</b>	<b>(63,485)</b>	<b>(6,747)</b>	<b>(6,747)</b>

Movement in deferred tax balances:

	Balance, beginning of year	Recognised in Profit or loss	Recognised in OCI	Balance, end of year	Deferred tax asset/(liabilities)
<i>In thousands of Naira</i>					
<b>31 December 2020</b>					
Cash and cash equivalents	-	2,251	-	2,251	2,251
Investment securities	-	15,740	-	15,740	15,740
Property and equipment	(64,453)	(60,305)	-	(124,758)	(124,758)
Trade receivables	34,967	(34,967)	-	-	-
Defined benefit plan	47,662	(47,662)	-	-	-
Other Receivable	(24,558)	24,558	-	-	-
Actuarial gain	(365)	-	(351)	(716)	(716)
Other liabilities	-	43,997	-	43,997	43,997
<b>Tax assets/(liabilities)</b>	<b>(6,747)</b>	<b>(56,387)</b>	<b>(351)</b>	<b>(63,485)</b>	<b>(63,485)</b>

	Balance, beginning of year	Recognised in Profit or loss	Recognised in OCI	Balance, end of year	Deferred tax asset/(liabilities)
<i>In thousands of Naira</i>					
<b>31 December 2019</b>					
Property and equipment	(70,953)	6,500	-	(64,453)	(64,453)
Trade receivables	22,702	12,265	-	34,967	34,967
Defined benefit plan	34,848	12,814	-	47,662	47,662
Other Receivable	-	(24,558)	-	(24,558)	(24,558)
Actuarial gain	-	-	(365)	(365)	(365)
<b>Tax assets/(liabilities)</b>	<b>(13,403)</b>	<b>7,021</b>	<b>(365)</b>	<b>(6,747)</b>	<b>(6,747)</b>

13(c) Current tax liabilities

	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
<i>In thousands of Naira</i>				
Balance, beginning of year	652,254	652,254	652,577	652,577
Charge for the year (see note 13(a) above)	407,974	407,974	1,148,775	1,148,775
Payments during the year	(623,699)	(623,699)	(1,112,460)	(1,112,460)
Withholding tax credit utilised during the year	-	-	(36,638)	(36,638)
<b>Balance, end of period</b>	<b>436,529</b>	<b>436,529</b>	<b>652,254</b>	<b>652,254</b>

13(d) Income tax expense recognised in OCI

	Before tax 31 December 2020	Tax (expense)/ benefit 31 December 2020	Net of tax 31 December 2020
<i>In thousands of Naira</i>			
Remeasurement of defined benefit liability	1,169	(351)	818

14 Basic/Diluted earnings per share

The calculation of basic/diluted earnings per share at 31 December 2020 was based on the profit attributable to ordinary shareholders of N6.93 billion for the Group and N6.87 billion for the Company (31 December 2019: N4.90 billion for the Group and N4.85 billion for the Company) and an average number of ordinary shares outstanding of 5,000,000,000 (31 December 2019: 5,000,000,000).

	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
<i>In thousands of Naira</i>				
Profit attributable to ordinary shareholders	6,928,335	6,870,380	4,900,679	4,845,082
<i>In thousands of unit</i>				
Weighted average number of ordinary shares (basic/diluted)	5,000,000	5,000,000	5,000,000	5,000,000
<b>Earnings per share (basic/diluted)- Kobo</b>	<b>139k</b>	<b>137k</b>	<b>98k</b>	<b>97k</b>

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15 Property and equipment  
The Group

<i>In thousands of Naira</i>	Motor vehicles	Furniture and fittings	Office equipment	Computer equipment	Leasehold improvement	Building Right-of-use asset	Work-in-progress	Total
<b>Cost</b>								
Balance at 1 January 2019	332,469	136,499	119,158	907,610	75,469	-	156,030	1,727,235
Recognition of right-of-use asset on initial application of IFRS 16	-	-	-	-	-	356,287	-	356,287
Adjusted balance at 1 January 2019	<b>332,469</b>	<b>136,499</b>	<b>119,158</b>	<b>907,610</b>	<b>75,469</b>	<b>356,287</b>	<b>156,030</b>	<b>2,083,522</b>
Additions	-	1,588	5,786	33,528	-	-	303,835	344,737
Reclassification from WIP	45,355	-	-	-	-	-	(45,355)	-
Disposals/Transfers	(22,900)	(260)	(3,105)	(26)	-	-	(10,856)	(37,147)
<b>Balance at 31 December 2019</b>	<b>354,924</b>	<b>137,827</b>	<b>121,839</b>	<b>941,112</b>	<b>75,469</b>	<b>356,287</b>	<b>403,654</b>	<b>2,391,112</b>
Balance at 1 January 2020	354,924	137,827	121,839	941,112	75,469	356,287	403,654	2,391,112
Additions	412,852	83	35,246	24,434	-	-	87,178	559,793
Reclassification from WIP	96,490	-	-	-	-	-	(96,490)	-
Disposals/Transfers	(21,150)	-	-	-	-	-	-	(21,150)
<b>Balance as at 31 December 2020</b>	<b>843,116</b>	<b>137,910</b>	<b>157,085</b>	<b>965,546</b>	<b>75,469</b>	<b>356,287</b>	<b>394,343</b>	<b>2,929,756</b>
<b>Accumulated depreciation</b>								
Balance at 1 January 2019	117,787	95,910	80,819	765,866	71,278	-	-	1,131,660
Depreciation for the year	64,734	7,893	14,642	57,671	3,548	53,734	-	202,222
Disposals	(22,900)	(249)	(3,105)	(26)	-	-	-	(26,280)
<b>Balance at 31 December 2019</b>	<b>159,621</b>	<b>103,554</b>	<b>92,356</b>	<b>823,511</b>	<b>74,826</b>	<b>53,734</b>	<b>-</b>	<b>1,307,602</b>
Balance at 1 January 2020	159,621	103,554	92,356	823,511	74,826	53,734	-	1,307,602
Depreciation for the year	156,956	7,680	17,475	52,716	641	53,733	-	289,201
Disposals	(21,150)	-	-	-	-	-	-	(21,150)
<b>Balance as at 31 December 2020</b>	<b>295,427</b>	<b>111,234</b>	<b>109,831</b>	<b>876,227</b>	<b>75,467</b>	<b>107,467</b>	<b>-</b>	<b>1,575,653</b>
<b>Carrying amount as at 31 December 2019</b>	<b>195,303</b>	<b>34,273</b>	<b>29,483</b>	<b>117,601</b>	<b>643</b>	<b>302,553</b>	<b>403,654</b>	<b>1,083,510</b>
<b>Carrying amount as at 31 December 2020</b>	<b>547,689</b>	<b>26,676</b>	<b>47,254</b>	<b>89,319</b>	<b>2</b>	<b>248,820</b>	<b>394,343</b>	<b>1,354,103</b>

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

(b) All items of property and equipment are non-current.

(c) There was no impairment losses on any class of property and equipment during the year (2019: Nil)

(d) There were no items of property and equipment pledged as security for borrowings as at 31 December 2020 (2019: Nil)

(e) Other WIP items are amount N376.8m for office retrofit project, partially paid office equipment and computer equipment of N1m and N16.6m respectively.



The Company

<i>In thousands of Naira</i>	Motor vehicles	Furniture and fittings	Office equipment	Computer equipment	Leasehold Improvement	Building Right-of-use asset	Work-in-progress	Total
Cost								
Balance at 1 January 2019	332,469	136,499	119,158	907,610	75,469	-	156,030	1,727,235
Recognition of right-of-use asset on initial application of IFRS 16	-	-	-	-	-	356,287	-	356,287
Adjusted balance at 1 January 2019	<b>332,469</b>	<b>136,499</b>	<b>119,158</b>	<b>907,610</b>	<b>75,469</b>	<b>356,287</b>	<b>156,030</b>	<b>2,083,522</b>
Additions	-	1,588	5,786	33,528	-	-	303,835	344,737
Reclassification from WIP	45,355	-	-	-	-	-	(45,355)	-
Disposals/Transfers	(22,900)	(260)	(3,105)	(26)	-	-	(10,856)	(37,147)
<b>Balance at 31 December 2019</b>	<b>354,924</b>	<b>137,827</b>	<b>121,839</b>	<b>941,112</b>	<b>75,469</b>	<b>356,287</b>	<b>403,654</b>	<b>2,391,112</b>
Balance at 1 January 2020	354,924	137,827	121,839	941,112	75,469	356,287	403,654	2,391,112
Additions	412,852	83	35,246	24,434	-	-	87,178	559,793
Reclassification from WIP	96,490	-	-	-	-	-	(96,490)	-
Disposals/Transfers	(21,150)	-	-	-	-	-	-	(21,150)
<b>Balance as at 31 December 2020</b>	<b>843,116</b>	<b>137,910</b>	<b>157,085</b>	<b>965,546</b>	<b>75,469</b>	<b>356,287</b>	<b>394,343</b>	<b>2,929,756</b>
Accumulated depreciation								
Balance at 1 January 2019	117,787	95,910	80,819	765,866	71,278	-	-	1,131,660
Depreciation for the year	64,734	7,893	14,642	57,671	3,548	53,734	-	202,222
Disposals	(22,900)	(249)	(3,105)	(26)	-	-	-	(26,280)
<b>Balance at 31 December 2019</b>	<b>159,621</b>	<b>103,554</b>	<b>92,356</b>	<b>823,511</b>	<b>74,826</b>	<b>53,734</b>	-	<b>1,307,602</b>
Balance at 1 January 2020	159,621	103,554	92,356	823,511	74,826	53,734	-	1,307,602
Depreciation for the year	156,956	7,680	17,475	52,716	641	53,733	-	289,201
Disposals	(21,150)	-	-	-	-	-	-	(21,150)
<b>Balance as at 31 December 2020</b>	<b>295,427</b>	<b>111,234</b>	<b>109,831</b>	<b>876,227</b>	<b>75,467</b>	<b>107,467</b>	-	<b>1,575,653</b>
Carrying amount as at 31 December 2019	195,303	34,273	29,483	117,601	643	302,553	403,654	1,083,510
Carrying amount as at 31 December 2020	547,689	26,676	47,254	89,319	2	248,820	394,343	1,354,103

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

(b) All items of property and equipment are non-current.

(c) There were no impairment losses of any class of property and equipment during the year (2019: Nil)

(d) There were no items of property and equipment pledged as security for borrowings as at 31 December 2020 (2019: Nil)

(e) Other WIP items are amount N376.8m for office retrofit project, partially paid office equipment and computer equipment of N1m and N16.6m respectively.

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16 Intangible assets  
The Group

<i>In thousands of Naira</i>	Software	Software under development	Total
<b>Cost:</b>			
Balance at 1 January 2019	3,569,064	15,698	3,584,762
Additions	25,499	16,056	41,555
Reclassification during the year	24,246	(24,246)	-
<b>Balance as at 31 December 2019</b>	<b>3,618,809</b>	<b>7,508</b>	<b>3,626,317</b>
Balance as at 1 January 2020	3,618,809	7,508	3,626,317
Additions during the year	1,470	125,852	127,322
<b>Balance as at 31 December 2020</b>	<b>3,620,279</b>	<b>133,360</b>	<b>3,753,639</b>
<b>Accumulated Amortisation:</b>			
Balance at 1 January 2019	2,495,161	-	2,495,161
Amortisation charge for the year	345,685	-	345,685
<b>Balance as at 31 December 2019</b>	<b>2,840,846</b>	<b>-</b>	<b>2,840,846</b>
Balance as at 1 January 2020	2,840,846	-	2,840,846
Amortisation charge for the year	327,088	-	327,088
<b>Balance as at 31 December 2020</b>	<b>3,167,934</b>	<b>-</b>	<b>3,167,934</b>
<b>Carrying amount:</b>			
<b>At 31 December 2019</b>	<b>777,963</b>	<b>7,508</b>	<b>785,471</b>
<b>At 31 December 2020</b>	<b>452,345</b>	<b>133,360</b>	<b>585,705</b>

The Company

<i>In thousands of Naira</i>	Software	Software under development	Total
<b>Cost:</b>			
Balance at 1 January 2019	3,569,064	15,698	3,584,762
Additions	25,499	16,056	41,555
Reclassification during the year	24,246	(24,246)	-
<b>Balance as at 31 December 2019</b>	<b>3,618,809</b>	<b>7,508</b>	<b>3,626,317</b>
Balance as at 1 January 2020	3,618,809	7,508	3,626,317
Additions during the year	1,470	125,852	127,322
<b>Balance as at 31 December 2020</b>	<b>3,620,279</b>	<b>133,360</b>	<b>3,753,639</b>
<b>Accumulated Amortisation:</b>			
Balance at 1 January 2019	2,495,161	-	2,495,161
Amortisation charge for the year	345,685	-	345,685
<b>Balance as at 31 December 2019</b>	<b>2,840,846</b>	<b>-</b>	<b>2,840,846</b>
Balance as at 1 January 2020	2,840,846	-	2,840,846
Amortisation charge for the year	327,088	-	327,088
<b>Balance as at 31 December 2020</b>	<b>3,167,934</b>	<b>-</b>	<b>3,167,934</b>
<b>Carrying amount:</b>			
<b>At 31 December 2019</b>	<b>777,963</b>	<b>7,508</b>	<b>785,471</b>
<b>At 31 December 2020</b>	<b>452,345</b>	<b>133,360</b>	<b>585,705</b>

- (a) There were no capitalised borrowing costs related to the acquisition of the intangible assets during the year (2019: Nil)  
(b) All intangible assets are non current.  
(c) All intangible assets have a finite useful life and are amortized over the useful life of the assets.  
(d) No leased assets are included in the above intangible assets accounts (2019: Nil)  
(e) The Company has no capital commitment as at year end (2019: Nil)  
(f) No intangible assets was impaired as at 31 December 2020 (2019: Nil)

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17 Investment securities

Investments can be analysed as follows:

17(a) Non-current investment securities

	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
<i>In thousands of Naira</i>				
Federal Government bonds	12,543,613	12,543,613	19,362,103	19,362,103
State Government bonds	3,620,016	3,620,016	2,419,355	2,419,355
Corporate bonds	3,306,565	3,306,565	129,414	129,414
Equity investments	100,100	100,100	50,100	50,100
<b>Total non-current investment securities</b>	<b>19,570,294</b>	<b>19,570,294</b>	<b>21,960,972</b>	<b>21,960,972</b>

	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
<i>In thousands of Naira</i>				
Federal Government bonds	8,581,581	8,581,581	19,144,992	19,144,992
State Government bonds	3,620,016	3,620,016	2,302,012	2,302,012
Corporate bonds	2,216,645	2,216,645	-	-
<b>Total Amortised Cost Investment Securities</b>	<b>14,418,243</b>	<b>14,418,243</b>	<b>21,447,004</b>	<b>21,447,004</b>

	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
<i>In thousands of Naira</i>				
Federal Government bonds	3,962,032	3,962,032	217,111	217,111
State Government bonds	-	-	117,343	117,343
Corporate bonds	1,089,920	1,089,920	129,414	129,414
<b>Total Fair Value through Other Comprehensive Income Investment Securities</b>	<b>5,051,951</b>	<b>5,051,951</b>	<b>463,868</b>	<b>463,868</b>

	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
<i>In thousands of Naira</i>				
NSE Nominees Share Investments	100	100	100	100
Lagos Commodities & Futures Exchange	100,000	100,000	50,000	50,000
<b>Total Fair Value through Other Comprehensive Income Equity Investment</b>	<b>100,100</b>	<b>100,100</b>	<b>50,100</b>	<b>50,100</b>
<b>Total non-current investment</b>	<b>19,570,294</b>	<b>19,570,294</b>	<b>21,960,972</b>	<b>21,960,972</b>

17(b) Current investment securities

	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
<i>In thousands of Naira</i>				
Treasury Bills	-	-	5,005,511	5,005,511
<b>Total current investment securities</b>	<b>-</b>	<b>-</b>	<b>5,005,511</b>	<b>5,005,511</b>

17.1 Reclassification of financial assets

Financial assets fair value through OCI reclassified to amortised cost:

	FVOCI December 2020	Amortised cost 31 December 2020	Cummulative (gain)/loss derecognised upon reclassification
<i>In thousands of Naira</i>			
State Government bonds	120,794	85,780	(35,014)
Corporate bonds	75,174	64,111	(11,063)
<b>Total</b>	<b>195,968</b>	<b>149,891</b>	<b>(46,077)</b>

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19(b) Impairment allowance on other assets

	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
<i>In thousands of Naira</i>				
Balance, beginning of year	68,400	68,400	68,400	68,400
Charge/(reversal) during the year	-	-	-	-
<b>Balance, end of year</b>	<b>68,400</b>	<b>68,400</b>	<b>68,400</b>	<b>68,400</b>

20 Impairment loss/(reversal) on financial assets

	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
<i>In thousands of Naira</i>				
Impairment loss on trade receivables (Note 18(b))	127,072	127,072	40,760	40,760
Impairment loss/(reversal) on investment securities	12,221	12,221	8,801	8,801
Impairment loss/(reversal) on intercompany receivables	-	34,511	-	-
	<b>139,293</b>	<b>173,804</b>	<b>49,561</b>	<b>49,561</b>

21 Cash and cash equivalents

	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
<i>In thousands of Naira</i>				
Cash at hand	1,650	1,650	865	865
Balances with banks	10,064,606	10,064,551	5,501,373	5,501,318
Fixed deposits	7,707,368	7,707,368	5	5
Treasury bills with original maturity period of 90 days or less	-	-	1,189,302	1,189,302
<b>Carrying amount</b>	<b>17,773,624</b>	<b>17,773,569</b>	<b>6,691,545</b>	<b>6,691,490</b>
<b>Current Assets</b>	<b>17,773,624</b>	<b>17,773,569</b>	<b>6,691,545</b>	<b>6,691,490</b>

22(a) Intercompany receivables

	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
<i>In thousands of Naira</i>				
Intercompany receivables (See note a)	-	34,511	-	34,511
Impairment allowance on intercompany receivables (see note 22(b) below)	-	(34,511)	-	-
<b>Net Carrying amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,511</b>
<b>Non-current Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,511</b>

22(b) Impairment allowance on Intercompany receivables

	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
<i>In thousands of Naira</i>				
Balance, beginning of year	-	-	-	-
Charge/(reversal) during the year	-	34,511	-	-
<b>Balance, end of year</b>	<b>-</b>	<b>34,511</b>	<b>-</b>	<b>-</b>

- (a) Intercompany receivables represent amount due from the Company's subsidiary, Insurance Repository Nigeria Limited for payments made by the Company with respect to the pre-operational expenses incurred on behalf of the subsidiary. The amount was fully impaired as at 31 December 2020

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23 Equity-accounted investee

<i>In thousands of Naira</i>	Group	Company	Group	Company
	31 December 2020	31 December 2020	31 December 2019	31 December 2019
Investment in Associate - NG Clearing Limited (See note 23(a) below)	725,475	736,687	591,357	670,500
Additional investment during the year	804,750	804,750	66,187	66,187
Share of profit/(loss) from associate (b)	23,444	-	67,931	-
<b>Carrying amount</b>	<b>1,553,669</b>	<b>1,541,437</b>	<b>725,475</b>	<b>736,687</b>
<b>Non-current Assets</b>	<b>1,553,669</b>	<b>1,541,437</b>	<b>725,475</b>	<b>736,687</b>

(a) Investment in Associate - NG Clearing Limited

NG Clearing Limited is an associate company in which the Company has 24.7% ownership interest (2019: 22.6%). It is principally established as a central counterparty clearing house (CCP) for the clearing and settlement of derivative instruments across various asset classes, i.e., futures and options contracts on indices, equity shares, commodities, currency, rates etc. The Company was incorporated in the year 2016, as at 31st December 2020, NGCL had attained crucial milestones - recruiting key management staff (Chief Executive Officer, Chief Operating Officer, Company Secretary, Chief Financial Officer and Head, Technology and Innovation) and operationalising the Company. NGCL has signed an agreement with a leading software development firm, Mantissa Infotech Private Limited, to develop, implement, and maintain bespoke clearing and settlement technology for its operations.

Total amount recognised in profit or loss is as follows

<i>In thousands of Naira</i>	Group	Company	Group	Company
	31 December 2020	31 December 2020	31 December 2019	31 December 2019
Share of profit/(loss) from NG Clearing Limited	23,444	-	67,931	-
<b>Carrying amount</b>	<b>23,444</b>	<b>-</b>	<b>67,931</b>	<b>-</b>

Share of profit/(loss) from

(b) associate

<i>In thousands of Naira</i>	31 December 2020	31 December 2019
<b>Percentage ownership interest</b>	<b>24.7%</b>	<b>22.6%</b>
Current assets	2,190,717	3,543,613
Non-current assets	4,563,418	24,287
Current liabilities	(134,387)	(546,775)
<b>Net Asset (100%)</b>	<b>6,619,748</b>	<b>3,021,125</b>
Group's share of net asset	1,635,078	682,774
<b>Carrying Amount of interest in associate</b>	<b>1,635,078</b>	<b>682,774</b>
Revenue	578,660	380,597
Total Expense	(483,746)	(80,017)
Profit/(loss) from continuing operations	94,914	300,580
<b>Group's share of accumulated profit/(loss)</b>	<b>23,444</b>	<b>67,931</b>

24 Investment in subsidiary

<i>In thousands of Naira</i>	Group	Company	Group	Company
	31 December 2020	31 December 2020	31 December 2019	31 December 2019
Insurance Repository Nigeria Limited	-	10,000	-	10,000
<b>Carrying amount</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>

The Company has a 99.9% holding in Insurance Repository Nigeria Limited. Insurance Repository Nigeria Limited was incorporated in Nigeria and was yet to commence operations as at 31 December 2020. Its principal objective is to enhance the record keeping of insurance data and policies.

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25 Capital and reserves

25(a) Share Capital

Share capital - Authorised

	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
<i>In thousands of unit</i>				
5,000,000,000 ordinary shares of N1 each	5,000,000	5,000,000	5,000,000	5,000,000
<b>Share capital - in issue at 31 December - fully paid</b>				
Ordinary shares in issue and fully paid at 1 January	5,000,000	5,000,000	5,000,000	5,000,000
Ordinary share in issue and fully paid as at end of the year	5,000,000	5,000,000	5,000,000	5,000,000

25(b) Retained earnings

Retained earnings are the carried forward recognised income net of expenses plus current year profit attributable to shareholders.

25(c) Fair value reserve

The fair value reserves comprises the cumulative net change in the fair value of debt securities designated at FVOCI until the assets are derecognized or reclassified.

Analysis of fair value reserves are as follows:

	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
<i>In thousands of Naira</i>				
Opening fair value reserves	(317,029)	(317,029)	22,709	22,709
Fair value gain on FVOCI treasury bills - See note 17(c)	-	-	(253,184)	(253,184)
Fair value gain on FVOCI bonds- See note 17(c)	(262,567)	(262,567)	(33,434)	(33,434)
Reversal of prior year fair value gains/(loss) on derecognition of FVOCI assets	253,184	253,184	(59,436)	(59,436)
Fair value gain derecognised upon reclassification of FVOCI bonds	46,077	46,077	-	-
Exchange loss recognition on FVOCI bonds	9,485	9,485	-	-
ECL on FVOCI (see note (i) below)	(2,920)	(2,920)	6,315	6,315
Debt Instruments at FVOCI- net change in fair value	43,259	43,259	(339,739)	(339,739)
Closing Fair value reserves	(273,770)	(273,770)	(317,029)	(317,029)

i) This represents ECL adjustments on FVOCI financial assets as at year end.

25(d) Actuarial reserve

	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
<i>In thousands of Naira</i>				
<b>Statement of other comprehensive income:</b>				
Opening actuarial reserves	851	851	-	-
Actuarial gains/(losses) arising from changes in financial assumptions and experience adjustments	1,169	1,169	1,216	1,216
Deferred tax impact	(351)	(351)	(365)	(365)
<b>Total</b>	<b>818</b>	<b>818</b>	<b>851</b>	<b>851</b>
Closing actuarial reserves	1,670	1,670	851	851

25(e) Dividend

The Company has proposed a final dividend of 117 kobo per share from the retained earnings account as at 31 December 2020, pending the approval of the shareholders at the 2020 Annual General Meeting.

The following dividends were declared and paid by the Company:

	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
<i>In thousands of Naira</i>				
Dividend	86	4,300,000	70	3,500,000

This represents the dividend proposed for the preceding year but paid in the current year.

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26 Intercompany payables

<i>In thousands of Naira</i>	Group	Company	Group	Company
	31 December 2020	31 December 2020	31 December 2019	31 December 2019
Insurance Repository Nigeria Limited (See note (a) below)	-	10,000	-	10,000
Carrying amount	-	10,000	-	10,000

(a) Intercompany payables represents amount payable to the Company's subsidiary, Insurance Repository Nigeria Limited for purchase of the subsidiary's shares.

27 Payables and accruals

<i>In thousands of Naira</i>	Group	Company	Group	Company
	31 December 2020	31 December 2020	31 December 2019	31 December 2019
<b>Financial liabilities</b>				
Sundry creditors	117,617	117,617	124,649	124,649
Accruals	370,274	370,274	101,489	101,489
(NSE/CSCS) X- alert fees	544	544	-	-
Audit fees	21,500	21,500	17,465	17,465
<b>Total other financial liabilities</b>	<b>509,935</b>	<b>509,935</b>	<b>243,603</b>	<b>243,603</b>
<b>Non-financial liabilities</b>				
National Housing Fund	682	682	681	681
Nigeria Social Insurance Trust Fund	22,501	22,501	2,601	2,601
Staff pension fund	3,799	3,799	3,751	3,751
Staff productivity bonus	647,524	647,524	315,108	315,108
Contract liability	349,466	349,466	161,624	161,624
<b>Total other non-financial liabilities</b>	<b>1,023,972</b>	<b>1,023,972</b>	<b>483,765</b>	<b>483,765</b>
<b>Total payables and accruals</b>	<b>1,533,907</b>	<b>1,533,907</b>	<b>727,368</b>	<b>727,368</b>

28 Other liabilities

<i>In thousands of Naira</i>	Group	Company	Group	Company
	31 December 2020	31 December 2020	31 December 2019	31 December 2019
<b>Financial liabilities</b>				
Unclaimed Dividends (see note (i))	162,830	162,830	133,364	133,364
Depository fee suspense	35,882	35,882	29,185	29,185
Fixed Asset Disposal	92	92	-	-
CSCS Individual Divestment	1,290	1,290	1,290	1,290
CSCS Share Buy-Back	29,521	29,521	111,800	111,800
Exchange Traded Fund Distribution Accounts	12,318	12,318	10,587	10,587
Amount due to Adonai Net	7,692	7,692	7,692	7,692
Amount due to Investment & Securities Tribunal (see note (ii))	120,479	120,479	98,293	98,293
CSCS Stamp Duty Account	2,896,253	2,896,253	1,335,522	1,335,522
Lease liability	276,076	276,076	318,245	318,245
CSCS FGN Green Bond	15,558	15,558	15,558	15,558
Managed funds	232	232	232	232
	<b>3,558,223</b>	<b>3,558,223</b>	<b>2,061,768</b>	<b>2,061,768</b>
<b>Indirect Tax</b>				
PAYE liability	57,084	57,084	76,294	76,294
Withholding tax liability	25,954	25,954	16,376	16,376
Value Added Tax liability	129,616	129,616	87,500	87,500
<b>Indirect Tax</b>	<b>212,654</b>	<b>212,654</b>	<b>180,170</b>	<b>180,170</b>
	<b>3,770,877</b>	<b>3,770,877</b>	<b>2,241,938</b>	<b>2,241,938</b>

(i) The balance of the unclaimed dividend was invested in fixed placements and a total of N5.39 million was earned as interest income on the amount during the period.

(ii) In October 2014, the Ministry of Finance directed that CSCS (including NSE and SEC) should contribute 10% of its transaction fees on trades executed on The Nigerian Stock Exchange to Investment and Securities Tribunal (IST). The balance represents outstanding due to IST as at 31st December 2021.

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29 Pension plan and other employment benefits

29 Defined contribution plan

All the employees of the Group qualify for the contributory pension scheme of Nigeria. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions. Pension contribution of a percentage of employees emoluments (10% by the employer and 8% by the employees) are made in accordance with the Pension Reform Act 2014.

The total expense recognized in profit or loss was N175.69 million for the Group and N175.69 million for the Company (2019: N73.48 million for the Group and N73.48 million for the Company) represent contributions payable to these plans by the Group and Company at the rates specified in accordance with the Pension Reform Act 2014 (amended).

29 Long term incentive scheme

The Managing Director is entitled to a defined benefit (as approved by the Board) upon his exit and the expiration of his employment with the Group. The defined benefit shall be 33% of his annual benefit which shall be provided and reported in the Group's yearly financial account. As at 31 December 2020, the amount provided is N125.6 million.

The sum of the outstanding long-term severance benefit scheme and the terminal benefit provided for is N125.6 million and this has been included in long term incentive scheme liabilities below.

Analysis of the amount charged to statement of profit or loss and other comprehensive income and statement of financial position for the prior year is shown below:

(i) Per statement of profit or loss and other comprehensive income

The long term incentive scheme liability is made up of:

<i>In thousands of Naira</i>	Group	Company	Group	Company
	31 December 2020	31 December 2020	31 December 2019	31 December 2019
Opening balance	77,012	77,012	116,158	116,158
Payment during the year	-	-	(81,859)	(81,859)
Addition in profit or loss during the year	49,709	49,709	43,929	43,929
Addition in other comprehensive income during the year	(1,169)	(1,169)	(1,216)	(1,216)
<b>Total defined benefits</b>	<b>125,551</b>	<b>125,551</b>	<b>77,012</b>	<b>77,012</b>

<i>In thousands of Naira</i>	Group	Company	Group	Company
	31 December 2020	31 December 2020	31 December 2019	31 December 2019
<b>Statement of profit or loss:</b>				
Current service cost	36,019	36,019	35,516	35,516
Interest Cost	13,690	13,690	8,413	8,413
<b>Total</b>	<b>49,709</b>	<b>49,709</b>	<b>43,929</b>	<b>43,929</b>

Statement of other comprehensive income:

Change in Economic Assumptions: Actuarial loss -Salary Growth rate	3,229	3,229	10,655	10,655
Actuarial gain- Economic experience	(4,399)	(4,399)	(9,439)	(9,439)
<b>Total</b>	<b>1,169</b>	<b>1,169</b>	<b>1,216</b>	<b>1,216</b>

Deferred tax impact	(351)	(351)	(365)	(365)
<b>Total in other comprehensive income</b>	<b>818</b>	<b>818</b>	<b>851</b>	<b>851</b>

(ii) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Group	Company
	31 December 2020	31 December 2020
Future salary growth	1.97%	2.52%
Interest rate	12.50%	14.50%

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below.

<i>In thousands of naira</i>	31 December 2020		
	benefit obligation	+1%	-1%
Interest rate (movement)	366,810	376,920	356,900
Salary increase rate (movement)	366,810	376,920	356,900



**Notes to the Consolidated and Separate financial statements**  
For the year ended 31 December 2020

**30 Events after the reporting date**

Due to the uncertainty of the outcome of the current events, the Company cannot reasonably estimate the impact these events will have on the Company's financial position, results of operations or cash flows in the future. Except as disclosed above, there are no other significant events after the reporting period which could have a material effect on the financial position of the Company as at 31 December 2020 that have not been adequately provided for or disclosed in these financial statements.

The Company's operational response to COVID-19 is set out in the Enterprise Risk Management Report.

**31 Contingent liabilities**

There are pending litigations against the Company some of which the Company is only a nominal party. Contingent liability as at 31 December 2020 stood at N2,759,948,900.34 (31 December 2019: N3,347,005,191). However, the directors are of the opinion that the various suits will not succeed against the Company.

**32 Capital commitments**

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the state of affairs of the Group and Company have been taken into account in the preparation of the consolidated and separate financial statements.

**33 Related Parties**

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes subsidiaries, associates, joint ventures, as well as key management personnel.

**Associate**

Transactions with The Nigerian Stock Exchange also meet the definition of related party transactions, as Central Securities Clearing System Plc is an associate of The Nigerian Stock Exchange. The transactions includes: rent and x-alert handling charges held by CSCS on behalf of the Nigerian Stock Exchange.

In thousands of Naira	Name of company / Individual	Transaction type	Secured/Unsecured	Transaction values		Balance outstanding	
				31 December 2020	31 December 2019	31 December 2020	31 December 2019
				Amount	Amount	Amount	Amount
	The Nigerian Stock Exchange	Rent	Unsecured	62,231	52,449	-	1,172
	The Nigerian Stock Exchange	Payment of dividend	Not applicable	1,255,218	953,476	-	-
				<b>1,317,449</b>	<b>1,005,925</b>	<b>-</b>	<b>1,172</b>

**Transactions with key management personnel**

The Company's key management personnel, and persons connected with them, are also considered to be related parties. The definition of key management includes the close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Group. Close members of family are those family members who may be expected to influence, or be influenced by those individuals in their dealings with the Group.

**Key management personnel compensation**

Compensation to the Company's key management personnel include salaries, non-cash benefits and contributions to the post-employment defined contribution plans.

Executive directors are subject to a mutual term of notice of 3 months. Upon resignation at the Company's request, they are entitled to termination benefits of up to 12 months' total remuneration. If they resign on their own they receive 50% of their salary and an additional 20% for each year in service.

**Notes to the Consolidated and Separate financial statements**  
For the year ended 31 December 2020

Key management personnel compensation comprise:	31 December	31 December
<i>In thousands of Naira</i>	2020	2019
Executive compensation	15,651	13,333
Directors sitting allowances	42,847	36,500
Directors allowances	79,354	67,600
	<b>137,852</b>	<b>117,433</b>

Compensation of the Company's key management personnel includes salaries, non-cash benefits and contributions to a post-employment defined benefit plan (see notes 12.1 and note 29).

**Key management personnel and director transactions**

The value of transactions with key management personnel and entities over which they have control or significant influence were as follows:

**Income**

Included in income is an amount of N63.5 million (31 December 2019: N103.2 million) representing depository fees, eligibility fees, settlement participation fees, LEI subscription fees earned by CSCS from companies in which certain Directors have interests. The details of the income as well as the balances outstanding in receivables as at 31 December 2020 were as follows:

*In thousands of Naira*

Name of company / Individual	Name of Directors related to the companies	Relationship	Position	Transaction type	Amount	Outstanding balance in trade receivables as at 31 December 2020
United Bank for Africa	Uche Ike	Director	ED, Risk	Depository fee	25,675	-
Access Bank Plc	Roosevelt Ogbonna	Director	Deputy MD	Depository fee	35,545	-
Solid-Rock Securities & Investment Plc	Patrick Ezeagu	Director	MD/CEO	Eligibility Fee	26	-
Magnartis Finance & Investment Ltd	Oluwaseyi Abe	Director	MD/CEO	Eligibility Fee	26	-
Access Bank Plc	Roosevelt Ogbonna	Director	Deputy MD	Subscription LEI	13	-
Magnartis Finance & Investment Ltd	Oluwaseyi Abe	Director	MD/CEO	Subscription LEI	13	-
United Bank for Africa	Uche Ike	Director	ED, Risk	Subscription	13	-
Solid-Rock Securities & Investment Plc	Patrick Ezeagu	Director	MD/CEO	Online Access	53	-
Magnartis Finance & Investment Ltd	Oluwaseyi Abe	Director	MD/CEO	Online Access	53	-
Access Bank Plc	Roosevelt Ogbonna	Director	Deputy MD	OTC Transactions	38	-
Access Bank Plc	Roosevelt Ogbonna	Director	Deputy MD	Bank Part Fees	1,050	-
United Bank for Africa	Uche Ike	Director	ED, Risk	Settlement Bank Part	1,050	-
					<b>63,554</b>	<b>-</b>

Notes to the Consolidated and Separate financial statements  
For the year ended 31 December 2020

In thousands of Naira

Name of company / Individual	Name of Directors related to the companies	Relationship	Position	Transaction type	Amount	Outstanding balance in trade receivables as at 31 December 2019
United Bank for Africa	Uche Ike	Director	ED, Risk	Depository fee	29,518	-
Access Bank Plc	Roosevelt Ogbonna	Director	Deputy MD	Depository fee	21,687	-
Solid-Rock Securities & Investment Plc	Patrick Ezeagu	Director	MD/CEO	Eligibility Fee	26	-
Magnartis Finance & Investment Ltd	Oluwaseyi Abe	Director	MD/CEO	Eligibility Fee	26	-
Access Bank Plc	Roosevelt Ogbonna	Director	Deputy MD	LEI Subscription	13	-
Solid-Rock Securities & Investment Plc	Patrick Ezeagu	Director	MD/CEO	LEI Subscription	13	-
Magnartis Finance & Investment Ltd	Oluwaseyi Abe	Director	MD/CEO	LEI Subscription	13	-
United Bank for Africa	Uche Ike	Director	ED, Risk	Subscription Lien	13	-
Access Bank Plc	Roosevelt Ogbonna	Director	Deputy MD	Placement Lien	21,687	-
United Bank for Africa	Uche Ike	Director	ED, Risk	Placement OTC	27,650	-
Access Bank Plc	Roosevelt Ogbonna	Director	Deputy MD	Transactions	331	-
Access Bank Plc	Roosevelt Ogbonna	Director	Deputy MD	Settlement Bank Part Fees	1,000	-
United Bank for Africa	Uche Ike	Director	ED, Risk	Settlement Bank Part Fees	1000	-
Verod Capital Ltd	Eric Idiahi	Director	Non Executive Director	Document Management Services	255	-
					<b>103,232</b>	<b>-</b>

**Prepayments**

Included in prepayment is an amount of N196.1 million (31 December 2019: N27.8 million) representing balances on prepaid transport allowances to Directors.

**Bank balances**

Included in cash and cash equivalent is an amount of N2.15 billion (31 December 2019: N3.12 billion) representing current account balances of CSCS with Banks in which certain Directors have interests. The balances as at 31 December 2020 were as follows:

In thousands of Naira				31 December 2020
Name of company / Individual	Name of Directors	Relationship	Transaction type	Amount
Access Bank Plc	Roosevelt Ogbonna	Shareholder/Director	Current account	2,001,840
Access Bank Plc-Dom Fee Collection A/c	Roosevelt Ogbonna	Shareholder/Director	Collection account	780
Access Bank Plc-LEI	Roosevelt Ogbonna	Shareholder/Director	Collection account	773
Access Bank Plc-USDollar Dom A/c	Roosevelt Ogbonna	Shareholder/Director	Collection account	137,819
UBA PLC-CSCS NASD Fee Collection A/c	Uche Ike	Shareholder/Director	Collection account	2,130
UBA PLC-CSCS NASD Vat Collection A/c	Uche Ike	Shareholder/Director	Collection account	1,478
UBA PLC-Stockbrokers Contract	Uche Ike	Shareholder/Director	Collection account	249
Stamp Duty Collection	Uche Ike	Shareholder/Director	Collection account	1,819
United Bank For Africa Plc-C/A	Uche Ike	Shareholder/Director	Collection account	1,440
United Bank For Africa-Collection	Uche Ike	Shareholder/Director	Collection account	2,148,328

Notes to the Consolidated and Separate financial statements  
For the year ended 31 December 2020

<i>In thousands of Naira</i>				31 December 2019
Name of company / Individual	Name of Directors	Relationship	Transaction type	Amount
Guaranty Trust Bank	Not Applicable	Shareholder	Current account	1,968,754
Guaranty Trust Bank	Not Applicable	Shareholder	Collection account	761
Guaranty Trust Bank	Not Applicable	Shareholder	Settlement account	47,173
Guaranty Trust Bank	Not Applicable	Shareholder	Call Account	5
Guaranty Trust Bank	Not Applicable	Shareholder	Trade Alert	103
Guaranty Trust Bank	Not Applicable	Shareholder	Trade Alert - VAT	5
Guaranty Trust Bank	Not Applicable	Shareholder	Domiciliary-USD	3,329
Guaranty Trust Bank	Not Applicable	Shareholder	Domiciliary-GBP	4,368
Guaranty Trust Bank	Not Applicable	Shareholder	Domiciliary-EURO	135
Access Bank Plc	Roosevelt Ogbonna	Shareholder/Director	Current account	2
Access Bank Plc	Roosevelt Ogbonna	Shareholder/Director	POS Collection account	2,769
Access Bank Plc	Roosevelt Ogbonna	Shareholder/Director	Dom Fee Collection Account	500
Access Bank Plc	Roosevelt Ogbonna	Shareholder/Director	Legal Entity Identifier	330
Fidelity Bank Plc	Not Applicable	Shareholder/Director	Collection account	12
Fidelity Bank Plc	Not Applicable	Shareholder/Director	Vetiva Griffin ETF	1,588
Fidelity Bank Plc	Not Applicable	Shareholder/Director	Vetiva Banking ETF	331
United Bank for Africa Plc	Uche Ike	Shareholder/Director	Current account	1,083,556
United Bank for Africa Plc	Uche Ike	Shareholder/Director	Collection account	170
United Bank for Africa Plc	Uche Ike	Shareholder/Director	NASD Coll. account	1,133
United Bank for Africa Plc	Uche Ike	Shareholder/Director	NASD Vat Collection account	241
				<b>3,115,264</b>

**Investments**

Included in investment securities is an amount of N11.01 billion as at 31 December 2020 (31 December 2019: N6.19 billion) representing treasury bills, federal government bonds and state government bonds belonging to CSCS and held in the custody of certain Banks which certain Directors have interests. The face value of the investments as at 31 December 2020 were as follows:

<i>In thousands of Naira</i>				31 December 2020
Name of company / Individual	Name of Directors	Relationship	Transaction type	Face value
United Bank for Africa Plc	Uche Ike	Shareholder/Director	FGN Bonds	500,000
United Bank for Africa Plc	Uche Ike	Shareholder/Director	FGN Bonds	815,900
United Bank for Africa Plc	Uche Ike	Shareholder/Director	FGN Bonds	314,122
United Bank for Africa Plc	Uche Ike	Shareholder/Director	FGN Bonds	2,039,750
United Bank for Africa Plc	Uche Ike	Shareholder/Director	FGN Bonds	2,039,750
United Bank for Africa Plc	Uche Ike	Shareholder/Director	FGN Bonds	153,797
United Bank for Africa Plc	Uche Ike	Shareholder/Director	FGN Bonds	193,125
United Bank for Africa Plc	Uche Ike	Shareholder/Director	State Bonds	1,500,000
United Bank for Africa Plc	Uche Ike	Shareholder/Director	Corporate Bonds	141,000
United Bank for Africa Plc	Uche Ike	Shareholder/Director	Corporate Bonds	500,000
United Bank for Africa Plc	Uche Ike	Shareholder/Director	Fixed Deposit	2,813,449
				<b>11,010,893</b>

<i>In thousands of Naira</i>				31 December 2019
Name of company / Individual	Name of Directors	Relationship	Transaction type	Face value
United Bank for Africa Plc	Uche Ike	Shareholder/Director	FGN Bonds	1,299,619
Guaranty Trust Bank	Not Applicable	Shareholder	Treasury Bills	1,375,465
United Bank for Africa Plc	Uche Ike	Shareholder/Director	Treasury Bills	3,510,406
				<b>6,185,490</b>

There was no material impact on the Company's basic and diluted earning per share.

**Notes to the Consolidated and Separate financial statements**  
For the year ended 31 December 2020

**34 Condensed results of consolidated entity**

Condensed results of the consolidated entity as at 31 December 2020, are as follows:

<i>In thousands of naira</i>	Group balance	Intra-group eliminations	The Company	Insurance Repository Nigeria Limited
Operating income	12,087,177	-	12,087,177	-
Operating expenses	(4,578,632)	-	(4,578,632)	-
Impairment reversal	(139,293)	-	(173,804)	-
Fair value loss on investment securities				
Operating surplus before tax	7,369,252	-	7,334,741	-
Share of gain of equity accounted investees	23,444	23,444	-	-
Tax expense	(464,361)	-	(464,361)	-
Operating surplus after tax	6,928,335	23,444	6,870,380	-

**Condensed financial position**

<i>In thousands of naira</i>	Group balance	Intra-group eliminations	The Company	
Total Non-Current Assets	23,063,771	-	23,061,539	-
Total Current Assets	18,358,556	-	18,358,501	-
Total assets	41,422,327	-	41,420,040	-
Total Equity	35,491,978	-	35,479,691	-
Total non current liabilities	189,036	-	189,036	-
Total current liabilities	5,741,313	(10,000)	5,751,313	-
Total liabilities	5,930,349	(10,000)	5,940,349	-
Total equity and liabilities	41,422,327	(10,000)	41,420,040	-

**35 Cash flow workings**

	Notes	Group 31 December 2020	Company 31 December 2020	Group 31 December 2019	Company 31 December 2019
<i>In thousands of naira</i>					
<b>(i) Changes in intercompany receivables</b>					
Opening balance		-	34,511	-	34,511
Impairment reversal/(charge)		-	(34,511)	-	-
Closing balance	22(a)	-	-	-	(34,511)
Change during the year		-	-	-	-
<b>(ii) Changes in trade receivables</b>					
Opening balance	18(a)	177,043	177,043	102,279	102,279
Impairment reversal/(charge)	20	(127,072)	(127,072)	(40,760)	(40,760)
Closing balance	18(a)	(160,450)	(160,450)	(177,043)	(177,043)
Change during the year		(110,479)	(110,479)	(115,524)	(115,524)
<b>(iii) Changes in other assets</b>					
Opening balance	19(a)	181,877	181,877	324,380	312,046
Impairment reversal/(charge)	20	-	-	-	-
Closing balance	19(a)	(424,482)	(424,482)	(181,877)	(181,877)
Change during the year		(242,605)	(242,605)	142,503	130,169

Notes to the Consolidated and Separate financial statements  
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<b>(iv) Changes in payables and accruals</b>					
Opening balance	27	727,368	727,368	872,873	872,873
Closing balance	27	(1,533,907)	(1,533,907)	(727,368)	(727,368)
Change during the year		(806,539)	(806,539)	145,505	145,505
<b>(v) Changes in other liabilities</b>					
Opening balance	28	2,241,938	2,241,938	3,150,930	3,150,930
Net write back of provision for productivity bonus		-	-	-	-
Lease payment during the year		(41,350)	(41,350)	(41,350)	(41,350)
Closing balance	28	(3,770,877)	(3,770,877)	(2,241,938)	(2,241,938)
Change during the year		(1,570,289)	(1,570,289)	867,642	867,642
<b>(vi) Changes in intercompany payable</b>					
Opening balance	26	-	10,000	10,000	10,000
Closing balance	26	-	(10,000)	-	(10,000)
Change during the year		-	-	10,000	-
<b>(vii) Proceeds from disposal of property and equipment</b>					
Cost of property and equipment disposed	15	21,150	21,150	37,155	37,155
Accumulated depreciation	15	(21,150)	(21,150)	(26,280)	(26,280)
Profit on disposal of property and equipment	11	1,080	1,080	4,263	4,263
Proceeds during the year		1,080	1,080	15,138	15,138
<b>(viii) Net changes in investment securities -treasury bills</b>					
Balance, beginning of the year	17(b)	5,005,511	5,005,511	5,879,813	5,879,813
Fair value profit derecognised		(253,184)	(253,184)	256,000	256,000
Balance, end of the year	17(b)	-	-	(5,005,511)	(5,005,511)
Change during the year		4,752,327	4,752,327	1,130,302	1,130,302
<b>(ix) Net changes in investment securities - bonds</b>					
Balance, beginning of the year	17(a)	21,960,972	21,960,972	23,644,726	23,644,726
Fair value profit/(loss)		262,567	262,567	11,482	11,482
Fair value gain derecognised upon reclassification		(46,077)	(46,077)	-	-
Balance, end of the year	17(a)	(19,570,294)	(19,570,294)	(21,960,972)	(21,960,972)
Change during the year		2,607,167	2,607,167	1,695,236	1,695,236
<b>(x) Interest received</b>					
Balance, beginning of the year		(48,252)	(48,252)	44,410	44,410
Interest income	10	7,443,495	7,443,495	4,612,237	4,612,237
Interest received for the year		7,395,243	7,395,243	4,656,647	4,656,647
<b>(xi) Dividend paid</b>					
Balance, beginning of the year	28	133,364	133,364	63,926	63,926
Additional dividend during the year		4,300,000	4,300,000	3,500,000	3,500,000
Balance, end of year	28	(162,830)	(162,830)	(133,364)	(133,364)
Net dividend paid during the year		4,270,534	4,270,534	3,430,562	3,430,562
During the year, dividend of N0.86 per share was approved and paid to shareholders on 2019 profits					
<b>(xii) Purchase of PPE</b>					
Balance, beginning of the year	15	1,083,510	1,083,510	595,575	595,575
Disposal: Cost		(21,150)	(21,150)	(37,155)	(37,155)
Disposal: Accumulated depreciation		21,150	21,150	26,280	26,280
Depreciation during the year		(289,201)	(289,201)	(202,222)	(202,222)
Additions: cash purchase		559,794	559,794	701,032	701,032
Closing carrying value		(1,354,103)	(1,354,103)	1,083,510	1,083,510

Notes to the Consolidated and Separate financial statements  
For the year ended 31 December 2020

36 Change in presentation

Certain comparative amounts and disclosures in the statement of income and expenditure and statement of financial position have been re-presented in order to ensure inter-period comparability of financial information in order to assist users of the financial statements.

Group

<i>In thousands of naira</i>	Notes	Previously Reported Dec-19	Reclassification	Re-presented Dec-19
Revenue (see note 36 (a) below)	9	3,911,852	676,955	4,588,807
Investment income		4,612,237	-	4,612,237
Other income (see note 36 (a) below)	11	682,051	(676,955)	5,096
<b>Total operating income</b>		9,206,140	-	9,206,140
Personnel expenses		(1,317,186)	-	(1,317,186)
Other operating expenses		(1,268,438)	-	(1,268,438)
Depreciation and amortisation		(547,906)	-	(547,906)
Finance cost		(48,546)	-	(48,546)
Impairment reversal/(loss) on financial assets		(49,561)	-	(49,561)
		(3,231,637)	-	(3,231,637)
Share of loss of equity accounted investee		67,931	-	67,931
<b>Profit before tax</b>		6,042,434	-	67,931
Income tax		(1,141,755)	-	-
<b>Profit after tax</b>		4,900,679	-	67,931

Company

<i>In thousands of naira</i>	Notes	Previously Reported Dec-19	Reclassification	Re-presented Dec-19
Revenue (see note 36 (a) below)	9	3,911,852	676,955	4,588,807
Investment income		4,612,237	-	4,612,237
Other income (see note 36 (a) below)	11	682,051	(676,955)	5,096
<b>Total operating income</b>		9,206,140	-	9,206,140
Personnel expenses		(1,317,186)	-	(1,317,186)
Other operating expenses		(1,256,104)	-	(1,256,104)
Depreciation and amortisation		(547,906)	-	(547,906)
Finance cost		(48,546)	-	(48,546)
Impairment reversal/(loss) on financial assets		(49,561)	-	(49,561)
		(3,219,303)	-	(3,219,303)
<b>Profit before tax</b>		5,986,837	-	5,986,837
Income tax		(1,141,755)	-	-
<b>Profit after tax</b>		4,845,082	-	5,986,837

36(a) In the current year, the Group presented income derived from its non-core activities under revenue in the *Consolidated and Separate Statements of Profit or Loss and other Comprehensive Income* (2019: presented under revenue).

Income recognised on non-core activities are from contract with customers and are therefore accounted for using relevant guidance of IFRS 15 *Revenue from contracts with customers*.

The Group has therefore re-presented income from non-core activities to revenue in the current year to enhance inter-period comparability.

**Other National Disclosures**



Other National Disclosures

Value added statement

For the year ended 31 December 2020

<i>In thousands of Naira</i>	Group		Company	
	31 December 2020	%	31 December 2020	%
Gross earnings	12,087,177	120	12,087,177	121
Net impairment loss on trade receivables	(139,293)	(1)	(173,804)	(2)
Bought-in-materials and services	(1,887,817)	(19)	(1,911,261)	(19)
<b>Value added</b>	<b>10,060,067</b>	<b>100</b>	<b>10,002,112</b>	<b>100</b>
<b>Distribution of Value Added</b>		%		
<b>To Employees:</b>				
Staff cost	2,051,082	20	2,051,082	21
<b>To government</b>				
Government as taxes	464,361	5	464,361	5
<b>For future replacement of assets, expansion of business and payment of dividend to shareholders:</b>				
- Depreciation and amortisation	616,289	6	616,289	6
- Dividend to shareholders	4,300,000	43	4,300,000	43
- To augment reserve	2,628,335	26	2,570,380	26
	<b>10,060,067</b>	<b>100</b>	<b>10,002,112</b>	<b>100</b>
<i>In thousands of Naira</i>	Group		Company	
	31 December 2019	%	31 December 2019	%
Gross earnings	9,206,140	117	9,206,140	117
Net impairment loss on trade receivables	(49,561)	(1)	(49,561)	(1)
Bought-in-materials and services	(1,249,053)	(16)	(1,304,650)	(16)
<b>Value added</b>	<b>7,907,526</b>	<b>100</b>	<b>7,851,929</b>	<b>100</b>
<b>Distribution of Value Added</b>		%		
<b>To Employees:</b>				
Staff cost	1,317,186	17	1,317,186	17
<b>To government</b>				
Government as taxes	1,141,755	14	1,141,755	15
<b>For future replacement of assets, expansion of business and payment of dividend to shareholders:</b>				
- Depreciation and amortisation	547,906	6	547,906	7
- Dividend to shareholders	3,500,000	44	3,500,000	45
- To augment reserve	1,400,679	19	1,345,082	16
	<b>7,907,526</b>	<b>100</b>	<b>7,851,929</b>	<b>100</b>

Other National Disclosures

Financial Summary

The Group	31 December 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
<i>In thousands of Naira</i>					
<b>Assets</b>					
<b>Non current Assets</b>					
Property and equipment	1,354,103	1,083,510	595,575	366,751	575,814
Intangible assets	585,705	785,471	1,089,601	1,411,086	613,228
Equity-accounted investee	1,553,669	725,475	591,357	1,762	19,149
Investments securities	19,570,294	21,960,972	23,644,725	21,709,176	19,138,043
Deferred tax asset	-	-	-	38,298	20,020
Defined benefit plan asset (Net)	-	-	-	-	248,101
<b>Total non current assets</b>	<b>23,063,771</b>	<b>24,555,428</b>	<b>25,921,258</b>	<b>23,527,073</b>	<b>20,614,355</b>
<b>Current Assets</b>					
Investment securities	-	5,005,511	5,879,813	5,418,936	5,135,327
Trade receivables	160,450	177,043	102,279	15,550	15,522
Other assets	424,482	181,877	324,380	952,905	517,047
Cash and cash equivalent	17,773,624	6,691,545	3,626,868	2,004,979	783,088
<b>Total current assets</b>	<b>18,358,556</b>	<b>12,055,976</b>	<b>9,933,340</b>	<b>8,392,370</b>	<b>6,450,984</b>
<b>Total assets</b>	<b>41,422,327</b>	<b>36,611,404</b>	<b>35,854,598</b>	<b>31,919,443</b>	<b>27,065,339</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Payables, provisions and accruals	1,533,907	727,368	872,873	804,293	413,154
Current tax liabilities	436,529	652,254	652,577	582,765	286,177
Other liabilities	3,770,877	2,241,938	3,150,930	679,892	282,011
<b>Total current liabilities</b>	<b>5,741,313</b>	<b>3,621,560</b>	<b>4,676,380</b>	<b>2,066,950</b>	<b>981,342</b>
<b>Non current liabilities</b>					
Deferred tax liabilities	63,485	6,747	13,403	-	-
Long term incentive scheme	125,551	77,012	-	-	-
<b>Total non current liabilities</b>	<b>189,036</b>	<b>83,760</b>	<b>13,403</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>5,930,349</b>	<b>3,705,320</b>	<b>4,689,783</b>	<b>2,066,950</b>	<b>981,342</b>
<b>Equity</b>					
Share capital	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Retained earnings	30,216,538	27,588,203	26,187,524	25,006,022	20,924,284
Other components of equity	273,770	317,029	(22,709)	(153,529)	159,713
Actuarial reserves	1,670	851	-	-	-
<b>Total equity</b>	<b>35,491,977</b>	<b>32,906,083</b>	<b>31,164,815</b>	<b>29,852,493</b>	<b>26,083,997</b>
<b>Non-controlling Interest</b>					
<b>Total equity and liabilities</b>	<b>41,422,327</b>	<b>36,611,404</b>	<b>35,854,598</b>	<b>31,919,443</b>	<b>27,065,339</b>
	31 December 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
<b>Total operating income</b>	<b>12,087,177</b>	<b>9,206,140</b>	<b>9,082,085</b>	<b>8,691,558</b>	<b>6,174,003</b>
<b>Profit before taxation</b>	<b>7,392,696</b>	<b>6,042,434</b>	<b>6,091,344</b>	<b>5,664,177</b>	<b>3,724,196</b>
<b>Profit after taxation</b>	<b>6,928,335</b>	<b>4,900,679</b>	<b>4,822,330</b>	<b>4,980,601</b>	<b>3,532,956</b>
<b>Earnings per share</b>	139k	98k	96k	100k	71k
<b>Number of ordinary shares of N1 each</b>	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000

The Company	31 December 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
<i>In thousands of Naira</i>					
<b>Assets</b>					
<b>Non current Assets</b>					
Property and equipment	1,354,103	1,083,510	595,575	366,751	575,814
Intangible assets	585,705	785,471	1,089,602	1,411,086	613,228
Intercompany receivables	-	34,511	34,511	34,511	32,247
Equity-accounted investee	1,541,437	736,687	670,500	62,500	62,500
Investment in subsidiary	10,000	10,000	10,000	10,000	10,000
Investments securities	19,570,294	21,960,972	23,644,726	21,709,176	19,138,043
Deferred tax asset	-	-	-	38,298	20,020
Defined benefit plan asset (Net)	-	-	-	-	248,101
<b>Total non current assets</b>	<b>23,061,539</b>	<b>24,611,151</b>	<b>26,044,913</b>	<b>23,632,322</b>	<b>20,699,953</b>
<b>Current Assets</b>					
Investment securities	-	5,005,511	5,879,813	5,418,936	5,135,327
Trade receivables	160,450	177,043	102,279	15,550	15,522
Other assets	424,482	181,877	312,046	940,571	504,713
Cash and cash equivalent	17,773,569	6,691,490	3,626,812	2,004,924	783,043
<b>Total current assets</b>	<b>18,358,501</b>	<b>12,055,921</b>	<b>9,920,950</b>	<b>8,379,982</b>	<b>6,438,605</b>
<b>Total assets</b>	<b>41,420,040</b>	<b>36,667,071</b>	<b>35,965,864</b>	<b>32,012,303</b>	<b>27,138,558</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Intercompany payables	10,000	10,000	10,000	10,000	10,000
Payables, provisions and accruals	1,533,907	727,368	872,873	804,293	413,154
Current tax liabilities	436,529	652,254	652,577	582,765	286,177
Other liabilities	3,770,877	2,241,938	3,150,930	679,892	282,011
<b>Total current liabilities</b>	<b>5,751,313</b>	<b>3,631,560</b>	<b>4,686,380</b>	<b>2,076,950</b>	<b>991,342</b>
<b>Non current liabilities</b>					
Deferred tax liabilities	63,485	6,747	13,403	-	-
Long term incentive scheme	125,551	77,012	-	-	-
<b>Total non current liabilities</b>	<b>189,037</b>	<b>83,760</b>	<b>13,403</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>5,940,350</b>	<b>3,715,320</b>	<b>4,699,783</b>	<b>2,076,950</b>	<b>991,342</b>
<b>Equity</b>					
Share capital	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Retained earnings	30,204,251	27,633,871	26,288,789	25,088,883	20,987,503
Other components of equity	273,770	317,029	(22,709)	(153,529)	159,713
Actuarial reserves	1,670	851	-	-	-
<b>Total equity</b>	<b>35,479,690</b>	<b>32,951,751</b>	<b>31,266,081</b>	<b>29,935,353</b>	<b>26,147,216</b>
<b>Non-controlling Interest</b>					
<b>Total equity and liabilities</b>	<b>41,420,040</b>	<b>36,667,071</b>	<b>35,965,864</b>	<b>32,012,303</b>	<b>27,138,558</b>
	<b>31 December 2020</b>	<b>31 December 2019</b>	<b>31 December 2018</b>	<b>31 December 2017</b>	<b>31 December 2016</b>
<b>Total operating income</b>	<b>12,087,177</b>	<b>9,206,140</b>	<b>9,082,085</b>	<b>8,691,558</b>	<b>6,174,003</b>
<b>Profit before taxation</b>	<b>7,334,741</b>	<b>5,986,837</b>	<b>6,109,749</b>	<b>5,683,817</b>	<b>3,787,415</b>
<b>Profit after taxation</b>	<b>6,870,380</b>	<b>4,845,082</b>	<b>4,840,735</b>	<b>5,000,241</b>	<b>3,596,175</b>
<b>Earnings per share</b>	<b>137k</b>	<b>97k</b>	<b>97k</b>	<b>100k</b>	<b>72k</b>
<b>Number of ordinary shares of N1 each</b>	<b>5,000,000,000</b>	<b>5,000,000,000</b>	<b>5,000,000,000</b>	<b>5,000,000,000</b>	<b>5,000,000,000</b>