The Nigerian Exchange Group Plc
Annual Report
31 December 2021

Index to the consolidated and separate financial statements
For the year ended 31 December 2021

Reports

Corporate information

Directors

Otunba Abimbola Ogunbanjo	Chairman (Non-Executive Director)
Mr. Oscar N. Onyema, OON	Group Managing Director/GCEO
Mr. Apollos Ikpobe	Independent Non-Executive Director
Dr. Okechukwu Itanyi	Independent Non-Executive Director
Prof. Enase Okonedo	Independent Non-Executive Director
Mrs. Ojinika Olaghere	Independent Non-Executive Director
Mr. Oluwole Adeosun	Non-Executive Director
Mr. Chidi Agbapu	Non-Executive Director
Mr. Patrick Ajayi	Non-Executive Director
Mrs. Fatimah Bintah Bello – Ismail	Non-Executive Director
Dr. Umaru Kwairanga	Non-Executive Director

Company Secretary:
Mrs. Mojisola Adeola
FRC/2013/NBA/00000004263

Registered Office:
Nigerian Exchange House
2/4, Customs Street
Marina
Lagos
FRC/2013/0000000000621

Independent Auditor:
KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole street
Victoria Island
Lagos
www.kpmg.com/ng

RC Number
RC 2321

Tax Identification Number (TIN)
00884470-0001

Corporate governance report
For the year ended 31 December 2021

a. Introduction

Nigerian Exchange Group Plc ("NGX Group" or "the Company") (formerly The Nigerian Stock Exchange) had in March 2021 obtained approval from the Securities and Exchange Commission to operate as a demutualized entity. The demutualization of The Nigerian Stock Exchange (NSE) resulted in its operational structure change from a mutual company limited by guarantee to a public company limited by shares. Under this process, respective membership rights and interests of Members were converted into ownership rights evidenced by shares; with the shares representing and reflecting Members' ownership interests in the demutualized Exchange. Thus - upon demutualization - The NSE's Dealing and Ordinary Members became shareholders of the demutualized entity, holding shares which rank pari passu and are of a single class. The governance of The NSE also changed from the National Council to a Board of Directors.

NGX Group, however, retained the incorporation date of September 15, 1960 and registration certificate number RC 2321 of The Nigerian Stock Exchange (NSE) which is registered under the laws of the Federal Republic of Nigeria. The Company now operates as a non-operating holding company and has three (3) wholly owned subsidiaries, including: Nigerian Exchange Limited (NGX), the operating Exchange, NGX Regulation Limited (NGX REGCO), the independent regulatory arm of the Exchange; and NGX Real Estate (NGX RELCO) Limited, the real estate company.

NGX Group has in place an effective governance mechanism that not only ensures proper oversight of its business by the Board and other principal organs of the Company, but also carries on its business in a manner that engenders public trust and confidence whilst meeting the expectations of all stakeholders.

In pursuit of this objective, NGX Group' processes are consistently re-appraised to ensure that they operate on the global standard of corporate governance at all times. NGX Group gained full membership status of the World Federation of Exchanges (the "WFE") on 28 October 2014.

b. Shareholding

Following the demutualization of NGX Group Plc from an entity limited by guarantee to a public entity limited by shares, the membership of the Company has evolved and became open to the public from a shareholding of 432 members as at pre-demutualization to 2124 shareholders/members as at 31 December 2021.

c. The Board

The Board of NGX Group Plc ("the Board") is the governing body of the Company. The Board directs NGX Group Plc's business and financial affairs, strategy, structures and policies; monitors the exercise of any delegated authority; and deals with challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics.

d. The Role of the Board

In recognition of the importance of corporate governance as a key element in achieving its vision, NGX Group adopts best practices with respect to corporate governance and ensures these practices are infused into its activities to guarantee the highest level of business conduct in all its dealings with its stakeholders.

In light of this, the Board (which is responsible for NGX Group's performance and charged with governance at the highest level) regards corporate governance as fundamentally important to the accomplishment of NGX Group's vision and mission. Members of the Board are persons with the relevant qualification, experience in their various fields and they ensure that NGX Group is properly managed and oversee Management's performance. The Board is independent of Management and discharges its oversight functions in an objective and effective manner.

The Board retains full and effective control over NGX Group, and monitors Management's implementation of the strategic plans and financial objectives as defined by the Board. The Board also ensures that a comprehensive system of policies and procedures is in place and that appropriate governance structures exist to ensure the smooth, efficient and prudent stewardship of NGX Group.

The Board is governed by a Charter which outlines its principal roles, matters reserved for it, regulates the parameters within which it operates and ensures the application of the principles of good corporate governance across board.

The day-to-day management of NGX Group is vested in the hands of the Group Managing Director/Chief Executive Officer ("GMD/CEO"), who is assisted by the Management Committee. The Management Committee through the exercise of authority delegated by the Board, ensures that NGX Group discharges its obligations as a recognized non-operating holding company.

The Board has put in place an appropriate Risk Management Framework to mitigate financial, non-financial and regulatory risks. Where necessary, the Board engages the services of external consultants to advise it on risk and legal issues.

The Board also ensures that there is a succession planning policy for a smooth transition in key leadership positions at NGX Group.

In addition to the foregoing, members of the Board have executed and adhere to a Code of Conduct which guides their dealings and commits them to behaving ethically, with integrity and honesty, and working together to achieve the Company's objectives.

In line with good practice, the Board set up Committees to assist with certain areas of its functions. The Committees are governed by Terms of References approved by Board. The Board and its Committees endeavor to meet as frequently as required by their respective charters/terms of reference. The Board members hold an annual strategy session to review matters of strategic importance.

e. Board Structure

The Board is currently made up of eleven (11) Members; a Chairman, Group Managing Director/Chief Executive Officer (GMD/CEO), four (4) Independent Non-Executive Directors (INEDs) and five (5) Non-Executive Directors (NEDs). The GMD/CEO is responsible for the day to day running of NGX Group, assisted by the Management Committee.

The Board members who served on the Board during the financial year are as follows:

NAME	POSITION	CUMMULATIVE YEARS OF SERVICE AS AT JANUARY 2022
Otunba Abimbola Ogunbanjo	Chairman	10 Years, 7 months
Mr. Oscar N. Onyema, OON	Group Managing Director/Chief Executive Officer	10 Years, 10 months
Mr. Apollos Ikpobe	Independent Non-Executive Director	10 months
Dr. Okechukwu Itanyi	Independent Non-Executive Director	10 months
Prof. Enase Okonedo	Independent Non-Executive Director	10 months
Mrs. Ojinika Olaghere	Independent Non-Executive Director	10 months
Mr. Oluwole Adeosun	Non-Executive Director	4 Years, 4 months
Mr. Chidi Agbapu	Non-Executive Director	4 Years, 4 months
Mr. Patrick Ajayi	Non-Executive Director	4 Years, 4 months
Mrs. Fatimah Bintah Bello-Ismail	Non-Executive Director	4 Years, 4 months
Dr. Umaru Kwairanga	Non-Executive Director	10 months

The Board meets at least once every quarter and such other times as it is required to meet to address urgent matters.
These are transiting Council Members. In accordance with the Scheme of Arrangement between The Nigerian Stock Exchange and its Dealing and Ordinary Members dated 20 January 2020 (Scheme), the transition period will be for a period of eighteen months from demutualization (10 March 2021) of The Exchange. The transition period is due to expire on September 2022.

f. Responsibilities of the Board

The Board is responsible for:

- Approving the NGX Group's strategy and financial objectives and monitoring the implementation of those strategies and objectives;
- Reviewing and approving of annual budgets and business plans; setting performance objectives, monitoring implementation and corporate performance;
- Overseeing major capital expenditures, acquisitions and divestitures;
- Providing oversight of senior management;
- Establishment of the various committees of NGX Group including the terms of reference and review of reports of such committees to address key areas of NGX Group's business;
- Ensuring the integrity of NGX Group's accounting and financial reporting systems, including the internal audit function and that appropriate systems of control and risk monitoring are in place;
- Monitoring the effectiveness of the governance practices under which NGX Group operates and making appropriate changes as necessary; and
- Oversees the establishment, implementation and monitoring of a Group-wide risk management framework to identify, assess and manage business risks facing the NGX Group. This includes, but is not limited to financial, operational, information technology, legal, strategic, reputation and compliance risks.

The Board established four (4) standing Committees to facilitate the effective discharge of its oversight responsibilities and efficient decision-making. These Committees are constituted with formal Terms of Reference, which set out each Committee's roles, duties, and authority as well as the requirements for its composition, meeting procedures, and ancillary matters. These Committees also present formal report of their activities and recommendations to the Board. These Committees are made up of individuals with relevant skills and competencies who devote sufficient time to the Committees' work.

g. Board Committees

The Committees of the Board were formed for the speedy and efficient functioning of the Board. The Committees are set up in line with statutory and regulatory requirements and consistent with global best practice.

The Committees have well defined Terms of Reference defining their scope of responsibilities in such a way as to avoid overlap of functions. Below is an overview of the remit of the Committees and their membership composition during the year under review:

i. Governance & Remuneration Committee

The Committee is charged with ensuring that NGX Group complies with good corporate governance policies and practices. The Committee also provides oversight functions over NGX Group's human resource policies.

The membership of the Committee as at 31 December 2021 is as follows:

1. Prof. Enase Okonedo (Educator, Chartered Accountant)- Chairperson
2. Dr. Okechukwu Itanyi (Public Service Expert, Real Estate Consultant)
3. Mr. Chidi Agbapu (Economist, Stockbroker)
4. Dr. Umaru Kwairanga (Stockbroker, Banker)

ii. Board Risk and Audit Committee

The Committee provides supervision and advises the Board on its oversight functions in the following areas: (a) Enterprise Risk Management; (b) Regulatory Compliance; (c) Internal Audit; (d) Internal Control; (e) Financial Reporting; and (f) Sustainability. The Committee is also charged with providing reasonable assurance regarding the Board's oversight responsibilities with respect to NGX Group's financial statements, the effectiveness of its internal controls and the framework for risk identification, assessment and management.

The membership of the Committee as at 31 December 2021 is as follows:

1. Mr. Apollos Ikpobe, (Chartered Accountant and Banker) - Chairman
2. Dr. Okechukwu Itanyi (Public Service Expert, Real Estate Consultant)
3. Mrs. Ojinka Olaghere (Chartered Accountant, Banker)
4. Mr. Oluwole Adeosun (Chartered Accountant, Stockbroker and Banker)
5. Mrs. Fatimah Bintah Bello–Ismail (Legal Practitioner)

iii. Statutory Audit Committee

The Committee is charged with providing oversight functions in the following areas: (a) External Audit; (b) Internal Audit; and (c) Financial Reporting.

The membership of the Committee as at 31 December 2021 is as follows:

1. Mr. Oluwadare Adejumo, (Chartered Accountant, Stockbroker) - Chairperson
2.Mr. Daniel Ugwuoke (Banker, Stockbroker)
3. Mr. Peter Eyanuku (Extensive Audit Committee Experience)
4. Mrs. Ojinika Olaghere (Chartered Accountant, Banker)
5. Mr. Oluwole Adeosun (Chartered Accountant, Stockbroker and Banker)

iv. Board Strategy, Finance and Investment Committee

The Committee is charged with providing oversight responsibilities in relation to: (a) Strategy Planning, Monitoring and Tracking; (b) Capital Planning, Allocation and Management; (c) Investment Planning and Management; (d) Budgetary and Performance Reporting; and (e) Finance

The membership of the Committee as at 31 December 2021 is as follows:

1. Dr. Umaru Kwairanga (Stockbroker, Banker) - Chairman
2. Mr. Oscar N. Onyema OON, (GMD/CEO, NGX Group)
3. Mr. Apollos Ikpobe (Chartered Accountant, Banker)
4. Mr. Patrick Ajayi(Chartered Accountant, Stockbroker)

Directors' Report
For the year ended 31 December 2021

The Board of Directors presents their report on the affairs of the Nigerian Exchange Group Plc ("NGX Group" or “The Company”) and its subsidiaries (together “the Group" or "NGX Group"), together with the financial statements and independent auditor's report for the year ended 31 December, 2021.

a. Legal form

NGX Group Plc was incorporated in Nigeria as a private Company limited by shares on 15 September 1960 as Lagos Stock Exchange and its name changed to the Nigerian Stock Exchange on 15 December 1977. The Exchange was re-registered as a Company Limited by Guarantee on 18 December 1990. On 10 March 2021, NGX Group obtained approval from the Securities and Exchange Commission to operate as a demutualized entity. Accordingly, it was converted and re-registered as a Public Company Limited by shares, pursuant to the Demutualization Act, 2018.

NGX Group Plc, however, retained the incorporation date of September 15, 1960 and registration certificate number RC 2321 of The Nigerian Stock Exchange (NSE) which is registered under the laws of the Federal Republic of Nigeria. The demutualization of the NSE resulted in the change of its operational structure change a mutual Company limited by guarantee to a Company limited by shares, and breakup of the business activities of the mutualized NSE into various separate entities post demutualization. NGX Group being listed by introduction on October 15, 2021 now operates as a SEC registered capital market Holding Company (CMHC); with interests in Nigerian Exchange Limited, NGX Regulation Limited and NGX Real Estate.

The comparative information represents the operations of The Nigerian Stock Exchange ("the Exchange") pre-demutulaization. Accordingly, the name, Nigerian Stock Exchange or The Exchange as previously used in the prior periods' financial statements have been replaced with Nigerian Exchange group Plc (NGX Group or The Company) for consistency of information and comparability.

b. Principal activities and business review

As a key player in the continent’s financial markets, NGX Group Plc is focused on taking an active role in shaping the future of the markets through its investment in business innovation and technology.

NGX Group Plc has six (6) subsidiary companies namely; Nigerian Exchange Limited, NGX Regulation Limited, NGX Real Estate Limited (*formerly Naira Properties Limited*), Coral Properties Limited, NSE Consult Limited, NSE Nominees Limited. NGX Group also has significant interests in Central Securities Clearing System Plc (CSCS) and NG Clearing Limited.

c. Operating results

Gross earnings of the Group recorded an increase of 11% (2020: decrease of 14%) and profit before tax recorded an increase of 26% (2020: decrease of 17%). Gross earnings for the Group comprises revenue, other income and share of profit of equity accounted investees. For the Company, gross earnings decreased by 42% (2020: increased by 17%) and the profit before tax increased by 76% (2020: decreased by 30%). Highlights of the Group and the Company's operating results for the year under review are as follows:

In thousands of naira	**Group 2021**	**Group 2020**	**Company 2021**	**Company 2020**
Revenue and other income	6,798,759	6,019,234	4,120,275	7,116,474
Share of profit of equity accounted investee	2,119,361	2,003,217	-	-
Profit before minimum tax and income tax expense	2,401,202	1,909,261	1,905,686	1,062,078
Minimum tax	(6,981)	-	(6,031)	-
Profit after minimum tax	2,394,221	1,909,261	1,899,655	1,062,078
Income tax expense	(146,055)	(70,266)	(18,865)	-
Profit after taxation	2,248,166	1,838,995	1,880,790	1,062,078
Appropriations:				
Other comprehensive income	589,944	1,011,371	9,541	4,767
Transfer to retained earnings	2,838,110	2,850,366	1,890,331	1,066,845

The Company earned transaction, listing, market data and other fees between January and February 2021 before demutualization. These lines of revenue have been transferred to The Nigerian Exchange Limited, the security and trading arm of the Group. See note 38(b).

d. The Board members’ interests in contracts

No Board member has notified NGX Group Plc, for the purpose of section 303 of the Companies and Allied Matters Act (CAMA) 2020, of any interest in contracts with the NGX Group Plc during the year.

Directors' Report
For the year ended 31 December 2021

e. Property and Equipment

Information relating to changes in property and equipment is given in Note 22 to the financial statements. In the Directors' opinion, the market value of the Group's properties is not significantly different from the value shown in the financial statement.

f. Shareholding analysis

Following the demutualization of NGX Group Plc from an entity Limited by guarantee to a public entity limited by shares, the membership of the Company has evolved and became open to the public from a shareholding of 432 members as at pre-demutualization to 2124 shareholders/members as at 31 December 2021. No shareholder held up to 5% shares during the year.

g. Board members responsibilities

The Board members are responsible for the preparation of financial statements which give a true and fair view of the state of affairs and comply with Companies and Allied Matters Act (CAMA) 2020. They are obliged to ensure that:

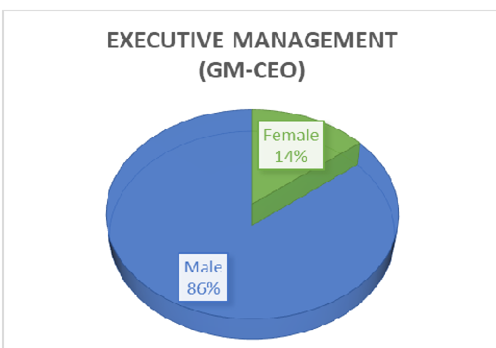
i. Proper accounting records are maintained;
ii. Internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets, prevent and detect fraud and other irregularities;
iii. Applicable accounting standards are followed;
iv. Judgments and estimates made are reasonable and prudent;
v. Suitable accounting policies are adopted and consistently applied; and
vi. The going concern basis is used, unless it is inappropriate to presume that the NGX Group Plc will continue in business.

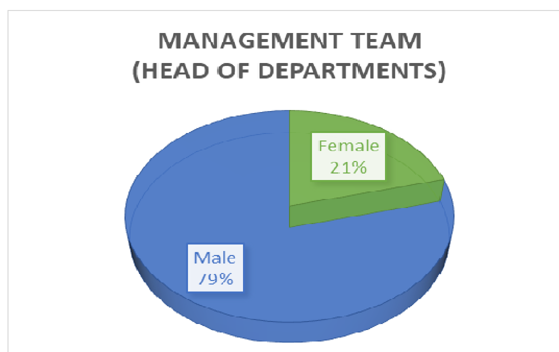
h. Human Resources

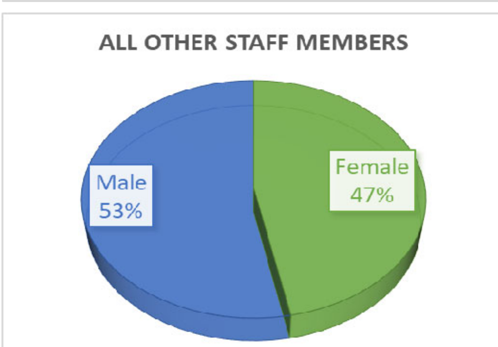
i. Report on Diversity in Employment

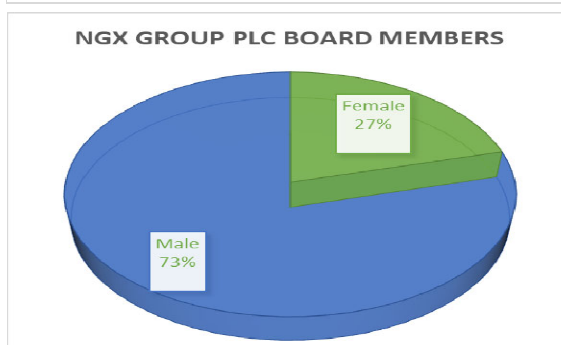
The Company operates a non-discriminatory policy (Work Force Diversity and Equal Opportunities Policy) in the consideration of applications for employment. The Company's policy is that the most qualified and experienced persons are recruited for appropriate job levels, irrespective of an applicant's state of origin, ethnicity, religion, gender or physical condition.

We believe diversity and inclusiveness are powerful drivers of competitive advantage in developing and understanding our customers' needs and creatively addressing them.









Directors' Report
For the year ended 31 December 2021

ii. Employment of Disabled Persons

The Group continues to maintain a policy of giving fair consideration to the application for employment made by disabled persons with due regard to their abilities and aptitude. The Group's policy prohibits discrimination against disabled persons in the recruitment, training and career development of its employees. In the event of members of staff becoming disabled, our policy is to provide continuing employment and training wherever possible. As at reporting date, the Group had nil persons on its staff list with physical disabilities (31 December 2020: Nil)

iii. Health, Safety and Welfare at Work

The Group enforces strict health and safety rules and practices at the work environment, which are reviewed and tested regularly. The Group enrolls staff with top-class health maintenance organisation that provides medical care for staff and their immediate families at the Group's expense.

Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises. In line with its family-friendly focus and fitness, the Company also operates a crèche facility and Gym at its Head Office.

The Group operates both a Group Personal Accident Insurance and the Employees' Compensation Scheme for the benefit of its employees. It also contributes to a contributory pension plan in line with the Pension Reform Act 2014.

iv. Employee Training and Development

In line with the Group's policy of continous development, the Group has continued to invest in a range of initiatives to enable staff members grow, perform in their current roles and prepare them for future roles. In response to the pandemic we pivoted most of our learning initiatives to a virtual environment, providing staff members with access to thousands of online courses from LinkedIn that support technical skill development. Virtual trainings and Brownbag sessions delivered by local and international bodies complemented with on-the-job learning are made available to employees in line with their learning requirements. In 2021 the mentoring programme was also re-launched to connect staff members in mentoring partnerships.

i. Director's Remuneration

The Company ensures that remuneration paid to its Directors complies with the provisions of the Codes of Corporate Governance issued by its regulators.

In compliance with Section 34(5) of the Code of Corporate Governance for Public Companies as issued by Securities and Exchange Commission, the Company makes disclosure of the remuneration paid to its directors as follows:

Type of package fixed	Description	Timing
Basic Salary	Part of gross salary package for Executive Directors only. Reflects a competitive salary package and the extent to which the Company's objectives have been met for the financial year.	Paid monthly during the financial period
Other allowances	Part of gross salary package for Executive Directors only. Reflects a competitive salary package and the extent to which the Company's objectives have been met for the financial year.	Paid monthly during the financial period
Performance Incentive	Paid to Executive Directors only and tied to performance of the line report. It is also a function of the extent to which the Company's objectives have been met for the financial year.	Paid annually in arrears
Director fees	Paid quarterly at the beginning of a new quarter to Non-Executive Directors only.	Paid quarterly/annually in arrears
Siting allowances	Allowances paid to Non-Executive Directors only, for attending Board and Board Committee Meetings.	Paid after each meeting

Directors' Report
For the year ended 31 December 2021

j. Share based payment scheme

Further to Members' approval at the Extra-Ordinary General Meeting of 3 March 2020 for the establishment of an Employee Share Ownership Plan for the benefit of qualifying employees of Nigerian Exchange Group Plc and its Subsidiaries, that the Company be and is hereby authorised to issue and allot 200,419,990 ordinary shares of 50 kobo each out of the authorised share capital of Nigerian Exchange Group Plc for the operation of a Long Term Incentive Plan consisting of a Deferred Bonus Plan (DBP) and an Employee Share Purchase Plan (ESPP), with effect from 1 January 2021, subject to obtaining requisite regulatory approvals. This is yet to be effective as at reporting date.

l. Dividend

No dividend have been declared by he Directors during the eyar.

k. Events after reporting date

On 11 January 2022, the Company obtained approval from the Securities and Exchange Commission to issue and allot 18,023,652 shares from the share claims reserve to share capital.

Other than the above mentioned, there were no other events after reporting date requiring adjustment of, or disclosure in, these consolidated and separate financial statements.

Evaluation of the impact of COVID-19 on the Group and Company's operations

The COVID-19 started in December 2019 and rapidly spread across the world. The impact cuts across businesses, the economy and social interactions. These impacts will likely remain for the foreseeable future. The Federal Government of Nigeria, since the declaration of COVID-19 as a pandemic by the World Health Organisation (WHO) has continued to provide guidance and protocol to follow to ensure curtailment of the spread of the disease. The Group has continued to adhere to all COVID-19 protocols to ensure the safety of all personnel and other counterparties. The Group continued to deploy a hybrid working arrangement to ensure uninterrupted service delivery through a very robust technology. Therefore, the impact of the pandemic on the Company's and Group's results of operation has been effectively minimised throughout the period. The Group continue to review the current situation including but not limited to the current rate of infection, development and deployment of vaccines with gradual and careful re-opening of businesses across the country.

Based on this review, nothing has come to the attention of the Directors to indicate that the Group and Company will not continue to operate into the foreseeable future as a result of COVID-19. The Group has also assessed the impact of Covid-19 on the amount presented on the statement of financial position and concluded that no further adjustment will be required in the financial statement.

j. Auditor

Messrs. KPMG Professional Services have satisfied the relevant corporate governance rules on their tenure in office, and have completed the ten year required for mandatory rotation. In accordance with Section 33 of The Securities and Exchange Commission 2014 Code of Corporate Governance for Public companies, KPMG Professional Services will not be eligible for reappointment as the Company's auditor at the next annual general meeting of the Company.

By Order of the Board

Mrs. Mojisola Adeola
FRC/2013/NBA/00000004263
Lagos, Nigeria
23 February 2022

S/N	Committees	Composition	Number of Meetings held in 2021 and Attendance Compliance %	Summary of Activities in 2021
1.	Governance and Remuneration Committee	The Committee members for the review period were: Professor. Enase Okonedo - Chairperson; Dr. Okechukwu Itanyi - Member; Mr. Chidi Agbapu - Member; and Dr. Umaru Kwairanga - Member	2 meetings 100% attendance	• Reviewed and recommended for the Board's approval the draft Committees' Terms of Reference and Board's Charter. • Considered and recommended for the Board's approval the Long Term Incentive Plan (LTIP) of Nigerian Exchange Group Plc (NGX Group). The LTIP consist of the Deferred Bonus Plan for Senior Management and the Employee Share Purchase Plan for all employees of NGX Group entities. • Oversaw the hiring process for a Group Chief Investment Officer. • Defined the GCEO's 2021 Key Performance Indicators and recommended to the Board for its approval. • Considered the 2020 Evaluation Report of the National Council • Considered and recommended to the Board for approval the appointment of a substantive Group Chief Strategy Officer. • Reviewed and recommended to the Board, the approval of relevant governance policies such as Code of Conduct for Directors and the Conflict of Interest Policy of NGX Group. • Reviewed and approved the decisions of the National Council taken after 13 January 2021.
2	Board Risk and Audit Committee	The Committee members for the review period were: Mr. Apollos Ikpobe - Chairperson; Dr. Okechukwu Itanyi - Member; Mrs. Ojinka Olaghere - Member; Mr. Oluwole Adeosun- Member; and Mrs. Fatimah Bintah Bello-Ismail	3 meetings 100% attendance	• Provided oversight on Enterprise Risk Management, Regulatory Compliance, Internal Audit, Internal Control, Financial Reporting, and Sustainability. • Considered the Enterprise Risk Management Reports comprising: Business and Risk Management Report; Information Security and Business Continuity Report; Internal Control Status Report; and Investment Risk Report; • Considered the Internal Audit, Compliance and Legal Risk Reports. • Approved the renewal of the NGX Group's subscription of the KPMG Whistleblowing Ethics Line for 2021. • Considered and recommended to the Board for approval the submission of the Consolidated Management Accounts of NGX Group to NGX Regulation Limited and the Securities and Exchange Commission, respectively. • Oversaw the recovery of debts from shareholders of NGX Group (indebted members entitled to demutualization shares). • Considered and recommended the 2021 Risk Based Audit Plan to the Board for approval. • Received updates on the resolution of the post-implementation issues relating to the Dynamic 365 Enterprise Resource Planning (ERP) application software. • Considered and recommended to the Board the 2021 External Audit Plan. • Reviewed the Close-out Audit Report on the financial statements of NGX Group in its former form as The Nigerian Stock Exchange as at 28 February 2021.
3	Statutory Audit Committee	The Committee members for the review period were: Mr. Oluwadare Adejumo - Chairperson; Mr. Daniel Ugwuoke - Member; Mr. Peter Eyanuku - Member; Mrs. Ojinka Olaghere - Member; and Mr.Oluwole Adeosun - Member;	1 meeting 100% attendance	• Reviewed and adopted its Terms of Reference • Reviewed and approved the 2021 External Audit Plan. • Considered the Consolidated Management Accounts of NGX Group and the Internal Audit Report.
4	Board Strategy, Finance and Investment Committee	The Committee members for the review period were: Dr. Umaru Kwairanga - Chairperson; Mr. Oscar N. Onyema, OON - Member; Mr. Apollos Ikpobe - Member; and Mr. Patrick Ajayi - Member	2 meetings 100% attendance	• Considered and approved the revised Treasury Management Investment Sub-Policy. • Considered and made recommendations to the Board on the implementation of the Private Market Proposal and initiatives of NGX Group. • Oversaw the harmonization of the timelines for implementation of the strategy of NGX Group and its subsidiaries. • Considered and recommended to the Board for approval the updated signatories to the bank accounts of NGX Group. • Reviewed and recommended to the Board for approval the expenditure limits for NGX Group.

Corporate governance report
For the year ended 31 December 2021

h. Record of the Board and Committee meetings held in 2021

The table below shows the frequency of meetings of the Board, Board Committees and members' attendance at these meetings during the year under review.

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S/N	Board Members	BDM	GARC	BRAC	SAC	BSFIC
	Number of meetings	**9**	**2**	**3**	**1**	**2**
1	Otunba Abimbola Ogunbanjo	9	N/A	N/A	N/A	N/A
2	Mr. Oscar N. Onyema, OON	9	N/A	N/A	N/A	2
3	Mr. Apollos Ikpobe	9	N/A	3	N/A	1
4	Dr. Okechukwu Itanyi	9	2	3	N/A	N/A
5	Prof. Enase Okonedo	9	2	N/A	N/A	N/A
6	Mrs. Ojinika Olaghere	8	N/A	3	1	N/A
7	Mr. Oluwole Adeosun	9	N/A	3	1	N/A
8	Mr. Chidi Agbapu	8	2	N/A	N/A	N/A
9	Mr. Patrick Ajayi	9	N/A	N/A	N/A	2
10	Mrs. Fatimah Bintah Bello-Ismail	9	N/A	3	N/A	N/A
11	Dr. Umaru Kwairanga	9	2	N/A	N/A	2

Key

BDM - Board meetings

BRAC– Board Risk and Audit Committee

BSFIC- Board Strategy, Finance and Investment Committee

GARC- Governance and Remuneration Committee

SAC - Statutory Audit Committee

i. Relationship with Stakeholders

Nigerian Exchange Group maintains an effective communication with its stakeholders, which enables them understand its business, financial condition and operating performance and trends. Apart from the annual report and accounts, proxy statements, NGX Group maintains a rich website that provides information on a wide range of issues for all stakeholders.

j. Appointment of Board Members

NGX Group developed a comprehensive, clearly defined and transparent procedure for appointment to the Board. This procedure is documented in the NGX Group's Policy on Nomination/Appointment of Individuals/Institutions to the Board. The Policy:

(i) Provides a comprehensive, clearly defined and transparent procedure for the nomination and/ or appointment of Individuals/Institutions to the Board;

(ii) Ensures that NGX Group is managed and overseen by competent, capable and trustworthy individuals resulting in an effective Board; and

(iii) Ensures that the Board is structured in such a way that it has an understanding of NGX Group's current and emerging issues, as well as the requisite competence and ability to oversee Management, as it addresses these emerging issues.

The Governance and Remuneration Committee (GARC) is responsible for assessing and nominating potential candidates to the Board and its Committees. The GARC is also responsible for recommending these candidates to the Board for consideration to fill a casual vacancy and or for election at NGX Group's Annual General Meeting (AGM) . Once approved by the Board, the candidates for appointment to the Board are presented to the SEC for its approval prior to their presentation for election at NGX Group's Annual General Meeting. The appointment of the Directors were approved at the Extra-Ordinary General Meeting (EGM) held on 3 March 2020 ahead of the demutualization of The Nigerian Stock Exchange (now Nigerian Exchange Group Plc) which occurred in March 2021. The appointment became effective upon demutualization. Thereafter, the Board of NGX Group Plc was inaugurated in April 2021.

k. Induction and Training of Board Members

Newly appointed Board members are onboarded in order to ensure that they can promptly and efficiently discharge their duties. The onboarding process is to build a solid foundation for informed oversight of NGX Group. The onboarding process is set forth as follows:

• Provision of the Board Onboarding Packet;

• A Formal induction session for Board and for each Committee;

• Familiarization meeting with NGX Group's Management team; and

• Completion of the Self-assessment Form to determine training needs.

Board members are provided with the necessary support and resources during their tenure as Board Members and are trained annually based on identified training needs to ensure effective oversight in a dynamic and changing environment.

One of the major training avenue is the organization of technical tours to other demutualized exchanges globally to enable Board Members increase their knowledge base, learn best practices and processes in these jurisdictions as well as establish mutually beneficial relationships.

l. Conflict of Interest Policy

The Board maintains a Conflict of Interest Policy and all Board members are required to execute same stating that they would adhere to its provisions. The Conflict of Interest Policy ensures transparency and objectivity, protects the interests of NGX Group's shareholders, stakeholders and the general investing public in the course of the activities of the Board or any of its Committees. The policy ensures that conflicts of interest, whether real or perceived, that may arise within the Board are identified, disclosed and managed appropriately.

m. Whistle Blowing Policy

NGX Group is subscribed to the KPMG Ethics Line (an external whistleblowing program) in compliance with Principle 19 of the Nigerian Corporate Governance Code 2018 which requires Public Companies to establish a whistleblowing system for reporting unethical/unlawful activities. The KPMG Ethics Line is independent of NGX Group and therefore objective as it provides a higher level of assurance that the whistle-blower would remain anonymous and all disclosures would be treated in a confidential manner.

n. Remuneration Policy

Elements of NGX Group's Remuneration Policy

Key Principles Underlying Remuneration	
Board Members	· should not be at a level that can compromise their independence;
	· should match the levels paid to directors in comparable companies, whilst also taking into consideration Board members' required competencies, effort and the scope of the work and duties, and time commitments;
	· the remuneration paid will not include any performance related elements; and
	· there will be no pension for Board Members
Senior Management	· attract, motivate and retain required key talents.
	· competitive when benchmarked against comparable companies; and
	· In order to attract, motivate and retain the required talents, NGX Group's philosophy is to target its remuneration structure between the 25th and 50th percentile of comparable companies. The ability to meet this objective is dependent on sustainability of proposed remuneration levels, the business and the economic realities of the country.

o. Evaluation of the Board

The Board established a system to undertake a formal and rigorous annual evaluation of its performance, that of its committees, the Board Chairman and individual Board Members. The Board recognizes that Board evaluation is a critical structural tool for assessing Board effectiveness and efficiency. The process and modalities are clearly defined in the Evaluation Policy.

NGX Group engaged an external Consultant to evaluate the performance of its Board, Committees and individual board members for the year ended 31 December 2021. The assessment covers the Board's structure and composition, responsibilities, processes and relationships for the year.

p. Company Secretary

The Company Secretary possesses relevant skill, qualification and competence necessary to discharge the duties of her office effectively. Mrs. Mojisola Adeola was appointed in October 2015 through a rigorous selection process. She is a lawyer and a Chartered Secretary, and she amongst other things:

(i) Provides the Board and its members with detailed guidance on their statutory and fiduciary duties, governance issues, and how their responsibilities should be properly discharged in NGX Group's interest;
(ii) Manages Board communication and communication among Board inter se and between Board and Management;
(iii) Inducts new Board members to assist them transit quickly and effectively into their new roles as Board Members, particularly, to accelerate new members' integration and enable them to make quality contributions to Board discourse and decision making;
(iv) Renders ongoing support and assistance to the Board;
(v) Organizes relevant professional training as required by the Board.

RC. 2321

STATEMENT OF COMPLIANCE WITH NIGERIAN EXCHANGE LIMITED's LISTING RULES ON SECURITY TRADING

Nigerian Exchange Group Plc ("the Company") has notified its Directors, Audit Committee members, employees and all individuals categorized as insiders to refrain from dealing in the Company's shares during the close period and also provided advisory to insiders on the regulatory requirements for trading in Nigerian Exchange Group Plc's Shares. The Company is currently updating its Security Trading Policy to reflect its new status as a listed company in line with the requirement of Rule 17.15, Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule).

Otunba Abimbola Ogunbanjo
Chairman

FRC/2013/NBA/00000004358

Mrs. Mojisola Adeola
Group Company Secretary

FRC/2013/NBA/00000004263

Board of Directors

Group Chairman: Otunba Abimbola Ogunbanjo | **GMD/CEO:** Mr Oscar N. Onyema, OON | **Non-Executive Directors:** Dr. Umaru Kwairanga, Mrs. Fatimah Bintah Bello-Ismail, Mr. Oluwole Adeosun, Mr. Chidi Agbapu, Mr. Patrick Ajayi | **Independent Non-Executive Directors:** Mr. Ikpobe Apollos Oghooritsewarami, Professor Enase Okonedo, Mrs. Ojinika Nkechinyelu Olaghere, Dr. Okechukwu Itanyi

Statement of Directors' responsibilities in relation to the financial statements for the year ended 31 December 2021

The Directors accept responsibility for the preparation of the annual consolidated and separate financial statements that give a true and fair view in accordance with the International Financial Reporting Standards 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 an assessment of the Group and Company's ability to continue as a going concern and have no reason to believe the Group and Company will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Otunba Abimbola Ogunbanjo	Mr. Oscar N. Onyema, OON
FRC/2013/NBA/00000004358	FRC/2013/IODN/00000001802
Chairman	Group Chief Executive Officer
23 February 2022	23 February 2022

Statement of Corporate responsibility for the Financial Statements for the Year Ended 31 December 2021

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 Nigerian Exchange Group Plc ("The NGX Group" and "Company") for the year ended 31 December 2021 as follows:

a) That we have reviewed the audited consolidated and separate financial statements of the Group and Company for the year ended 31 December 2021.

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 Group and Company as of and for, the year ended 31 December 2021.

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 Group and Company and its subsidiaries is made known to the officer by other officers of the companies, during the year end 31 December 2021.

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. Oscar N. Onyema, OON
FRC/2013/IODN/00000001802
Group Chief Executive Officer
23 February 2022

Mr. Cyril Eigbobo
FRC/2013/ICAN/00000001736
Group Chief Financial Officer
23 February 2022

STATUTORY AUDIT COMMITTEE'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

TO: THE MEMBERS OF NIGERIAN EXCHANGE GROUP PLC

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act, 2020, we the Members of the Statutory Audit Committee of Nigerian Exchange Group Plc ("the Company") having carried out our statutory functions under the Act, hereby report that:

a) the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;

b) the scope and planning of both the external and internal audit for the year ended 31st December, 2021 are satisfactory;

c) the internal audit programs are extensive and provide a satisfactory evaluation of the efficiency of the internal control systems; and

d) having deliberated with the Independent Auditor, who confirmed that necessary co-operation was received from Management in the course of their statutory audit and having reviewed the Independent Auditor's memorandum of recommendations on accounting procedures and internal control matters, we are satisfied with Management responses thereon.

Finally, we acknowledge the co-operation of Management and staff in the conduct of our duties.

Members of the Statutory Audit Committee are:

1.	Mr. Samuel Adejumo	(Shareholders' Representative)	Chairman
2.	Mr. Daniel Ugwuoke	(Shareholders' Representative)	Member
3.	Mr. Peter Eyanuku	(Shareholders' Representative)	Member
4.	Mrs. Ojinka Olaghere	(Directors' Representative)	Member
5.	Mr. Oluwole Adeosun	(Directors' Representative)	Member

The Company Secretary served as the Secretary to the Committee.

Dated 23 February 2022.

Mr. Samuel Adejumo
Chairman, Statutory Audit Committee
FRC/2014/CISN/00000008649

Board of Directors
Group Chairman: Otunba Abimbola Ogunbanjo | **GMD/CEO:** Mr Oscar N. Onyema, OON | **Non-Executive Directors:** Dr. Umaru Kwairanga, Mrs. Fatimah Bintah Bello-Ismail, Mr. Oluwole Adeosun, Mr. Chidi Agbapu, Mr. Patrick Ajayi | **Independent Non-Executive Directors:** Mr. Ikpobe Apollos Oghooritsewarami, Professor Enase Okonedo, Mrs. Ojinika Nkechinyelu Olaghere, Dr. Okechukwu Itanyi

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of The Nigerian Exchange Group Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of The Nigerian Exchange Group Plc ("the Company"") and its subsidiaries (together, "the group or NGX Group"), which comprise:

- the consolidated and separate statements of financial position as at 31 December, 2021;
- the consolidated and separate statements of 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, 2021, 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. We have determined that there are no key audit matters to communicate in our report.

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Registered in Nigeria No BN 986925

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

Other Information
The Directors are responsible for the other information. The other information comprises its Corporat information, directors' report, statement of directors' responsibilities, Corporate governance report, statement of Corporate responsibility for the financial statements, report of the audit committee, value added statement, five year financial summary, but does not include the consolidated and separate financial statements and our auditor's report thereon which we obtained prior to the date of this auditor's report.

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.

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 Board Risk and 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 Board Risk and 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 Board Risk and 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 comprehensive income are in agreement with the books of account and returns.

Adegoke A. Oyelami, FCA
FRC/2012/ICAN/0000000444
For: KPMG Professional Services
Chartered Accountants
28 February 2022
Lagos, Nigeria

Consolidated and separate statement of comprehensive income
For the year ended 31 December 2021

In thousands of naira	Note	Group 2021	Group 2020	Company 2021	Company 2020
Revenue	9	5,777,055	5,027,740	3,734,541	6,167,400
Revenue		5,777,055	5,027,740	3,734,541	6,167,400
Other income	10	1,021,704	991,494	385,734	949,074
		6,798,759	6,019,234	4,120,275	7,116,474
Impairment (loss)/writeback on assets	11	(70,289)	(60,409)	324,791	(34,443)
Personnel expenses	12	(3,239,711)	(3,240,384)	(983,340)	(3,240,384)
Depreciation	22	(394,733)	(474,386)	(185,429)	(498,659)
Amortization	23	(99,356)	(114,570)	(1,273)	(114,570)
Operating expenses	13	(2,712,829)	(2,223,441)	(1,369,338)	(2,166,340)
Total expenses		(6,516,918)	(6,113,190)	(2,214,589)	(6,054,396)
Operating profit/(loss)		281,841	(93,956)	1,905,686	1,062,078
Share of profit of equity accounted investees (net of income tax)	20(iii)	2,119,361	2,003,217	-	-
Profit before minimum taxation		2,401,202	1,909,261	1,905,686	1,062,078
Minimum tax	14	(6,981)	-	(6,031)	-
Profit before income tax		2,394,221	1,909,261	1,899,655	1,062,078
Income tax expense	14	(146,055)	(70,266)	(18,865)	-
Profit for the year		2,248,166	1,838,995	1,880,790	1,062,078
Other comprehensive income:					
Items that are or may be reclassified to profit or loss					
Equity-accounted investee -share of OCI-fair value	30(d)	(13,471)	(12,627)	-	-
Items that will never be reclassified to profit or loss					
Remeasurement of defined benefit liability	27	39,007	4,767	9,541	4,767
Equity investment at FVOCI - net change in fair value	19(a)(iii)	564,153	1,018,992	-	-
Equity-accounted investee - share of OCI remeasurement of defined benefit liability	30(d)	255	239	-	-
Other comprehensive income, net of tax		589,944	1,011,371	9,541	4,767
Total comprehensive income for the year		2,838,110	2,850,366	1,890,331	1,066,845
Earnings per share					
Basic and diluted (Naira)	35	1.13	-	0.95	-

The accompanying notes and the statement of significant accounting policies are an integral part of these consolidated financial statements

Consolidated and separate statement of financial position
As at 31 December

In thousands of naira	Note	Group 2021	Group 2020	Company 2021	Company 2020
ASSETS					
Cash and cash equivalents	15	2,248,237	6,988,063	1,097,730	5,562,994
Trade and other receivables	16	1,658,323	862,045	1,123,164	847,600
Intercompany receivables	17	-	-	909,120	728,434
Prepayment	18	460,577	152,032	267,822	149,495
Investment securities	19	3,986,512	2,768,959	1,946,974	2,768,959
Total current assets		8,353,649	10,771,099	5,344,810	10,057,482
Investment securities	19	10,373,491	7,414,186	10,373,491	5,938,801
Investment in associates	20	14,750,630	12,425,595	5,083,910	3,157,340
Investment in subsidiaries	21	-	-	3,738,111	4,015,893
Property and equipment	22	4,209,295	4,253,760	296,147	397,780
Intangible assets	23	181,875	241,932	31,362	-
Total non-current assets		29,515,290	24,335,473	19,523,021	13,509,814
Total assets		37,868,940	35,106,573	24,867,831	23,567,296
LIABILITIES					
Other liabilities	24	2,498,648	2,411,964	2,335,019	2,370,941
Current tax liabilities	25	224,725	89,095	24,896	-
Lease Liabilities	26	222,623	133,780	142,422	191,823
Retirement benefit obligation	27	-	38,484	-	38,483
Total current liabilities		2,945,996	2,673,323	2,502,337	2,601,247
Retirement benefit obligation	27	163,964	544,582	24,496	544,582
Provisions	28	405,744	373,543	402,743	373,543
Deferred tax liability	29	238,882	238,882	-	-
Total non current liabilities		808,590	1,157,006	427,239	918,125
Total liabilities		3,754,586	3,830,330	2,929,576	3,519,372
EQUITY					
Share capital	30(a)	982,058	-	982,058	-
Other reserves	30(d)	1,988,351	1,389,394	(29,789)	(48,342)
Retained earnings		31,143,945	29,886,849	20,985,986	20,096,266
Total equity		34,114,354	31,276,243	21,938,255	20,047,924
Total liabilities and equity		37,868,940	35,106,573	24,867,831	23,567,296

The financial statements were approved by the Board on 23 February 2022 and signed on its behalf by:

Otunba Abimbola Ogunbanjo FRC/2013/NBA/00000004358 Chairman	Mr. Oscar N. Onyema, OON FRC/2013/IODN/00000001802 (Group Managing Director and CEO)	Mr. Cyril Eigbobo FRC/2013/ICAN/00000001736 (Group Chief Financial Officer)

The accompanying notes and the statement of significant accounting policies are an integral part of these consolidated financial statements

Consolidated and separate statement of changes in equity

For the year ended 31 December 2021

The Group

In thousands of naira	**Note**	**Retained Earnings**	**Share Capital**	**Claims review shares reserve**	**Fair value reserve**	**Actuarial valuation reserve**	**Total equity**
Balance at 1 January 2020		28,047,854	-	-	431,133	(53,109)	28,425,878
Total comprehensive income for the year:							
Profit for the year		1,838,995	-	-			1,838,995
Other comprehensive income (net of income tax)					1,018,992	4,767	1,023,759
Equity accounted investee - share of OCI		-	-	-	(12,627)	239	(12,388)
Total comprehensive income for the year		1,838,995	-	-	1,006,365	5,006	2,850,365
Balance at 31 December 2020		29,886,849	-	-	1,437,498	(48,103)	31,276,243
Balance at 1 January 2021		29,886,849	-	-	1,437,498	(48,103)	31,276,243
Total comprehensive income for the year:							
Profit for the year		2,248,166		-			2,248,166
Other comprehensive income (net of income tax)					564,153	39,007	603,160
Equity accounted investee - share of OCI		-		-	(13,471)	255	(13,216)
Total comprehensive income for the year		2,248,166	-	-	550,682	39,262	2,838,111
Transaction with equity holders		(991,070)	982,058	9,012	-	-	-
Balance at 31 December 2021		31,143,945	982,058	9,012	1,988,180	(8,841)	34,114,354

The Company

In thousands of naira	**Retained Earnings**	**Share Capital**	**Claims review shares reserve**	**Fair value reserve**	**Actuarial valuation reserve**	**Total equity**
Balance at 1 January 2020	19,034,188	-	-	-	(53,109)	18,981,079
Total comprehensive income for the year:						
Surplus for the year	1,062,078		-		-	1,062,078
Other comprehensive income (net of income tax)	-	-	-	-	4,767	4,767
Total comprehensive income for the year	1,062,078	-	-	-	4,767	1,066,845
Balance as at 31 December 2020	20,096,266	-	-	-	(48,342)	20,047,924
Balance at 1 January 2021	20,096,266	-	-	-	(48,342)	20,047,924
Total comprehensive income for the year:						
Profit for the year	1,880,790	-	-	-	-	1,880,790
Other comprehensive income (net of income tax)	-	-	-	-	9,541	9,541
Total comprehensive income for the year	1,880,790	-		-	9,541	1,890,331
Transaction with equity holders	(991,070)	982,058	9,012	-	-	-
Balance at 31 December 2021	20,985,986	982,058	9,012	-	(38,801)	21,938,255

The accompanying notes and the statement of significant accounting policies are an integral part of these consolidated financial statements

Consolidated and separate statement of cash flows

For the year ended 31 December 2021

In thousands of naira	Note	Group 2021	Group 2020	Company 2021	Company 2020
Cash flows from operating activities:					
Profit for the period		2,248,166	1,838,995	1,880,790	1,062,078
Minimum tax		6,981	-	6,031	-
Income tax expense	14	146,055	70,266	18,865	-
Profit before tax		2,401,202	1,909,261	1,905,686	1,062,078
Adjustments for:					
Depreciation of property and equipment	22	394,733	474,386	185,429	498,659
Amortization of intangible assets	23	99,356	114,570	1,273	114,570
Gain on disposal of property and equipment	10	(1,246)	(4,631)	(623)	(4,631)
Provisions no longer required	24	(14,107)	-	(14,107)	-
Net foreign exchange differences	34(x)	45,143	(94,589)	29,201	(94,153)
Impairment loss on investment securities	11	12,649	903	12,649	902
Impairment charges on intercompany receivables	17	-	-	(349,000)	(25,568)
Impairment loss on trade and other receivables	11	46,463	59,123	-	59,108
Interest on Lease liabilities	13	31,871	5,721	29,727	5,075
Share of profit of equity accounted investee, net of tax	20(iii)	(2,119,361)	(2,003,217)	-	-
Provision for retirement benefit obligations	27	44,779	86,236	8,962	86,236
Interest income	9	(1,343,207)	(1,258,388)	(1,307,121)	(1,257,121)
Dividend income	9	-	-	(1,707,680)	(1,255,218)
		(401,724)	(710,624)	(1,205,604)	(810,064)
Change in intercompany receivables	34(i)	-	-	380,313	165,805
Change in trade and other receivables	34(ii)	(842,741)	(691,618)	(275,564)	(706,326)
Change in prepayments	34(iii)	(322,226)	149,795	(132,008)	152,307
Change in liabilities	34(iv)	86,425	(143,278)	58,282	(20,569)
Change in retirement benefit obligations	27	-	38,484	-	38,484
		(1,480,266)	(1,357,242)	(1,174,581)	(1,180,363)
Income tax paid	25	(17,404)	(2,335)	-	-
Retirement benefit obligation paid	27	(386,390)	(13,921)	(363,660)	(13,921)
Net cash from operating activities		**(1,884,060)**	**(1,373,498)**	**(1,538,241)**	**(1,194,284)**
Cash flows from investing activities:					
Interest received	34(v)	1,218,989	1,004,281	1,182,903	1,002,105
Dividend received	34(vi)	1,707,680	1,255,218	1,707,680	1,255,218
Sale/(Purchase) of investments - financial assets	34(vii)	(3,463,774)	3,066,555	(3,489,073)	2,877,795
Acquisition of property and equipment	22	(356,267)	(349,060)	(211,190)	(486,124)
Proceeds from the sale of property and equipment	34(viii)	(4,754)	16,897	623	16,898
Additional investment in associates	34(ix)	(1,926,570)	(1,000,000)	(1,926,570)	(1,000,000)
Additional investment in subsidiaries	21	-	-	-	(1,000,000)
Acquisition of intangible assets	23	(39,299)	(99,346)	(32,634)	(99,346)
Net cash used in investing activities		**(2,863,995)**	**3,894,545**	**(2,768,261)**	**2,566,546**
Cash flows from financing activities:					
Lease payment	26	-	(1,008)	(166,990)	(167,998)
Net cash used in Financing activities		**-**	**(1,008)**	**(166,990)**	**(167,998)**
Net increase in cash and cash equivalents		(4,748,055)	2,520,039	(4,473,492)	1,204,264
Cash and cash equivalents at the beginning of the year		6,988,063	4,416,040	5,562,994	4,307,178
Effect of movements in exchange rates on cash held		8,228	51,983	8,228	51,552
Cash and cash equivalents at end of year	15	2,248,237	6,988,063	1,097,730	5,562,994

The accompanying notes and the statement of significant accounting policies are an integral part of these consolidated financial statements

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

1 Reporting entity

NGX Group was incorporated in Nigeria as a private company limited by shares on 15 September 1960 as Lagos Stock Exchange and its name changed to the Nigerian Stock Exchange on 15 December 1977. The Exchange was re-registered as a Company Limited by Guarantee on 18 December 1990. On 10 March 2021, NGX Group was converted and re-registered as a public company limited by shares, pursuant to the Demutualization Act, 2018. NGX Group, however, retained the incorporation date of September 15, 1960 and registration certificate number RC 2321 of The Nigerian Stock Exchange (NSE) which is registered under the laws of the Federal Republic of Nigeria. In March 2021, it obtained its approval from the Securities and Exchange Commission to operate as a demutualized entity. The demutualization of the NSE resulted in its operational structure change from a Company limited by guarantee to a Company limited by shares. Part of the restructuring activities include the reallocation of the assets and liabilities of the NGX Group to the newly emerged entities, the Nigerian Exchange Limited and NGX Regulation Limited. NGX Group also restructured its business operations by splitting its expenses and income streams to relevant entities within the group. (See note 38)

NGX Group provides a wide range of services including listing and trading securities, licensing, market data solutions, ancillary technology, regulation, real estate and more through its wholly owned subsidiaries.

The Company was listed by introduction on the floor of the Nigerian Exchange Ltd on October 15, 2021 and became a Public Listed Company. The Memorandum and Articles of Association of the re-registered Exchange was also amended to the new name, Nigerian Exchange Group. The address of the NGX Group's registered office is Nigerian Exchange House, 2/4 Customs Street, Lagos.

The comparative information represents the operations of The Nigerian Stock Exchange ("the Exchange") pre-demutulaization. Accordingly, the name, Nigerian Stock Exchange or The Exchange as previously used in the prior periods' financial statements have been replaced with Nigerian Exchange group Plc (NGX Group or The Company) for consistency of information and comparability.

The consolidated and separate financial statements of the Company as at and for the year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the "Group" " NGX Group") and the Group's interest in equity accounted investees. The principal activity of NGX Group is to carry on business as a financial holding company, investing in and holding controlling shares in, as well as managing equity investments in capital market securities.

2 Basis of accounting

i Statement of compliance

These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), in the manner required by the Companies and Allied Matters Act of Nigeria (CAMA), 2020, and the Financial Reporting Council of Nigeria Act, 2011.

ii Basis of preparation

These consolidated and separate financial statements have been prepared on an accrual basis and under historical cost convention except for the following items, which are measured on an alternative basis on each reporting date:

(a) Investments in debt instruments measured at amortised cost.
(b) Equity investments measured at fair value through other comprehensive income (FVOCI).

(c) The liability for defined benefit obligations recognised as the present value of the defined benefit obligation less the fair value of the plan assets.

(d) Trade and other receivables and other liabilities are measurement at amortised cost.

These consolidated and separate financial statements are presented in naira, which is the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated. The consolidated and separate financial statements were authorised for issue by the Board of Directors on 23 February 2022. Details of the Group's and the Company's accounting policies are included in note 5 to the financial statements.

3 Use of judgments and estimates

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

Judgment refers to management's judgments applied to significant accounting policies that materially impact the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

i Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 26	Lease Term: whether the Group is reasonably certain to exercise extension options;
Note 20	Equity-accounted investees: whether the Group has significant influence over an investee; and
Note 21	Consolidation: whether the Group has de facto control over an investee.

ii Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 7(b)	FVOCI: Key assumptions underlying the determination of fair value of the investments;
Note23(a)	Impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts, including the recoverability of development costs;
Note21	Investment in subsidiaries: Key assumptions underlying the recoverable amount;

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

Note16	Measurement of ECL allowance for trade receivables: key assumptions in determining the weighted-average loss rate;
Note27	Measurement of defined benefit obligations: key actuarial assumptions; and
Note29	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised; and
Note31	Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

iii Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation 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 valuation 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 Group's Board Risk and Audit Committee.

When measuring the fair value of an asset or a liability, the Group 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 assets or liabilities

(ii) Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(iii) Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in note 7.

4 Changes in accounting policies

Except as described below, the Group has consistently applied the accounting policies as set out in Note 5 to all periods presented in these consolidated and separate financial statements.

*** Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16):**
These amendments aim to reduce the accounting 'noise' surrounding the change to an alternative benchmark rate. Allowing companies to account for this change as a continuation of a hedging relationship, for example, will not only provide welcome practical relief but also better reflect the economic effects of the reform. This is not applicable to the Company.

*** COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)):**
This amendment is a response to the ongoing economic challenges resulting from the COVID-19 coronavirus pandemic. The 2021 amendments are applied retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings.
The above mentioned amendments and interpretations to the IFRS standards adopted on 1 January, 2021, did not affect the Group and Company's previously reported financial results, disclosures or accounting polices and did not impact the company's results materially upon transition.

5 Significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated and separate financial statements except where otherwise stated.

5.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.
The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.
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.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

(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 incorporates the assets, liabilities and performance results of: NSE Consult Limited, Coral Properties Limited, NGX Real Estate Limited, Nigerian Exchange Limited, NGX Regulation Limited and NSE Nominees Limited. The financial statements of subsidiaries are included in the consolidated and separate financial statements from the date that control commences until the date that control ceases.

In the separate financial statements, investment in subsidiaries are carried at cost less impairment losses.

(iii) Loss of control

When the Group loses control over a subsidiary, the Group derecognises 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) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

The Group accounts for Interests in associates 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 investees, until the date on which the significant influence ceases.
In the separate financial statements of the Company, investment in associates are carried at cost.

(v) Transactions eliminated on consolidation

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

(vi) Non-controlling interest

Non-controlling interest 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 transaction

(vii) Common Control Transactions

The Group accounts for common control transactions using the book value accounting methods when a common control transaction is effected through the acquisition of assets and liabilities constituting a business under IFRS 3 (from an entity under common control) rather than by acquiring shares in that business. A transaction is a 'common control transaction' if it is a transfer of net assets or an exchange of equity interest or between entities under the control of the same parent. In applying book value accounting, the transaction is recognized as a distribution or contribution from a transaction with shareholders. The relevant book value is the carrying amount of the investee in the separate financial statements of the transferor.

5.2 Foreign currency translations

Transactions in foreign currencies are translated into the functional currencies of the operations at the spot exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate as at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in statement of profit or loss and presented within operating expenses. However, foreign currency differences arising from the translation of the following item are recognised in OCI.

- an investment in equity security designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);

5.3 Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial Assets

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).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group 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.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial Assets-Assessment whether contractual cash flows 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 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 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.

Financial assets - Subsequent measurement and gains and losses:

Financial assets at amortised cost	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 statement of profit or loss. Included in financial assets at amortised cost are investments in debt securities, cash and cash equivalents, intercompany receivables and trade and other receivables.
Equity investments at FVOCI	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. Classified as FVOCI are the investment in equity securities.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

Financial liabilities - Classification, subsquent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at 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 amortised 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. The principle of amortised cost is disclosed in note **5.3 (v)(b)**.

(iii) Derecognition of financial instruments

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, 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 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 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 derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group 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.

(iv) 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 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.

(v) The concept of fair value measurement and amortised cost

(a) 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 has access at the date. A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non financial assets and liabilities (see Note 3 (iii))

When available, the Group measures 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 an asset or a liability measured at fair value has a bid price or an ask price, then the Group measures the assets at a bid price and liabilities at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

(b) Amortised cost measurement

The amortised 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 amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

5.4 Impairment

(i) Non-derivative financial assets

Financial instruments

The Group recognises loss allowances for ECLs on:

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

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12month 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 (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group 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's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 365 days past due or if the obligor has been delisted from the Exchange's trading platform for trade receivables in the case of listed companies.

The Group 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 to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group 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 considers this to be between AAA and BBB per Fitch, 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.12month 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 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 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 assesses whether financial assets carried at amortised cost 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 365 days past due;
- 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 has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group 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 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's procedures for recovery of amounts due.

(ii) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets grouped into cash-generating units (CGUs). A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

5.5 Property and equipment

(i) Recognition and measurement

Items of property and equipment are initially recognised at cost, which includes capitalised borrowing costs, and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment and each component is depreciated separately. Changes to an existing item of property or equipment are added to or deducted from the cost of the related asset and depreciated prospectively over the remaining useful life of the asset.

Any gain or loss on disposal of an item of property and equipment is recognised in other income/other expenses in statement of profit or loss. Gains or loses on disposal are determined by comparing proceeds with the carrying amount of the asset

(ii) Subsequent costs

The Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

Depreciation begins when an asset 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. A non-current asset or disposal group is not depreciated while it is classified as held for sale.

The estimated useful lives of items of property and equipment for the current and comparative year are as follows:

Leasehold improvements	Over the shorter of the useful life of item or lease period
Building	50 years
Computer equipment	5 years
Office equipment	5 years
Furniture, fixtures & fittings	5 years
Motor vehicles	5 years

The assets useful lives, residual values and depreciaton rates are reviewed and adjusted if appropriate, at the end of each reporting period.

(iv) De-recognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

5.6 Intangible assets

(i) Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. In respect of equity-accounted investments, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

(ii) Software

Purchased software is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the software can be measured reliably. Expenditure that forms part of the cost of software that meets the recognition criteria are capitalized as part of the software. The capitalized costs of internally developed software or separately acquired software include all costs directly attributable to developing and purchasing the software respectively and capitalized borrowing costs, and are amortised over its useful life.

Software is stated at capitalized cost less accumulated amortisation and impairment. Subsequent expenditure of software assets is capitalized only wher it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(iii) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that is available for use since this most reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is five years. The amortisation methods, useful lives and residual values of intangible assets are reviewed at each financial year-end and adjusted if appropriate.
An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is freater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

(iv) De-recognition

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

5.8 Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

5.9 Prepayments

Prepayments are stated at cost less amortised amounts. Prepayments are amortised to income by the straight-line method or according to performance of the underlying transaction.

5.10 Employee Benefits

(i) Short-term employee benefits

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

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as employee benefit expenses in profit or loss in the years in which the services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that is due more than 12 months after the end of the year in which the employees render the service are discounted to their present value at the reporting date.

The Group operates a funded defined contribution retirement benefit scheme for its employees under the provisions of the Pension Reform Act of 2014. The employer contributes 10% while the employee contributes 8% of the qualifying employee’s salary. Obligations in respect of the Group’s contributions to the scheme are recognised as an expense in the profit or loss account on an annual basis.

(iii) Defined benefit plans

The Group’s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. In determining the appropriate discount rate, the Group considers the market yields on Government Bonds of medium duration as compiled by the Debt Management Organisation (DMO). 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. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

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 period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period 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 recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

With effect from 31 March 2011, the defined benefit scheme was terminated and final entitlements due to qualified staff was subsequently fully funded by the Group.

Effective 1 January 2015, long-term incentive scheme was established for certain eligible employees. The entitlement for the qualifying employee is based on the following threshold of their gross salary per annum or annual cash pay (Total Cash Compensation (TCC)) for every year of services, depending on the term completed.

* 15%-17.5% in the first five years of service (first term)
* 25%-35% in the next 5 years of services (second term)

On 1 August 2017, management established a long service recognition initiative which is designed to recognize, appreciate and celebrate the contributions of long tenured employees, at the attainment of milestone years during their work lifespan with the company. The policy became effective in 2018.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

Table below presents the cash benefit attached to each milestone year.

Milestone Years	Computation of cash benefit
5 years	5% of annual gross salary
10 years	9% of annual gross salary
15 years	13% of annual gross salary
20 years	17% of annual gross salary
25 years	21% of annual gross salary
30 years	25% of annual gross salary
35 years	30% of annual gross salary

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

5.11 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 Executive 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. Information relating to segment reporting is presented in Note 8 to the financial statements.

5.12 Contingencies

(i) Contingent asset

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 entity.

A contingent asset is disclosed when an inflow of economic benefit is probable. When the realization of income is virtually certain, then the related asset is not a contingent and its recognition is appropriate.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statement.

(ii) Contingent liability

Contingent liability is a possible 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 entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote. A provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable is recognised, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent liabilities are assessed continually to determine whether an outflow of economic benefit has become probable.

5.13 Revenue and other income

(i) Revenue

Revenue comprises treasury investment income or interest income and dividend income.

(a) *Interest Income*

Interest income is recognised in the statement of profit or loss using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset (or, where appropriate, a shorter period) to the carrying amount of the financial asset. The effective interest rate is established on initial recognition of the financial asset and is not revised subsequently.

The calculation of the effective interest rate includes contractual fees and points paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income presented in the income statement includes interest on financial assets at amortised cost on an effective interest basis. Interest income and expenses on all trading assets and liabilities are considered to be incidental to the Group's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

(b) *Dividend income*

Dividend income is recognised when the right to receive income is established. Usually this is the ex-dividend date for equity securities. Dividends are presented in net trading income or net income from other financial instruments at fair value through profit or loss based on the underlying classification of the equity investment. Dividend income from equity accounted investee is recognised as a component of other operating income.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

(ii) Other income

Other income from fees and levies are recognised as the related services are performed. Included in other income are listing fees, entrance fees, transaction fees and trading levies, market data income, rental income etc.

Any upfront fees or payment for services that are rendered over a period of time are treated as unearned income and recognised over the required period. These are warehoused in deferred income account.

Rental Income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

5.14 Income Tax

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.

The Finance Act 2019 became effective on 13 January 2020 and introduced significant changes to some sections of the Companies Income Tax Act (CIT). The Company has applied the CIT related provisions of the Finance Act in these financial statements.

(i) 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 tc 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 ta:
- 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.

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Minimum Tax

Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss.

The Company is subject to the Finance Act (amendments made to Companies Income Tax Act (CITA)). Minimum tax is determined based on 0.25% of the Company's gross turnover less franked investment income.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognised in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as minimum tax

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised

(b) Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:

· The initial recognition of goodwill;

· 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.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. 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 realized. Such reductions are reversed when the probability of future taxable profits improves.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

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

5.16 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.

(i) The Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, 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, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability are made up of the following:

– fixed payments, including in-substance fixed payments;

– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– amounts expected to be payable under a residual value guarantee; and

– the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including leased office space for its branch operations. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group as a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices. The Group also determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

Generally, the Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as the 'rental income' (see Note 10).

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

5.17 Share capital and reserves

(i) Share issue costs

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

(ii) Retained earnings

Retained earnings comprise the undistributed profits from previous periods which have not been reclassified to any specified reserves

(iii) Dividends on ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Group's shareholders. Dividends for the year that are declared after the date of the consolidated statement of financial position are dealt with in the subsequent events note. Dividends proposed by the Directors but not yet approved by members are disclosed in the financial statements in accordance with the requirements of the Companies and Allied Matters Act of Nigeria.

(iv) Other reserves

Other reserves comprises of fair value gain or loss on investments carried at FVOCI and actuarial gains or loss on retirement benefit obligation.

(v) Claims review shares reserve

Reserve warehouses 2% of the issued shares of Nigerian Exchange Group, will was set aside for allotment to parties who are adjudged as being entitled to shares in the demutualized Exchange, pursuant to the provisions of the Demutualization Act 2018 ("Claims Review Shares"). The apportionment of 2% as the Claims Review Shares is based on an analysis of the probable quantum of shares that would be required to settle each claim. In the event the Claims Review Shares are insufficient to satisfy successful claims, additional shares will be allotted from the demutualized Exchange's authorised share capital.

(vi) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. 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, which comprise share options granted to employees.

(vii) Dividends on ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the shareholders. Dividends for the year that are declared after the reporting date are dealt with in the subsequent events note. Dividends proposed by the Directors but not yet approved by members are disclosed in the financial statements in accordance with the requirements of the Company and Allied Matters Act.

6 Financial risk management

The Group is exposed to the following risks arising from financial instruments:

- Credit risk - (see 6 (ii) below)
- Liquidity risk - (see 6 (iii) below)
- Market risk - (see 6 (iv) below)

(i) Risk management framework

Fundamental to the business activities and growth of NGX Group is a strong risk management practice which is at the core of achieving the Group's Strategic Objectives. The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Audit and Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to Board on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Group's activities. The Group through its training and management standards and procedures, aims to develop a disciplined and risk informed environment in which all employees have a good understanding of inherent risk specific to their department.

The Group's Audit and Risk Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Committee is assisted in its oversight role by the Internal Audit Department, which undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Management Committee.

(ii) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group takes on credit risk mainly through trading (fixed income, foreign currency trading etc.) activities - the Group engages in trading activities where exchange of monetary value and transfer of ownership of purchased assets is not simultaneous. There is a counter party risk, which creates a bilateral risk of loss.

Impairment losses on financial assets and contract assets recognised in statement of profit or loss were as follows.

In thousands of naira	Notes	Group 2021	Group 2020	Company 2021	NSE 2020
Impairment loss on trade receivables and other assets	11(a)	46,463	59,123	-	59,108
Impairment loss on debt securities at amortised cost	11(a)	12,649	903	12,649	903
Impairment loss on intercompany receivable	11(a)	-	-	(349,000)	(25,568)
Impairment (reversal)/writeback on cash & cash equivalents	11(a)	(2,504)	383	(2,121)	-
		56,608	60,409	(338,472)	34,443

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

As at 31 December 2021, the exposure to credit risk for trade and other receivables by type of counterparty was as follows:

In thousands of naira	Notes	Group 2021	Group 2020	Company 2021	NSE 2020
Listed Entities	16	-	509,599	-	509,599
Brokers	16	-	107,976	-	107,976
Others	16	752,072	80,563	-	66,360
		752,072	698,138	-	683,935

Trade and other 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 associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information and industry information.

The Group limits its exposure to credit risk from trade receivables by establishing immediate payment on all contracts with customers. In addition, the Risk Management Committee reviews the memorandum of debts owed to Group by shareholders for possible recovery actions. The Group, having carefully considered the creditworthiness of its customers, had no reason to grant credit terms as a direct result of the pandemic. However, the Group is monitoring the economic environment in response to recovery from the COVID-19 pandemic and its impact on its customers.

The Group does not require collateral in respect of trade and other receivables. The group does not have trade receivable and contract assets for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for customers as at 31 December 2021

The Group applies the simplified approach in calculating ECLs which recognises a loss allowance based on lifetime ECLs at each reporting date. The Group uses a provision matrix to calculate ECLs for trade and other receivables. The historical loss rates are based on actual credit loss experience over the past five years. These rates are 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's view of economic conditions over the expected lives of the receivables.

The assessment of the correlation between historical observed default rates and economic conditions is a significant estimate to determine the economic variables that affect the ability of the customers to settle the receivables. A regression model was built to explain and predict the impact of macro-economic indicators on loss rates. The model regressed historical loss rate on a list of candidate macro-economic indicators. These indicators are central bank base rates, inflation rates, exchange rates and foreign reserves. The most predictive variables that were selected in the regression model (the most predictive indicators) were determined. The best-estimate, optimistic and downturn scalars of predicted target variables were determined. In order to account for differences in economic conditions in the data, the scalar denominator was adjusted to incorporate forward looking information. This process results in a forward-looking best-estimate, optimistic and downturn loss rate used to estimate the ECL.

The following table provides information about the Group and Company's exposure to credit risk and ECLs for trade and other receivables and contract assets from individual customers as at 31 December 2021.

	Group			Company		
31 December 2021 In thousands of naira	Weighted-average loss rate	Gross carrying amount	ECL allowance	Weighted-average loss rate	Gross carrying amount	ECL allowance
Trade receivables	16.2%	752,072	520,145	16.2%	-	-
Other receivables	16.2%	3,125,316	1,698,920	16.2%	2,111,080	987,916
Intercompany receivables	-	-	-	30%	1,323,815	414,695
		3,877,388	2,219,065		3,434,895	1,402,611

	Group			Company		
31 December 2020 In thousands of naira	Weighted-average loss rate	Gross carrying	ECL allowance	Weighted-average loss	Gross carrying amount	ECL allowance
Trade receivables	16.2%	698,138	629,674	16.2%	683,935	629,674
Other receivables	16.2%	2,336,508	1,542,923	16.2%	1,784,470	991,130
Intercompany receivables	-	-	-	31.0%	1,704,128	975,694
		3,034,646	2,172,597		4,172,533	2,596,498

Debt securities

The Group limits its exposure to credit risk by investing in liquid debt securities with strong ratings. The Group principally invest in bonds issued by the Federal Government of Nigeria (FGN), treasury bill, investment grade corporate bonds and fixed deposit with banks.

The Group monitors changes in credit risk by tracking published credit ratings agencies (Augusto, GCR and S&P). To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields and, where available, together with available press and regulatory information about issuers.

12-month probabilities of default are based on historical data supplied by S&P for each credit rating. Loss given default (LGD) parameters generally reflect an assumed recovery rate of 95%. The following table presents the credit quality of the Group's exposure to credit risk for debt securities measured at amortised cost at the reporting date.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

Credit Rating	**Group**		**Company**	
In thousands of naira	**2021**	**ECL allowance**	**2021**	**ECL allowance**
Corporate Securities				
BBB-AAA	-	-	-	-
B+ - B-	2,964,242	1,477	2,964,242	1,477
Government securities				
BBB-AAA	-	-	-	-
B+ - B-	9,370,121	12,421	9,370,121	12,421
Total	12,334,363	13,898	12,334,363	13,898

Credit Rating	**Group**		**Company**	
In thousands of naira	**2020**	**ECL allowance**	**2020**	**ECL allowance**
Corporate Securities				
BBB-AAA	1,044,466	470	1,044,466	470
Government securities				
BBB-AAA	6,758,460	87	6,758,460	87
B	906,083	692	906,083	692
Total	8,709,009	1,249	8,709,009	1,249

The Government securities rated B relates to bonds issued by the Federal Government of Nigeria in foreign currency which currently has a foreign long term issuer credit rating of B (S&P). The ECL on assets are 12-month ECL. The Group has no collateral in respect of these investments.

Cash and cash equivalents

The Group and Company held cash and cash equivalents of N2.26 biilion and N1.09 billion respectively as at 31 December 2021 (2020: Group - N6.99 billion; Company- N5.56 billion). The cash and cash equivalents are held with local banks which are rated between AAA and BBB per Fitch, Standard & Poor's, and Global Credit Rating.

Impairment on cash and cash equivalents has been measured on a 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 Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities.

The amount of impairment allowance at 31 December 2021 is Nil (2020: N2,504,450).

The following table shows the total exposure to credit risk as at year end.

In thousands of naira	**Notes**	**Group 2021**	**Group 2020**	**Company 2021**	**Company 2020**
Investment in debt securities	19	12,320,465	8,707,760	12,320,465	8,707,760
Trade and other receivables	16	1,658,323	862,045	1,123,164	847,600
Intercompany receivables	17	-	-	909,120	728,434
Cash and cash equivalents	15	2,248,237	6,988,063	1,097,730	5,562,994
		16,227,024	16,557,867	15,450,478	15,846,787

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’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 risking damage to the Group’s reputation.

The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments. The Group also prepares weekly cash flow reports, analysing its liquidity position. The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities and commitments.

The group has taken the following mitigating actions to respond to possible future liquidity constraints arising from the COVID-19 pandemic,

- reducing non-essential capital expenditure and deferring or cancelling discretionary spend; and
- freezing non-essential recruitment;

The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next 60 days. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. The following are the remaining contractual maturities of financial assets and liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and excludes the impact of any netting agreement.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

31 December 2021

Maturity Analysis- Group — **Contractual Cash Flows**

In thousands of Naira	**30 days or Less**	**31 - 60 days**	**61- 90 days**	**91 days or more**	**2021 Total**	**Carrying amount**
Financial assets						
Trade and other receivables	-	-	-	3,877,388	3,877,388	1,658,323
Investment securities	220,162	296,067	275,296	16,210,845	17,002,370	14,360,003
Cash and cash equivalents	2,248,237	-	-	-	2,248,237	2,248,237
Total	2,468,399	296,067	275,296	20,088,233	23,127,995	18,266,562
Financial liabilities						
Other liabilities	-	-	-	2,252,008	2,252,008	2,252,008
Total	-	-	-	2,252,008	2,252,008	2,252,008

Maturity Analysis- Company — **Contractual Cash Flows**

In thousands of Naira	**30 days or Less**	**31 - 60 days**	**61- 90 days**	**91 days or more**	**2021 Total**	**Carrying amount**
Financial assets						
Intercompany receivable	-	-	-	1,323,815	1,323,815	909,120
Trade and other receivables	-	-	-	2,111,080	2,111,080	1,123,164
Investment securities	220,162	296,067	275,296	14,171,307	14,962,832	12,320,465
Cash and cash equivalents	1,097,730	-	-	-	1,097,730	1,097,730
Total	1,317,892	296,067	275,296	17,606,202	19,495,457	15,450,478
Financial liabilities						
Other liabilities*	-	-	-	2,293,660	2,293,660	2,293,660
Total	-	-	-	2,293,660	2,293,660	2,293,660

* Excluded from other liabilities are accrued expenses, deferred income and statutory deduction such as VAT and WHT payable.

31 December 2020

Maturity Analysis- Group — **Contractual Cash Flows**

In thousands of Naira	**30 days or Less**	**31 - 60 days**	**61- 90 days**	**91 days or more**	**2020 Total**	**Carrying amount**
Financial assets						
Trade and other receivables	-	-	-	3,034,646	3,034,646	862,045
Investment securities	218,575	921,800	428,167	10,366,335	11,934,877	10,183,145
Cash and cash equivalents	6,990,567	-	-	-	6,990,567	6,988,063
Total	7,209,142	921,800	428,167	13,400,981	21,960,090	18,033,252
Financial liabilities						
Other liabilities	-	-	-	2,084,525	2,084,525	2,084,525
Total	-	-	-	2,084,525	2,084,525	2,084,525

Maturity Analysis- The Company — **Contractual Cash Flows**

In thousands of Naira	**30 days or Less**	**31 - 60 days**	**61- 90 days**	**91 days or more**	**2020 Total**	**Carrying amount**
Financial assets						
Intercompany receivable	-	-	-	1,704,128	1,704,128	728,434
Trade and other receivables	-	-	-	3,034,647	3,034,647	862,045
Investment securities	218,575	921,800	428,167	8,890,949	10,459,491	8,707,760
Cash and cash equivalents	5,565,116	-	-	-	5,565,116	5,562,993
Total	5,783,691	921,800	428,167	13,629,724	20,763,382	15,861,231
Financial liabilities						
Other liabilities*	-	-	-	2,061,306	2,061,306	2,061,306
Total	-	-	-	2,061,306	2,061,306	2,061,306

* Excluded from other liabilities are accrued expenses, deferred income and statutory deduction such as VAT and WHT payable.

(iv) 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's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group uses a range of tools such as sensitivity analysis, to manage its exposure to market risk.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

(a) Currency Risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the Group's functional currency. The functional currency of the Group is Nigerian Naira and the currency in which these transactions is primarily denominated is US Dollars.

At 31 December 2021, the Group was exposed to currency risk primarily as a result of its exposures which stood at $2,120,692.56 in debt securities and bank balances and its other liabilities which stood at $159,520.69.

The following significant exchange rates applied during the year

	Average Rate		Reporting Date Spot Rate		Amount	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
USD	409.49	361.66	424.11	364.66	899,406,923	1,272,634,688

Sensitivity analysis – Currency Risk

A reasonably possible strengthening (weakening) of the US Dollar against the Nigerian Naira as at 31 December 2021 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumed that all other variables remain constant and ignore any impact of forecast sales and purchases.

	Operating Profit			
	2021		**2020**	
Effects in thousands of Naira	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
USD (5%)	44,970	(44,970)	63,632	(63,632)

(b) Equity Price Risk

This risk arises from equity price changes caused by equity investment securities. At 31 December 2021, the Group was exposed to equity investment risk as a result of its exposures which stood at N2.03 billion (2020: N1.48 billion) in financial asset at fair value through other comprehensive income (FVOCI). The Group's equity investments include both quoted and unquoted securities. Please refer to Note 7 for the fair value and sensitivity analysis for equity price risk.

(c) Interest rate risk

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

Sensitivity analysis – Interest rate risk

Group

31 December 2021

In thousands of Naira		Interest rate shock			
	Carrying value	1%	2%	-1%	-2%
Cash and cash equivalent	2,248,237	22,482	44,965	(22,482)	(44,965)
Investment securities	12,320,465	123,205	246,409	(123,205)	(246,409)
		145,688	291,374	(145,687)	(291,374)

31 December 2020

In thousands of Naira					
	Carrying value	1%	2%	-1%	-2%
Cash and cash equivalent	5,562,994	55,630	111,260	(55,630)	(111,260)
Investment securities	8,707,760	87,078	174,155	(87,078)	(174,155)
		142,709	285,415	(142,708)	(285,415)

Company

31 December 2021

In thousands of Naira		Interest rate shock			
	Carrying value	1%	2%	-1%	-2%
Cash and cash equivalent	1,097,730	10,977	21,955	(10,977)	(21,955)
Investment securities	12,320,465	123,205	246,409	(123,205)	(246,409)
		134,183	268,364	(134,183)	(268,364)

31 December 2020 - NSE

In thousands of Naira					
	Carrying value	1%	2%	-1%	-2%
Cash and cash equivalent	5,562,994	55,630	111,260	(55,630)	(111,260)
Investment securities	8,707,760	87,078	174,155	(87,078)	(174,155)
		142,709	285,415	(142,709)	(285,415)

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

7 Financial instrument - Fair value measurement

(a) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, 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.

(i) The Group

31 December 2021 *In thousands of naira*	Financial assets measured at FVOCI	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total Carrying Amount	Fair value Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Investment in Equities	2,039,538	-	-	2,039,538	98,956	-	1,940,582	2,039,538
	2,039,538	-	-	2,039,538	98,956	-	1,940,582	2,039,538
Financial assets not measured at fair value								
Treasury bills	-	670,362	-	670,362	670,362	-	-	670,362
Bonds	-	8,996,158	-	8,996,158	8,996,158	-	-	8,996,158
Mutual funds	-	1,276,612	-	1,276,612	1,276,612	-	-	1,276,612
Commercial Paper	-	1,391,231	-	1,391,231	1,391,231	-	-	1,391,231
Trade and other receivables	-	1,658,323	-	1,658,323	1,658,323	-	-	1,658,323
Cash and cash equivalent	-	2,248,237	-	2,248,237	2,248,237	-	-	2,248,237
	-	**16,240,923**	**-**	**16,240,923**	**16,240,923**	**-**	**-**	**16,240,923**
Financial liabilities not measured at fair value								
Other liabilities*	-	-	2,252,008	2,252,008	-	-	-	-
	-	**-**	**2,252,008**	**2,252,008**	**-**	**-**	**-**	**-**

(ii) The Company

31 December 2021 *In thousands of naira*	Financial assets measured at FVOCI	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total Carrying Amount	Fair value Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value								
Treasury bills	-	670,362	-	670,362	670,362	-	-	670,362
Bonds	-	8,996,158	-	8,996,158	8,996,158	-	-	8,996,158
Commercial Paper	-	1,391,231	-	1,391,231	1,391,231	-	-	1,391,231
Trade and other receivables	-	1,123,164	-	1,123,164	1,123,164			1,123,164
Cash and cash equivalent	-	1,097,730	-	1,097,730	1,097,730			1,097,730
	-	**13,278,645**	**-**	**13,278,645**	**13,278,645**	**-**	**-**	**13,278,645**
Financial liabilities not measured at fair value								
Other liabilities*	-	-	2,293,660	2,293,660	-	-	-	-
	-	**-**	**2,293,660**	**2,293,660**	**-**	**-**	**-**	**-**

* Excluded from other liabilities are accrued expenses, deferred income and statutory deduction such as VAT and WHT payable.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

(iii) **The Group**

31 December 2020 *In thousands of naira*	**Financial assets measured at FVOCI**	**Financial assets measured at amortised cost**	**Financial liabilities measured at amortised cost**	**Total Carrying Amount**	**Fair value** Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value								
Investment in Equities	1,475,386	-	-	1,475,386	168,992	-	1,306,394	1,475,386
	1,475,386	-	-	1,475,386	168,992	-	1,306,394	1,475,386
Financial assets not measured at fair value								
Treasury bills	-	794,023	-	794,023	601,176	192,847	-	794,023
Bonds	-	7,160,789	-	7,160,789	6,890,837	269,952	-	7,160,789
Commercial Paper	-	754,197	-	754,197	740,907	13,290	-	754,197
Trade and other receivables	-	862,045	-	862,045				
Cash and cash equivalent	-	6,988,063	-	6,988,063				
	-	**16,559,117**	**-**	**16,559,117**	**8,232,920**	**476,089**	**-**	**8,709,009**
Financial liabilities not measured at fair value								
Other liabilities*	-	-	2,084,524	2,084,524	-	-	-	-
	-	-	**2,084,524**	**2,084,524**	**-**	**-**	**-**	**-**

(iv) **The Company**

31 December 2020 *In thousands of naira*	**Financial assets measured at FVOCI**	**Financial assets measured at amortised cost**	**Financial liabilities measured at amortised cost**	**Total Carrying Amount**	Fair value **Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets not measured at fair value								
Treasury bills		794,023		794,023	601,176	192,847	-	794,023
Bonds	-	7,160,789	-	7,160,789	6,890,837	269,952	-	7,160,789
Commercial Paper	-	754,197	-	754,197	740,907	13,290	-	754,197
Trade and other receivables	-	847,600	-	847,600				
Cash and cash equivalent	-	5,562,994	-	5,562,994				
	-	**15,119,603**	**-**	**15,119,603**	**8,232,920**	**476,089**	**-**	**8,709,009**
Financial liabilities not measured at fair value								
Other liabilities*	-	-	2,061,306	2,061,306				
	-	-	**2,061,306**	**2,061,306**	-	-	-	-

* Excluded from other liabilities are deferred income and statutory deduction such as VAT and WHT payable.

(b) Determination of fair value

The determination of fair value for each class of financial instrument was based on the particular characteristics of the instruments. The method and assumptions applied enumerated below.

(i) *Cash and cash equivalents*

The estimated fair value of fixed interest placement with banks is based on the discounted cashflow technique using prevailing money market interest rate.

(ii) *Trade, other receivables and other liabilities*

The estimated fair value of receivables and other liabilities with no stated maturity is the amount repayable or received on demand.

The carrying amount of other liabilities and other receivables do not attract interest rate and are repayable within six months, hence the impact of discounting is insignificant. Thus the amount payable or receivable on demand is a reasonable approximation of their fair values.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

7 Financial instrument - Fair value measurement (cont'd)
Measurement of fair values

(iii) Bonds, Treasury bills and other investments

The Group has investments in government and corporate debt securities. FGN Bonds and Treasury bills represent debt securities of the Federal Government of Nigeria issued by the Debt Management Office (DMO) and Central Bank of Nigeria (CBN) respectively.The estimated fair value of treasury bills, commercial papers and bonds carried at amortized cost is determined with reference to quoted prices (unadjusted) in active markets for identical assets.

(iv) Quoted equity investments

The fair values of quoted equity securities are determined by reference to quoted prices (unadjusted) in active market for identical instruments. The company has quoted equity investment in NASD Plc valued at N98,956,308.15 (2020: N168,992,883).

(iv) Unquoted equity investments

The Group has investment in FMDQ OTC Plc of which there is no available market price as at 31 December 2021. In accordance with IFRS 13 fair value measurement, which outlines three approaches for valuing unquoted equity instruments; market approach, the income approach and the cost approach. The Group estimated the fair value of its investment in FMDQ at the end of the financial year using the market approach.

Level 3 fair values of investments have been generally derived using the adjusted fair value comparison approach. Quoted price per earning or price per book value, enterprise value to EBITDA ratios of comparable entities in a similar industry were obtained and adjusted for key factors to reflect estimated ratios of the investment being valued. Adjusting factors used are the Illiquidity Discount which assumes a reduced earning on a private entity in comparison to a publicly quoted entity and the Haircut adjustment which assumes a reduced earning for an entity located in Nigeria contributed by lower transaction levels in comparison to an entity in a developed or emerging market.

The steps involved in estimating the fair value of the Group’s investment in FMDQ are as follows:

Step 1: Identify quoted companies with similar line of business, structure and size.

Step 2: Obtain the EV/EBITDA or the P/B or P/E ratios of these quoted companies identified from Bloomberg or Reuters.

Step 3: Derive the average or median of EV/EBITDA or the P/B or P/E ratios of these identified quoted companies.

Step 4: Apply the lower of average (mean) or median of the identified quoted companies ratios on the Book Value or Earnings of the investment company to get the value of the investment company.

Step 5: Discount the derived value of the investment company by applying an Illiquidity and control discount to obtain the Adjusted Equity Value.

Step 6: Compare the Adjusted Equity value with the carrying value of the investment company to arrive at a net gain or loss.

The significant unobservable inputs in the valuation method include:
- Illiquidity discount
- Control discount

Generally, a change in any of the unobservable input as listed above will impact on the estimated fair values for these instruments.

Valuation Assumptions

Illiquidity discount and Control discount has been estimated at 20% and 15% respectively.

Reconciliation of Level 3 fair value

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

Investment in equity

In thousands of Naira	**2021**	**2020**
Opening balance	1,306,394	287,402
Additions	-	-
Gain included in OCI		
Net change in fair value (unrealized)	564,153	1,018,992
Closing balance	1,870,547	1,306,394

Sensitivity analysis – Equity Price Risk (unquoted equity investment)

	2021		**2020**	
In thousands of Naira	**Increase**	**Decrease**	**Increase**	**Decrease**
Illiquidity discount (1% movement)	(18,705)	18,705	(13,064)	13,064
Control discount (1% movement)	(18,705)	18,705	(13,064)	13,064

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

8 Operating segments

(a) Information about reportable segments

The Group has three (3) reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services which is the basis for identifying the Group's reportable segments, and are managed separately. The following summary describes the operations in each of the Group's reportable segments:

- Capital Market & Post trade Services - Regulating the activities of all stock broking firms in Nigeria while providing them with the facilities for the purchase and sale of bonds, stocks and shares of any kind. This also includes the clearing and settlement of trades on the Stock Exchange.
- Strategic Investment - A vehicle for executing strategic investments on behalf of the Company and its directors
- Property management - Providing property letting and property management services to the members of the public.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's Management Committee at least quarterly i.e. the Chief Decision Maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Information about reportable segments

In thousands of Naira	**Capital Market & Post trade Services 2021**	**Strategic investment 2021**	**Property management 2021**	**Adjustments 2021**	**Consolidated 2021**
External revenues	3,758,072	1,069,740	376,740	48,221	5,252,773
Inter-segment revenue	1,335,469	385,734	-	(1,075,367)	645,836
Segment revenue	5,093,541	1,455,474	376,740	(1,027,146)	5,898,609
Interest revenue	32,883	1,307,121	3,202	(1,075,367)	267,839
Dividend from Associate	-	1,707,680	-	(1,075,368)	632,312
Expenses					
Personnel expenses	(2,256,920)	(983,340)	-	549	(3,239,711)
Depreciation and amortization	(416,517)	(186,702)	(114,234)	225,941	(491,512)
Other expenses	(2,036,056)	(1,370,476)	(262,226)	(1,166,010)	(4,834,768)
Share of profit of equity accounted investee	-	-	-	2,119,361	2,119,361
Impairment loss on non-financial asset	-	324,791	-	(395,080)	(70,289)
	416,931	2,254,548	3,482	(2,393,120)	281,840
Segment Operating profit before tax	416,931	2,254,548	3,482	(2,393,120)	281,840
Minimum tax	-	(6,031)	(950)	-	(6,981)
Income tax expense	(112,614)	(18,865)	(14,576)	-	(146,054)
Segment Operating profit after tax	304,317	2,229,652	(12,044)	(2,393,120)	128,805
Assets & Liabilities					
Reportable segment assets	3,745,950	26,956,944	2,991,664	4,174,381	37,868,940
Reportable segment liabilities	1,185,517	3,362,033	1,477,529	(2,270,493)	3,754,586

In thousands of Naira	**Capital Market & Post trade Services 2020**	**Strategic investment 2020**	**Property management 2020**	**Adjustments 2020**	**Consolidated 2020**
External revenues	4,604,134	21,995	134,715	-	4,760,844
Inter-segment revenue	-	-	238,557	(238,557)	-
Segment revenue	4,604,134	21,995	373,272	(238,557)	4,760,844
Interest revenue	1,257,121	-	1,267	-	1,258,388
Dividend from Associate	1,255,218	-	-	(1,255,218)	-
Expenses					
Personnel expenses	(3,240,385)	-	-	-	(3,240,385)
Depreciation and amortization	(613,229)	-	(94,650)	118,923	(588,956)
Other expenses	(2,166,339)	(1,334)	(127,756)	71,990	(2,223,439)
Share of profit of equity accounted investee	-	-	-	2,003,217	2,003,217
Impairment loss on non financial asset	(34,443)	(23)	(319)	(25,624)	(60,409)
	1,062,077	20,638	151,814	674,731	1,909,260
Segment Operating profit before tax	1,062,077	20,638	151,814	674,731	1,909,260
Minimum tax	-	-	-	-	-
Income tax expense	-	(7)	(70,259)	-	(70,266)
Segment Operating profit after tax	1,062,077	20,631	81,555	674,731	1,838,994
Assets & Liabilities				-	
Reportable segment assets	23,567,296	1,747,494	2,335,697	7,456,085	35,106,572
Reportable segment liabilities	3,519,372	654,992	1,498,074	(1,842,108)	3,830,330

Geographical segment

Nigeria is the Company's primary geographical segment as all the Company's income is derived in Nigeria. Accordingly, no further geographical segments information is reported.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

9 Revenue

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
Treasury investment income (see note (a) below)	1,343,207	1,279,948	1,307,121	1,257,121
Dividend income (see note (b) below)	-	-	1,707,680	1,255,218
Transaction fees	2,896,238	2,835,597	584,115	2,835,597
Listing fees	757,425	606,946	105,767	606,946
Entrance levies	7,458	58,295	-	58,295
Rental income (see note (26(b))	82,812	92,732	-	-
Other fees (see note (c) below)	689,915	154,223	29,858	154,223
	5,777,055	5,027,740	3,734,541	6,167,400

(a) Treasury investment income includes income from Bonds, Treasury bills and fixed deposits. The Group and Company earns interest income from investment in treasury bills, fixed deposits with commercial banks and bonds. The interest income is recognised using the effective interest method.

(b) Dividend income represents dividend income received from the associate company - Central Securities Clearing System Plc. (CSCS).

(c) Other fees represent rent of trading floor, annual charges from brokers, dealing license and membership fees earned by the Group.

10 Other income

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
Other operating income (see note (a) below)	611,370	440,732	329,302	398,312
Rental Income	-	52	-	52
Market Data Income	394,981	350,199	41,702	350,199
Net gain on disposal of property and equipment	1,246	4,631	623	4,631
Provision no longer required	14,107	195,880	14,107	195,880
	1,021,704	991,494	385,734	949,074

(a) Other operating income is made up of technology income, other sub-lease income and penalty fees.

11 Impairment loss on assets

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
(a) Financial assets				
Net impairment (charge) on trade and other receivables (see note 16(e))	(46,463)	(59,123)	-	(59,108)
Impairment (charge) on debt instruments at amortised cost (see note 19(a))	(12,649)	(903)	(12,649)	(903)
Net Impairment (charge) on cash and cash equivalents (see note 15(a))	2,504	(383)	2,121	-
Net impairment (charge)/writeback on intercompany receivables (see note 17(i))	-	-	349,000	25,568
	(56,608)	(60,409)	338,472	(34,443)

(b) Non-financial assets

	Group 2021	Group 2020	Company 2021	Company 2020
Impairment charge on other non-financial assets (see note 18)	(13,681)	-	(13,681)	-
Impairment charge on investment in subsidiary (see note 21)	-	-	-	-
	(13,681)	-	(13,681)	-
	(70,289)	(60,409)	324,791	(34,443)

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

12 Personnel expenses

In thousands of naira	**Group 2021**	**Group 2020**	**Company 2021**	**Company 2020**
Salaries and allowances	3,032,155	2,957,296	918,692	2,957,296
Defined benefit cost (see note 27)	-	86,236	-	86,236
Contributions to defined contribution plans (see note (a) below)	207,556	196,852	64,648	196,852
	3,239,711	3,240,384	983,340	3,240,384

(a) The Group operates a funded defined contribution retirement benefit scheme for its employees under the provisions of the Pension Reform Act of 2014 (amended). The employer contributes 10% while the employee contributes 8% of the qualifying employee's salary.

(b) The average number of persons employed during the period was as follows:

	Group 2021	**Group 2020**	**Company 2021**	**Company 2020**
Executive Directors	3	2	1	2
Management	26	26	4	26
Non-Management	176	241	17	241
	205	269	22	269

(c) Compensation for the above persons (excluding executive directors):

In thousands of Naira	**Group 2021**	**Group 2020**	**Company 2021**	**Company 2020**
Short term benefits	1,922,057	2,296,734	685,056	2,300,664
Contributions to defined contribution plans	685,056	140,089	53,588	180,132
Other staff cost	239,119	234,812	66,857	232,944
	2,846,232	2,671,635	805,501	2,713,740

(d) The remuneration paid to the Board members (excluding pension and reimbursable allowances):

In thousands of Naira	**Group 2021**	**Group 2020**	**Company 2021**	**Company 2020**
Sitting allowances	56,740	59,545	37,000	76,220
Executive compensation*	754,872	423,118	305,422	400,468
	811,612	482,663	342,422	476,688

*Executive compensation relates to compensation paid to Chief Executive Officer and Executive Directors who are not Board members.

(e) The Board members' remuneration shown above includes:

In thousands of Naira	**Group 2021**	**Group 2020**	**Company 2021**	**Company 2020**
Chairman	6,600	4,950	6,600	4,950
Highest paid Board member	160,019	156,203	160,019	156,203

(f) The number of executive directors* who received fees and other emoluments (excluding pension contributions and reimbursable expenses) in the following ranges was:

	Group 2021	**Group 2020**	**Company 2021**	**Company 2020**
₦1,000,001 - ₦10,000,000	-	-	-	-
₦10,000,001 and above	3	2	1	2
	3	2	1	2

*Executive directors include the Chief Executive Officer and members of the Executive Director who are not Board members.

(g) The number of employees of the Group, other than executive directors, who received emoluments in the following ranges (excluding pension contributions and other benefits) were:

	Group 2021	**Group 2020**	**Company 2021**	**Company 2020**
₦60,000 - ₦2,000,000	-	65	-	65
₦2,000,001 - ₦3,500,000	62	71	5	71
₦3,500,001 - ₦5,000,000	8	15	-	15
₦5,000,001 - ₦6,500,000	29	31	3	31
₦6,500,001 - ₦8,000,000	20	25	3	25
₦8,000,001 - ₦9,500,000	4	8	-	8
₦9,500,001 and above	79	71	10	71
	202	286	21	286

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

13 Operating expenses

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
Repairs and Maintenance	533,674	191,516	167,933	86,821
Director sitting allowances and expenses	240,283	264,168	81,167	263,120
Professional fees (see note (a) below)	241,653	252,926	95,032	234,719
Legal expenses	129,321	42,063	129,321	42,063
Audit fees	42,808	37,000	15,333	34,000
Travelling expenses	32,838	27,514	19,510	27,514
Rent and rates	-	8,880	-	8,880
Stationery, library and factbook expenses	3,556	5,533	530	5,529
Subscriptions	16,311	127,710	1,154	127,710
NSITF Charge	28,271	27,463	6,766	27,463
Software, internet and connectivity subscription	396,363	530,197	79,286	530,197
Diesel expenses	56,884	44,910	8,305	44,910
Project expenses (see note (b) below)	332,658	146,320	290,602	146,320
Water and rates	124,149	38,636	81,553	109,130
Events, seminars & sponsorship expenses	62,923	27,510	2,457	27,510
Security Expenses	19,380	25,129	5,018	25,129
Bank charges	30,191	142,050	16,861	141,972
X-Academy Expense	17,077	7,173	990	7,173
Enterprise Innovation Hub Expense	5,933	36,416	1,350	36,416
Corporate social responsibilities and gifts	516	42,937	516	42,937
Telephone, postages and periodicals	38,573	19,045	3,546	19,044
Interest on lease liabilities (see note (c) below)	31,871	5,721	29,727	5,075
Exchange loss (unrealised)	53,371	40,330	37,429	40,330
Brand management	25,240	59,849	288	59,849
Annual general meeting expenses	30,495	8,904	29,742	8,904
Anniversary expenses	151,143	-	151,143	-
General expenses (see note (d) below)	67,347	63,541	113,779	63,625
	2,712,829	2,223,441	1,369,338	2,166,340

(a) Professional includes a sum of N24.5 million paid to KPMG for non-audit services

(b) Project expenses relate to ERP software upgrade, demutualization and x-Issuer portal projects.

(c) Interest on lease liabilities relate to the implicit cost to the (right of use) of leased offices occupied by branches of the NGX Group in various states in the country. The interest expense is computed using the incremental borrowing rate of 17%.

(d) General expenses include insurance, advert and publications, cleaning materials and office provisions.

14 Taxation

(a) Income tax expense

Income tax expense refers to current year tax charged to the profit or loss by using the tax rate enacted or substantively at the balance sheet date. The Group and Company's tax assessment was computed by Pedabo Professional Services (FRC Number - FRC/2013/ICAN/00000000908) who provides tax consultation services to the Company.

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
(i) *Minimum tax*				
Minimum tax	6,981	-	6,031	-
	6,981	-	6,031	-
(ii) *Current tax*				
Companies Income Tax	98,251	40,178	-	-
Nigeria Police Trust Fund Levy	116	6	94	-
Tertiary Education Tax	24,540	4,960	-	-
Information Technology levy	23,148	-	18,771	-
Current Income tax expense	146,055	45,144	18,865	-
(iii) *Deferred tax*				
Deferred tax	-	25,122	-	-
	146,055	70,266	18,865	-
Total income tax expense	153,036	70,266	24,896	-

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

(b) Reconciliation of effective tax rate

In thousands of naira	**Group 2021**	**Group 2021**	**Group 2020**	**Group 2020**
Profit before tax		2,401,202		1,909,261
Less: NIDTA levy (note 14(a))		(23,148)		-
Profit before income tax		2,378,054		1,909,261
Income tax using the domestic corporation tax rate	30%	713,416	30%	572,778
Non-deductible expenses	17%	394,414	2%	29,219
Tax exempt income	-30%	(718,444)	0%	1,598
Police Trust Fund Levy	0%	116	0%	6
Effect of share of profit of equity accounted investee	-27%	(635,808)	-31%	(600,965)
Education tax	1.0%	24,540	0.3%	4,960
Information technology tax	1.0%	23,148	0%	-
Tax effect of losses for which no deferred tax has been recognised	14.5%	344,673	0%	-
Change in recognised deductible temporary difference	0%	-	3%	62,670
Tax expense	6%	146,055	4%	70,266

In thousands of naira	**Company 2021**	**Company 2021**
Profit before tax		1,905,686
Less: NIDTA levy (note 14(a))		(18,771)
Profit before income tax		1,886,915
Income tax using the domestic corporation tax rate	30%	566,075
Non-deductible expenses	24%	445,824
Tax exempt income	-51%	(964,165)
Police Trust Fund Levy	0%	94
Education tax	0.0%	-
Information technology tax	1.0%	18,771
Tax effect of losses for which no deferred tax has been recognised	-2.5%	(47,734)
Change in recognised deductible temporary difference	0%	-
Tax expense	1%	18,865

* No tax charge was computed for the Company in 2020 as the Company was not liable to tax since it was a company limited by guarantee.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

15 Cash and cash equivalents

In thousands of naira	**Group 2021**	**Group 2020**	**Company 2021**	**Company 2020**
Bank balances	951,527	4,013,717	822,492	2,688,684
Fixed deposits	1,296,710	2,976,850	275,238	2,876,432
Gross total	2,248,237	6,990,567	1,097,730	5,565,116
ECL allowance (see note (a) below)	-	(2,504)	-	(2,121)
Carrying amount	2,248,237	6,988,063	1,097,730	5,562,994

(a) Movement in allowance for impairment of cash and cash equivalent

In thousands of naira	**Group 2021**	**Group 2020**	**Company 2021**	**Company 2020**
Opening balance	2,504	2,121	2,121	2,121
Remeasurement of ECL allowance (see note 11)	(2,504)	383	(2,121)	-
Closing balance	-	2,504	-	2,121

16 Trade and other receivables

In thousands of naira	**Group 2021**	**Group 2020**	**Company 2021**	**Company 2020**
Trade receivables	752,072	698,138	-	683,935
Staff loans	-	299	-	299
Due from NSE/CSCS Multipurpose Cooperative Society (see note (a) below)	264,979	264,979	264,979	264,979
Deferred recovery of bonuses (see note (b) below)	517,500	522,500	517,500	522,500
Due from gratuity fund administrators	-	2,165	-	2,165
Deposit for investment (see note (c) below)	973,432	652,000	973,432	652,000
Other receivables (see note (d) below)	1,369,405	894,565	355,169	342,526
Gross total	3,877,388	3,034,646	2,111,080	2,468,404
ECL Allowance (See note (e) below)	(2,219,065)	(2,172,602)	(987,916)	(1,620,804)
Carrying amount	1,658,323	862,045	1,123,164	847,600
Non current	-	-	-	-
Current	1,658,323	862,045	1,123,164	847,600
Carrying amount	1,658,323	862,045	1,123,164	847,600

(a) The amount due from NSE/CSCS Multipurpose Co-operative Society relates to two payments of ₦150.0 million and ₦114.9 million made in connection with the purchase of shares on behalf of the NSE/CSCS Multipurpose Cooperative Society. Efforts are being made by management to recover these disputed amounts and the matter is currently a subject of litigation. The Company has fully impaired the amount subject to recovery of the receivable in a future year.

(b) Deferred recovery of bonuses represents ₦2.09billion distributed to certain ex-council members as share of surplus between 2006 and 2008. This payment was contrary to section 26(3) of the Companies and Allied Matters Act (CAMA), and the Securities and Exchange Commission directed the Company to recover the money from the ex-council Members involved. Refunds amounting to ₦620.50million have been received from the ex-council members to date. The outstanding balance of N517.5million continues to be subject of a litigation on account of a dispute over the basis of payment. The Company has fully impaired the amount subject to recovery of the receivable in future years.

(c) The amount represents deposit with Greenwich Registrars and Data Solutions Ltd for strategic investments.

(d) Other receivables include investment in defunct Hallmark Bank, withholding tax receivables and other receivables. These amounts have been fully impaired as at year end.

(e) Movement in allowance for impairment of trade and other receivables is shown below

In thousands of naira	**Group 2021**	**Group 2020**	**Company 2021**	**Company 2020**
Trade debtors - listing fees	714,954	507,881	20,000	507,881
Trade debtors - annual charges	517,363	112,084	-	112,084
Trade debtors - market data	2,782	9,709	-	9,709
Sundry debtors - NSE/CSCS Cooperative	264,979	264,979	264,979	264,979
Deferred recovery of bonuses	517,500	522,500	517,500	522,500
Gratuity plan assets	-	2,165	-	2,165
Other receivables	201,487	753,285	185,437	201,487
	2,219,065	2,172,604	987,916	1,620,805

(e) Movement in allowance for impairment of trade and other receivables is shown below

In thousands of naira	**Group 2021**	**Group 2020**	**Company 2021**	**Company 2020**
Opening balance	2,172,602	2,184,334	1,620,805	1,632,552
Movement during the year:				
Net remeasurement of ECL allowance (see note 11)	46,463	59,123	-	59,108
Impairment reversal/transfer on trade receivables	-	(70,855)	(632,889)	(70,855)
Closing balance	2,219,065	2,172,602	987,916	1,620,805

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

17 Intercompany receivables

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
Intercompany receivables	-	-	1,323,815	1,704,128
ECL allowance	-	-	(414,695)	(975,694)
Carrying amount	-	-	909,120	728,434
Current asset	-	-	909,120	728,434
Non current asset			-	-

Intercompany receivables have been classified as current asset as the Company expects the subsidiaries to fulfil their obligation within 12 months.

(i) Movement in ECL allowance on intercompany receivables is shown below

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
Opening balance	-	-	975,694	1,001,263
Transfer			(211,999)	-
Net remeasurement of ECL allowance (see note 11)				
Charge/(Reversal)	-	-	(349,000)	(25,569)
Closing balance	-	-	414,695	975,694

(ii) Intercompany receivables represent amounts receivable from the Company's subsidiaries. An analysis of intercompany receivables is shown below:

The Company

In thousands of naira	Gross 2021	ECL Impairment 2021	Carrying amount 2021	Gross 2020	ECL Impairment 2020	Carrying amount 2020
NSE Consult Limited	171,298	-	171,298	626,989	(626,989)	-
NGX Real Estate Limited	879,953	(394,795)	485,158	1,056,543	(328,109)	728,434
Coral Properties Limited	21,096	(19,900)	1,196	20,596	(20,596)	-
NSE Nominees Limited	110	-	110	-	-	-
NGX Regulation Limited	225,325	-	225,325	-	-	-
	1,297,782	(414,695)	883,087	1,704,128	(975,694)	728,434

These receivables have been evaluated for impairment based on their recoverable amounts as explained below:

18 Prepayment

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
Prepayments	277,953	95,760	125,907	93,223
Prepayments for IT platform	182,624	42,591	141,915	42,590
Advance payments to third parties (See note (a) below)	13,681	13,681	13,681	13,681
Gross total	474,258	152,032	281,503	149,495
Impairment allowance	(13,681)	-	(13,681)	-
Carrying amount	460,577	152,032	267,822	149,495
Current	104,629	152,032	50,309	149,495
Non current	369,628	-	231,194	-
	474,258	152,032	281,503	149,495

(a) Advanced payments to third party represent part payments made to contractors for ongoing services and projects rendered to the Company during the year .

19 Investment Securities

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
At amortised cost				
Bonds	8,996,158	7,160,789	8,996,158	7,160,789
Commercial Papers	1,391,231	754,197	1,391,231	754,197
Treasury bills	670,362	794,023	670,362	794,023
Mutual funds	1,276,612	-	1,276,612	-
	12,334,363	8,709,009	12,334,363	8,709,009
Impairment allowance (see note (a) below)	(13,898)	(1,249)	(13,898)	(1,249)
Sub total	12,320,465	8,707,760	12,320,465	8,707,760
Equity securities at Fair Value through OCI (see note (b) below)	2,039,538	1,475,386	-	-
Sub total	2,039,538	1,475,386	-	-
Carrying amount	14,360,003	10,183,146	12,320,465	8,707,760

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
Non-current	10,373,491	7,414,186	10,373,491	5,938,801
Current	3,986,512	2,768,959	1,946,974	2,768,959
Carrying amount	14,360,003	10,183,145	12,320,465	8,707,760

(a) Movement in allowance for impairment of investment securities is shown below

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
Opening balance	1,249	346	1,249	346
Remeasurement of ECL allowance (see note 11)	12,649	903	12,649	903
	13,898	1,249	13,898	1,249

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

(b) **Analysis of equity securities**

(i) Equity investments at FVOCI comprise the following:

In thousands of naira	Group 2021	Group 2020
Quoted investment		
National Association of Securities Dealers (NASD OTC PLC)	98,956	168,992
Sub total	98,956	168,992
Unquoted investment		
Financial Market Dealers Quotation (FMDQ OTC)	1,940,582	1,306,394
Sub total	1,940,582	1,306,394
Total carrying amount	2,039,538	1,475,386

(ii) Movement in equity investment at FVOCI

In thousands of naira	2021	2020
Cost - FMDQ and NASD OTC	138,080	138,080
Additional investment	-	-
Fair value changes (see note (b) (iii) below)	1,901,458	1,337,305
	2,039,538	1,475,386

(iii) Movement in fair value on equity securities

In thousands of naira	2021	2020
Opening balance	1,337,305	318,314
Fair value changes during the year (See note (b)(iv)below)	564,153	1,018,991
	1,901,458	1,337,305

(iv) Fair value changes on investment securities during the year

In thousands of naira	2021	2020
NASD PLC	322,328	-
FMDQ (OTC)	241,825	1,018,992
	564,153	1,018,992

(b) The financial assets which are held at FVOCI, are equity investments in National Association of Securities Dealers (NASD OTC) amounting to N88,080,433, investments in Financial Market Dealers Quotation (FMDQ OTC) amounting to N50,000,000. The Group holds 10.87% (2020: 10.87%) of NASD' shares and 6.42% (2020: 6.42%) of FMDQ's shares.The Group designated these investments at FVOCI because these equity investments represent investments that the group intends to hold for long term strategic purposes. None of these strategic investments were disposed of during 2020 and there were no transfers of any cummulative gain or loss within equity relating to these investments. The valuation techniques are explained in note 7.

* As part of its initiative in championing development in Africa's financial market, the Company invested a total of N5m in three start-up FinTech companies during the year. These companies are yet to fully commence business operations.

20 Investment in associates

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
Investment in Associate - CSCS ((see note (i) below)	12,937,826	10,574,670	3,347,223	1,420,653
Investment in Associate - NG Clearing ((see note (ii) below)	1,812,803	1,850,925	1,736,687	1,736,687
Carrying amount	14,750,630	12,425,595	5,083,910	3,157,340

(i) ***Investment in Associate - CSCS***

The Group has a 31.14% ownership interest in Central Securities Clearing Systems (CSCS) Plc (2020: 29.19%). The principal activity of the Company is to act as a depository, clearing and settlement agency for all quoted and trade securities in the Nigerian capital market. CSCS is domiciled in Nigeria. The net assets of the Company as at 31 December 2021 was N35,491,978,000 (2020: N35,347,343,000).

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
Balance, beginning of the year	10,574,670	9,875,445	1,420,653	1,420,653
Additional Investment during the year	1,926,570	-	1,926,570	-
Share of profit	2,157,484	1,966,832	-	-
Share of OCI	(13,216)	(12,389)	-	-
Dividends paid	(1,707,681)	(1,255,218)	-	-
Total investment in associates	12,937,826	10,574,670	3,347,223	1,420,653
Carrying amount	12,937,826	10,574,670	3,347,223	1,420,653

Summary financial information for the equity accounted investee, not adjusted for the percentage ownership held by the Group is as follows:

In thousands of naira	2021	2020
Percentage ownership interest	31.14%	29.19%
Non-current assets	23,063,771	23,061,533
Current assets	18,358,556	18,358,499
Non-current liabilities	(189,036)	(7,099)
Current liabilities	(5,741,313)	(6,065,591)
Net assets (100%)	35,491,978	35,347,343
Group's share of net assets (31.14%) (2020: 29.19%)	**11,052,202**	**10,317,889**
Revenue	12,087,177	12,101,902
Profit from continuing operations	6,928,335	6,738,033
Other comprehensive income	(42,441)	(42,441)
Total comprehensive income	6,885,894	6,695,592
Group's share of profit and total comprehensive income	2,144,267	1,954,443
Group's interest in net assets of investee at the beginning of the year	10,574,670	9,875,445
Total comprehensive income attributable to the Group	2,157,484	1,966,832
Additional Investment during the year	1,926,570	-
Share of OCI	(13,216)	(12,389)
Dividend received during the year	(1,707,681)	(1,255,218)
Group's interest in the net assets of investee at the end of the year	12,937,826	10,574,670

Investment in associates is currently carried at cost plus the share of the group percentage holding in net assets of the associate.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

(ii) ***Investment in associate - NG Clearing***

NG Clearing Limited is an associate company which the NGX Group Plc has 27.7% ownership interest (2020: 27.7%). The Nigerian Exchange Group owns 31.14% ownership interest in CSCS who is also a major shareholder in NG Clearing with a percentange holding of 27.7%. It is principally established to operate clearing house(s) for the clearance and settlement of transactions in financial securities and derivatives contracts. The Company is yet to commence operations.

		Cost		
In thousands of naira	**Group 2021**	**Group 2020**	**Company 2021**	**Company 2020**
Balance, beginning of the year	1,850,926	814,541	1,736,687	736,687
Additional Investment during the year	-	1,000,000	-	1,000,000
Share of current year result (net of tax)	(38,122)	36,385	-	-
Total investment	1,812,803	1,850,926	1,736,687	1,736,687
Carrying amount	1,812,803	1,850,926	1,736,687	1,736,687

In thousands of naira	**2021**	**2020**
Percentage ownership interest	27.7%	27.7%
Non-current assets	514,520	202,474
Current assets	6,117,017	6,544,932
Current liabilities	(153,961)	(130,821)
Net assets (100%)	6,477,576	6,616,585

In thousands of naira	**2021**	**2020**
Group's share of net assets (27.7%)	**1,794,289**	**1,832,794**
Revenue	509,053	554,539
Profit from continuing operations	(137,626)	131,353
Total comprehensive income	(137,626)	131,353
Group's share of profit and total comprehensive income/(loss)	(38,122)	36,385
Group's interest in net assets of investee at the beginning of the year	1,850,926	814,541
Total comprehensive income attributable to the Group	(38,122)	36,385
Additional Investment during the year	-	1,000,000
Group's interest in the net assets of investee at the end of the year	1,812,803	1,850,926

(iii) Total amount recognised in profit or loss is as follows

In thousands of naira	**2021**	**2020**
Share of profit from associate company: CSCS	2,157,484	1,966,832
Share of profit from associate company: NG Clearing	(38,122)	36,385
	2,119,361	2,003,217

21 Investment in subsidiaries

In thousands of naira	**Group 2021**	**Group 2020**	**Company 2021**	**Company 2020**
NSE Consult Limited	-	-	1,250	1,250
Coral Properties Limited	-	-	72,000	72,000
NGX Real Estate Limited	-	-	1,634,629	945,700
NSE Nominees Limited	-	-	500	500
Nigerian Exchange Limited	-	-	1,459,800	2,416,961
NGX Regulation Limited	-	-	643,432	652,982
Total investment in subsidiaries	-		3,811,611	4,089,393
Impairment (see note 19 (v) below)	-	-	(73,500)	(73,500)
Carrying amount	-	-	3,738,111	4,015,893

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

(i) The NGX Group Plc has a 99.8% holding in NSE Consult Limited. NSE Consult Limited was incorporated in Nigeria on 19 May 2004 and commenced business on 15 April 2005. Its principal objective is to carry on business as consultants, financial advisers and analysts, and to carry on business as the strategic investment arm/subsidiary of the Nigerian Stock Exchange. The principal place of business of the Company is Nigeria.

(ii) The NGX Group Plc has a 100% holding in Coral Properties Limited. Coral Properties Limited was incorporated in Nigeria as a private limited liability company on 20 May 1993 and became a public Company on 29 August 1995. The principal activity of the Company is real estate development and sales. The Company's place of incorporation is also the Company's place of principal place of business.

(iii) The NGX Group Plc has a 100% holding in NGX Real Estate Limited. NGX Real Estate Limited was incorporated as a limited liability Company on 29 June 1974 as Naira Properties Limited and its name was changed to NGX Real Estate Limited on 13 October 2019 . The company's main activities are property letting and investment. The NGX Group Plc acquired 40% equity interest in NGX Real Estate Limited in February 1986. The company became a wholly owned subsidiary of the NGX Group Plc in 2005 when the NGX Group Plc acquired the balance of 60% equity interest in the company, previously held by the Daily Times Nigeria. The Company's place of incorporation is also the Company's place of principal place of business.

(iv) The NGX Group Plc has a 83.3% holding in NSE Nominees Limited. NSE Nominees Limited was incorporated on 22 May 2007 with the principal objective of opening and operating a nominee account for the purpose of buying back shares for the benefit of investors who suffered losses through an unauthorized sale of their shares within the Nigerian Capital Market.

(v) The NGX Group Plc has a 99.9% holding in Nigerian Exchange Limited. Nigerian Exchange Limited is a Company domiciled and incorporated in Nigeria. The Company was incorporated as a limited liability Company on 22 July 2019. The principal activities are to provide facilities to the public for the purchase and sale of securities, a platform for the listing of securities and sale of securities to the public, market data and indices for sale to the public.

(vi) The NGX Group Plc has a 99.9% holding in NGX Regulation Limited. NGX Regulation Limited is a Company domiciled and incorporated in Nigeria. The Company was incorporated as a limited liability Company on 22 July 2019. The company will focus on carrying out the regulatory functions as agreed with Nigerian Exchange Limited. NGX Regulation earns a 5.5% mark-up on its expenses.

(vii) An analysis of allowance for impairment of investment in subsidiaries is shown below:

In thousands of naira	**Gross 2021**		**ECL Impairment 2021**	**Carrying amount 2021**	**Gross 2020**	**ECL Impairment 2020**	**Carrying amount 2020**
NSE Consult Limited	1,250		(1,000)	250	1,250	(1,000)	250
Coral Properties Limited	72,000		(72,000)	-	72,000	(72,000)	-
NSE Nominees	500		(500)	-	500	(500)	-
	73,750	-	(73,500)	250	73,750	(73,500)	250

Movement in impairment allowance

In thousands of naira	**2021**	**2020**
Opening balance	73,500	73,500
Charge for the year	-	-
Reversal	-	-
Closing balance	73,500	73,500

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

(viii) **Condensed results of consolidated entities**

Condensed results of the consolidated entities as at 31 December 2021, are as follows:

In thousands of naira	**Group balance**	**Elimination entries**	**NGX Group Plc The Company**	**Nigerian Exchange Limited**	**NGX Regulation Limited**	**NSE Consult Limited**	**Coral Properties Limited**	**NGX Real Estate Limited**	**NSE Nominees Limited**
Revenue	6,798,759	(3,177,881)	4,120,275	4,143,397	983,026	350,000	-	379,941	1
Expenses	(6,446,629)	1,179,842	(2,539,380)	(3,705,665)	(1,003,279)	(1,138)	-	(376,459)	(550)
ECL Allowance	(70,289)	(395,080)	324,791	-	-	-	-	-	-
Operating profit before tax	281,841	(2,393,118)	1,905,685	437,732	(20,253)	348,862	-	3,482	(549)
Share of profit of equity accounted investees	2,119,361	2,119,361	-	-	-	-	-	-	-
Minimum tax	(6,981)	(0)	(6,031)	-	-	-	-	(950)	-
Tax expense	(146,055)	(1)	(18,865)	(104,438)	(8,176)	-	-	(14,576)	-
Operating profit/(loss) after tax	2,248,166	(273,758)	1,880,789	333,295	(28,429)	348,862	-	(12,044)	(549)
Other comprehensive income	589,944	609,869	9,541	(10,123)	(19,343)	-	-	-	-
Total comprehensive income for the year	2,838,110	336,111	1,890,330	323,172	(47,772)	348,862	-	(12,044)	(549)

Condensed financial position

In thousands of naira	**Group balance**	**Elimination entries**	**The Company**	**Nigerian Exchange Limited**	**NGX Regulation Limited**	**NSE Consult Limited**	**Coral Properties Limited**	**NGX Real Estate Limited**	**NSE Nominees Limited**
Total non-current assets	29,515,290	3,877,516	19,523,021	886,975	454,673	2,028,662	-	2,744,443	-
Total current assets	8,353,649	845,945	5,344,810	1,458,545	382,149	60,451	-	247,221	14,528
Total assets	37,868,940	4,174,381	24,867,831	2,894,600	836,822	2,089,113	-	2,991,664	14,528
Total equity	34,114,354	6,444,170	21,938,255	1,907,655	642,522	1,656,656	(21,144)	1,535,280	10,960
Total non current liabilities	808,590	(69,631)	427,239	-	190,982	-	21,118	238,882	-
Total current liabilities	2,945,996	(2,200,862)	2,502,337	986,944	3,318	432,457	26	1,217,503	4,273
Total liabilities	3,754,586	(2,270,493)	2,929,576	986,944	194,300	432,457	21,144	1,456,385	4,273
Total liabilities and equity	37,868,940	4,173,677	24,867,831	2,894,600	836,822	2,089,113	-	2,991,664	15,233

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

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

In thousands of naira	Group balance	Elimination entries	The Exchange	Nigerian Exchange Limited	NGX Regulation Limited	NSE Consult Limited	Coral Properties Limited	NGX Real Estate Limited	NSE Nominees Limited
Revenue	6,019,233	(1,493,777)	7,116,474	-	-	21,995	-	374,540	1
Expenses	(6,052,780)	191,463	(6,019,953)	-	-	(1,334)	(673)	(221,733)	(550)
ECL Allowance	(60,409)	(25,624)	(34,443)	-	-	(23)	-	(319)	-
Operating profit before tax	(93,956)	(1,327,938)	1,062,078	-	-	20,638	(673)	152,488	(549)
Share of profit of equity accounted investees	2,003,217	2,003,217	-	-	-	-	-	-	-
Tax expense	(70,266)	-	-	-	-	(7)	-	(70,259)	-
Operating profit/(loss) after tax	1,838,995	675,279	1,062,078	-	-	20,631	(673)	82,229	(549)
Other comprehensive income	1,011,370	(12,389)	4,767	-	-	1,018,992	-	-	-
Total comprehensive income for the year	2,850,365	662,890	1,066,845	-	-	1,039,623	(673)	82,229	(549)

Condensed financial position

In thousands of naira	Group balance	Elimination entries	The Exchange	Nigerian Exchange Limited	NGX Regulation Limited	NSE Consult Limited	Coral Properties Limited	NGX Real Estate Limited	NSE Nominees Limited
Total non-current assets	24,335,473	7,282,412	13,509,814	1,916,961	152,982	1,475,386	-	2,165,755	-
Total current assets	10,771,099	(678,146)	10,057,482	500,000	500,000	272,109	-	169,942	-
Total assets	35,106,572	6,604,266	23,567,296	2,416,961	652,982	1,747,495	-	2,335,697	-
Total equity	31,276,243	8,642,106	20,047,924	2,416,961	652,982	1,092,503	(20,471)	858,094	(3,769)
		-							
Total non current liabilities	2,673,323	1,659,259	918,125	-	-	-	-	238,882	-
Total current liabilities	1,157,006	(3,697,099)	2,601,247	-	-	654,992	20,471	1,238,721	3,769
Total liabilities	3,830,330	(2,037,840)	3,519,372	-	-	654,992	20,471	1,477,603	3,769
		-							
Total equity and liabilities	35,106,572	6,604,266	23,567,296	2,416,961	652,982	1,747,495	-	2,335,697	-

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

22 Property and equipment

Reconciliation of carrying amount

In thousands of naira	Note	Land	Buildings	Leasehold land and building	Office Equipment	Motor vehicle	Computer Equipment	Furniture, fixtures and fittings	Total
(a) **The Group**									
Cost									
Balance at 1 January 2021		-	2,590,606	1,675,957	1,185,458	743,057	1,352,616	329,273	7,876,967
Additions	37	-	-	10,790	19,204	320,837	-	5,436	356,267
Disposals		-	-	-	-	(57,950)	-	-	(57,950)
Balance at 31 December 2021		-	2,590,606	1,686,747	1,204,662	1,005,944	1,352,616	334,709	8,175,284
Depreciation and impairment losses									
Balance as at 1 January 2021		-	654,978	334,718	850,711	364,066	1,147,668	271,065	3,623,206
Depreciation for the year	37	-	60,330	12,438	130,207	117,068	55,358	19,333	394,733
Disposals		-	-	-	-	(51,950)	-	-	(51,950)
Balance as at 31 December 2021		-	715,308	347,156	980,918	429,184	1,203,026	290,398	3,965,989
Carrying amounts									
At 31 December 2021		-	1,875,298	1,339,591	223,744	576,760	149,590	44,311	4,209,295
At 1 January 2021		-	1,935,628	1,341,239	334,747	378,991	204,948	58,207	4,253,760

(i) There were no capitalized borrowing costs related to the acquisition of property and equipment during the year.

(ii) There were no capital commitment relating to property and equipment as at reporting data (2020: nil).

(iii) There were no impairment loss on any of the class of property and equipment.

(iv) Included in property and equipment is property valued at N4.4 billion(2020: N4.2 billion) which is accounted for as investment property in the separate financial statement of the subsidiary, NGX Real Estate Limited. The property was valued by Diya Fatmileyin and Co., a valuation expert duly registered with Financial Reporting Council (FRC), FRC/2013/NIESV/00000002773, and the Nigerian Institute of Estate Surveyors and Valuers (NIESV).

(v) There were no liens or encumbrances on the assets.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

22 Property and equipment

Reconciliation of carrying amount

In thousands of naira	Note	Land	Buildings	Leasehold land and building	Office Equipment	Motor vehicle	Computer Equipment	Furniture, fixtures and fittings	Total

(b) **The Company**

in thousands of naira	Note	Land	Buildings	Leasehold land and building	Office Equipment	Motor vehicle	Computer Equipment	Furniture, fixtures and fittings	Total
Cost									
Balance at 1 January 2020			298,770	1,520,495	933,401	654,030	1,295,197	308,607	5,010,500
Additions			237,712	7,960	43,734	111,995	55,009	29,714	486,124
Disposals			-	-	(7,748)	(22,968)	(243)	(9,048)	(40,007)
Transfers			(17,792)	(1,528,455)	(950,473)	(446,975)	(1,284,304)	(278,311)	(4,506,310)
Balance as at 31 December 2020			518,690	-	18,914	296,082	65,659	50,962	950,307
Balance as at 1 January 2021, as previously reported			518,690	-	18,914	296,082	65,659	50,962	950,307
Additions			142,422	-	541	66,933	-	1,294	211,190
Disposals			-	-	-	(29,400)	-	-	(29,400)
Transfers/write-offs			(113,082)	-	114	(96,882)	(60,451)	(27,692)	(297,993)
Balance as at 31 December 2021			548,030	-	19,569	236,733	5,207	24,564	834,103
Depreciation and impairment losses									
Balance as at 1 January 2020			162,056	295,060	694,142	260,506	1,087,165	256,344	2,755,272
Depreciation for the year			169,419	30,562	100,719	120,501	56,681	20,778	498,659
Disposals			-	-	(5,914)	(16,940)	1,168	(6,056)	(27,742)
Transfers			(17,792)	(325,622)	(774,982)	(208,708)	(1,109,982)	(236,577)	(2,673,663)
Balance as at 31 December 2020			313,683	-	13,965	155,359	35,032	34,489	552,526
Balance as at 1 January 2021			313,683	-	13,965	155,359	35,032	34,489	552,527
Depreciation for the year			150,416	-	2,063	31,975	764	211	185,429
Disposals			-	-	-	(29,400)	-	-	(29,400)
Transfers			(58,522)	-	10	(68,594)	(32,036)	(11,455)	(170,597)
Balance as at 31 December 2021			405,577	-	16,038	89,340	3,756	23,245	537,956
Carrying amounts									
At 31 December 2021			142,453	-	3,531	147,393	1,451	1,319	296,147
At 1 January 2021			205,007	-	4,949	140,723	30,627	16,473	397,780

(i) There were no capitalized borrowing costs related to the acquisition of property and equipment during the year.
(ii) There were no capital commitment relating to property and equipment as at reporting data (2020: nil).
(iii) There were no impairment loss on any of the class of property and equipment.
(iv) There were no liens or encumbrances on the assets.
(v) There were transfer of assets which formed part of the investment in the new subsidiaries, Nigerian Exchange Limited and NGX Regulation Ltd.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

23 Intangible assets

Reconciliation of carrying amount

(a) **The Group**

In thousands of naira	**Goodwill**	**Purchased software**	**Total**
Cost			
Balance as at 1 January 2021	61,784	2,967,440	3,029,224
Acquisitions	-	39,299	39,299
Balance at 31 December 2021	61,784	3,006,739	3,068,523
Amortization and impairment losses			
Balance as at 1 January 2021	57,148	2,730,144	2,787,292
Amortization for the year	-	99,356	99,356
Balance at 31 December 2021	57,148	2,829,500	2,886,648
Carrying amounts			
At 1 January 2021	4,636	237,296	241,932
At 31 December 2021	4,636	177,239	181,875

(i) There were no capitalized borrowing costs related to the acquisition of intangible assets during the year.
(ii) There were no capital commitment relating to intangible assets as at reporting data (2020: nil).
(iii) There were no impairment loss on any of the class of intangible assets.
(iv) There were no liens or encumbrances on the assets.
(v) Goodwill is tested annually for impairment, or more frequently when there are indications that impairment may have occurred. There was no impairment identified in the year ended December 2021 (2020: nil).

(b) **The Company**

In thousands of naira	**Purchased software**	**Total**
Cost		
Balance as at 1 January 2021	-	-
Acquisitions	32,634	32,634
Balance at 31 December 2021	32,634	32,634
Balance as at 1 January 2020	2,868,093	2,868,093
Acquisitions	99,346	99,346
Disposals	-	-
Transfers/write-offs	(2,967,440)	(2,967,440)
Balance at 31 December 2020	-	-
Amortization and impairment losses		
Balance as at 1 January 2021	-	-
Amortization for the year	1,273	1,273
Balance at 31 December 2021	1,273	1,273
Balance as at 1 January 2020	2,615,574	2,615,574
Amortization for the year	114,570	114,570
Transfers/write-offs	(2,730,144)	(2,730,144)
Balance at 31 December 2020	-	-
Carrying amounts		
At 1 January 2021	-	-
At 31 December 2021	31,362	31,362

(i) There were no capitalized borrowing costs related to the acquisition of intangible assets during the year.
(ii) There were no capital commitment relating to intangible assets as at reporting data (2020: nil).
(iii) There were no impairment loss on any of the class of intangible assets.
(iv) There were no liens or encumbrances on the assets.
(v) Goodwill is tested annually for impairment, or more frequently when there are indications that impairment may have occurred. There was no impairment identified in the year ended December 2021 (2020: nil).

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

24 Other liabilities

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
Financial liabilities				
Sundry creditors (see note (a) below)	329,639	258,873	262,475	258,688
Intercompany payable (see note (b) below)	-	-	895,918	-
Accrued expenses (see note (c) below)	1,275,133	940,070	693,777	919,987
Donations payable	254,314	254,314	254,314	254,314
Staff related liabilities	60,278	58,761	56,056	58,761
Others (see note (d) below)	332,644	572,507	131,120	569,556
	2,252,008	2,084,525	2,293,660	2,061,306
Non-financial liabilities				
Value Added Tax & WHT payable	80,906	161,407	41,359	157,011
Deferred income	165,734	166,032	-	152,624
	246,640	327,439	41,359	309,635
Total	2,498,648	2,411,964	2,335,019	2,370,941

(a) Included in Sundry creditors are payments due to vendors as well as provisions for legacy tax liabilities (mainly VAT and WHT) due to Federal Inland Revenue Service and relevant States inland revenue services.
(b) Amount represents payable due to NGX Exchange Limited by the NGX Group.
(c) Accrued expenses includes leave allowances, passage allowances and 13th month payment due to staff.
(d) Included in Other liabilities are VAT on Equity transactions, Investors protection funds etc.

25 Current tax liabilities

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
Balance, beginning of the year	89,095	46,286	-	-
Prior year under/(over) provision	-	-	-	-
Charge for the year:				-
Minimum tax	6,981	-	6,031	
Current year tax	146,054	45,144	18,865	
Payment made during the year	(17,404)	(2,335)	-	-
Balance, end of the year	224,725	89,095	24,896	-

26 Leases

A. Leases as lessee (IFRS 16)
The Group leases office space and Land. The leases for the office space typically run for a period of 1 year, with an option to renew the lease after that date. Lease agreements are typically renegotiated every three years to reflect market rentals. The Lease for the land runs for a period of 90 years with an untilised lease period of 45 years as at the reporting date.

Information about leases for which the Group is a lessee is presented below.
i. Right-of-use assets
The Right-of-use assets are all leased properties that do not meet the definition of investment property. The Leased properties are presented as property and equipment (see Note 22).

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
Opening balance	142,251	99,542	205,007	136,714
Depreciation charge for the year	(60,681)	(52,580)	(150,416)	(169,419)
Additions to right-of-use assets	(81,570)	95,290	142,422	237,712
Derecognition of right-of-use assets	-	-	(54,560)	-
Balance at 31 December	-	142,251	142,453	205,007

ii. Lease Liabilities
Set out below are the carrying amounts of lease liabilities and the movements during the period: (see Note 22).

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
Opening balance	133,780	84,742	191,823	167,998
Addition	56,971	44,326	142,422	186,748
	190,752	129,068	334,245	354,746
Accretion of interest	31,871	5,721	29,727	5,075
Lease Payment	-	(1,008)	(166,990)	(167,998)
Transfer	-	-	(54,560)	-
Balance at 31 December	222,623	133,780	142,422	191,823

iii. Amounts recognised in statement of income statement

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
2021 - Leases under IFRS 16				
Interest on lease liabilities	31,871	5,721	29,727	5,075
Depreciation charge for the year	60,681	52,580	150,416	169,419

iv. Amounts recognised in statement of cash flows

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
Total cash outflow for leases	-	(1,008)	(166,990)	(167,998)

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

B. Leases as lessor

The Group leases out its property consisting of its owned commercial properties (see Note 22). All leases are classified as operating leases from a lessor perspective.

The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 16 sets out information about the operating leases of its property.

Rental income recognised by the Group during 2020 was N92.7 million (2019: N69.5 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

In thousands of naira	**Group 2021**	**Group 2020**
Less than one year	92,732	92,732
Total	92,732	92,732

27 Retirement benefit obligation

In thousands of naira	**Group 2021**	**Group 2020**	**Company 2021**	**NSE 2020**
Recognised liability for defined contribution	-	38,484	-	38,484
Movement in cashflow statement	-	38,484	-	38,484
Recognised liability for defined benefit obligations (see note (a) below)	163,964	544,582	24,496	544,582

Movement in defined benefit obligations

In thousands of naira	**Group 2021**	**Group 2020**	**Company 2021**	**Company 2020**
Opening balance	544,582	477,034	544,582	477,034
Transfers	-	-	(155,847)	-
Discontinued*	(349,736)	-	(349,736)	-
Adjusted opening balance	194,846	477,034	38,999	477,034
Current service charge & interest cost: Long term incentive	30,978	38,806	6,200	38,806
Current service charge & interest cost: Long service award	13,801	47,430	2,762	47,430
Net actuarial (gain)/loss	(39,007)	(4,767)	(9,541)	(4,767)
Payment made during the year	(36,654)	(13,921)	(13,924)	(13,921)
Closing balance	163,964	544,582	24,496	544,582
Movement in cashflow statement	44,779	86,236	8,962	86,236

* The Directors' Gratuity (Long Term Incentive) was discontinued in within the year 2021 and the accrued benefits paid out.

(a) **Defined benefit obligations**

The Company operated a non-contributory, unfunded defined benefit scheme for its staff gratuity scheme until 16 March 2011 when the Council of the Nigerian Stock Exchange resolved to terminate the staff gratuity scheme with effect from 31 March, 2011. Final entitlements due to members of staff that had spent a minimum of five years by 31 March, 2011 was determined and payments was supervised by Gratuity Committee. However, a revised long-term incentive scheme was re-opened in 2015 for certain eligible employees. The entitlement for the qualifying employee ranges from 15% -17% of their annual total emolument in the first 5-year of service and a maximum of 25%-35% for 10-years of service.

On 1 August 2017, management established a long service recognition initiative which is designed to recognise, appreciate and celebrate the contributions of long tenured employees, at the attainment of milestone years during their work lifespan with the company. The policy became effective in 2018. See note 5.10 (iii).

(b) **Actuarial assumptions**

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

	2021	**2020**
Discount rate	12.5%	7.15%
Salary increase rate	8.00%	6.00%

The rate of mortality assumed for members in the Scheme are based on A67/70 Ultimate table published by the Institute of Actuaries of United Kingdom.

For members in active service as at the valuation date, the projected unit credit method of valuation as required under the IFRS has been adopted.

(c) **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.

	31 December 2021		**31 December 2020**	
In thousands of naira	**Increase**	**Decrease**	**Increase**	**Decrease**
Withdrawal rate (5% movement)	99,666	201,673	(53,731)	87,167
Mortality rate (20% movement)	138,701	140,240	(1,048)	1,057
Salary increase (10% movement)	157,636	123,883	26,721	(22,553)
Discount rate (3% movement)	120,023	164,977	(27,633)	37,483

(d) **Expected maturity analysis of post-employment benefits:**

In thousands of naira	**Between 1-2 years**	**Between 2-5 years**	**Over 5 years**	**2021 Total**
Present value of the defined benefit obligation	100,479	1,666	61,819	163,964
	100,479	1,666	61,819	163,964

In thousands of naira	**Between 1-2 years**	**Between 2-5 years**	**Over 5 years**	**2020 Total**
Present value of the defined benefit obligation	333,726	5,532	205,324	544,582
	333,726	5,532	205,324	544,582

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

28 Provisions

In thousands of naira	Group 2021	Group 2020	Company 2021	NSE 2020
Balance as at 1 January	373,543	357,276	373,543	357,276
Provision made during the year	32,201	16,267	29,200	16,267
Balance as at 31 December	405,744	373,543	402,743	373,543

29 Deferred tax

(a) Deferred tax liability comprises of:

In thousands of naira	Group 2021	Group 2020	Company 2021	NSE 2020
Deferred tax liability				
Balance, beginning of the year	238,882	213,761	-	-
Deferred tax liability recognised by subsidiary	0	25,121		
Balance, end of the year	238,882	238,882	-	-

(i) **Movements in temporary differences during the year**

In thousands of naira	Opening balance	Recognised in profit or loss	Recognised in equity	Closing balance
For the year ended 31 December 2020				
Revaluation surplus	213,761	-	-	213,761
Charge during the year	-	25,121	-	25,121
Total	213,761	25,121	-	238,882

In thousands of naira	Opening balance	Recognised in profit or loss	Recognised in equity	Closing balance
For the year ended 31 December 2021				
Revaluation surplus	238,882	-	-	238,882
Charge during the year	-	-	-	-
Total	238,882	-	-	238,882

(ii) **Recognised deferred tax liability is attributable to the following:**
Group

In thousands of naira	Liabilities
For the year ended 31 December 2020	
Revaluation surplus on Investment Property	238,882
Net deferred tax liability	238,882
For the year ended 31 December 2021	
Revaluation surplus on Investment Property	-
Net deferred tax liability	-

(b) Unrecognised deferred tax assets

(i) Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

Group	Group				Company			
In thousands of naira	31-Dec-2021		31-Dec-2020		31-Dec-2021		31-Dec-2020	
	Gross amount	Tax effect	Gross amount	Tax effect	Gross amount	Tax effect	Gross amount	Tax effect
Unrelieved tax losses	1,148,911	344,673	18,602	5,581	159,114	47,734	-	-
Balance, end of year	1,148,911	344,673	18,602	5,581	159,114	47,734	-	-

30 Capital and Reserves

In thousands of naira	Group 2021	2020	Company 2021	2020
(a) **Share capital**				
(i) **Minimum issued share capital**				
2,500,000,000 ordinary shares of N50k each (31 December 2020: Ltd/Gte)	1,250,000	-	1,250,000	-
(ii) **Issued and fully paid**				
In thousands of shares				
1,964,115,918 issued and allotted ordinary shares of N50k each (31 December 2020: Ltd/Gte)	982,058	-	982,058	-
Issued but not allotted (Claims review shares) (see (c) below)				
18,023,652 ordinary shares of N50k each (31 December 2020: Ltd/Gte)	9,012	-	9,012	-

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

(b) **Retained earnings:** Retained earnings represent undistributed profits, net of statutory appropriations attributable to theordinary shareholders.

(c) **Claims review shares reserve:** Reserve warehouses 2% of the issued shares of Nigerian Exchange Group, was set aside for allotment to parties who are adjudged as being entitled to shares in the demutualized Exchange, pursuant to the provisions of the Demutualization Act 2018 ("Claims Review Shares"). The apportionment of 2% as the Claims Review Shares is based on an analysis of the probable quantum of shares that would be required to settle each claim. In the event the Claims Review Shares are insufficient to satisfy successful claims, additional shares will be allotted from the demutualized Exchange's authorised share capital.

(d) **Other reserves**

Other reserves represent fair value gain recognised on investment at FVOCI, Equity accounted investee- share of OCI on investment at FVOCI and actuarial gains/loss on defined benefit obligations.

	Group				Company			
In thousands of naira	**Fair value reserve**	**Actuarial valuation reserve**	**Claims review shares reserve**	**Total**	**Fair value reserve**	**Actuarial valuation reserve**	**Claims review shares reserve**	**Total**
Balance at 1 January 2021	1,437,498	(48,103)	-	1,389,395	-	(48,342)	-	(48,342)
Fair value changes in investment securities (See note 19b(iii))	564,153	-	-	564,153	-	-	-	-
Share of OCI in Equity accounted Investee- CSCS (See note 20(i))	(13,471)	-	-	(13,471)	-	-	-	-
Share of OCI in Equity accounted Investee- CSCS (See note 20(i))		255	-	255		-	-	-
Movement in Actuarial gain/(loss)	-	39,007	-	39,007	-	9,541	-	9,541
Transaction with equity holders	-	-	9,012	9,012	-	-	9,012	9,012
Balance at 31 December 2021	1,988,180	(8,842)	9,012	1,988,350	-	(38,801)	9,012	(29,789)

	Group				Company			
In thousands of naira	**Fair value reserve**	**Actuarial valuation reserve**	**Claims review shares reserve**	**Total**	**Fair value reserve**	**Actuarial valuation reserve**	**Claims review shares reserve**	**Total**
Balance at 1 January 2020	431,133	(53,109)	-	378,024	-	(53,109)	-	(53,109)
Fair value changes in investment securities (See note 19 b (iii))	1,018,992	-	-	1,018,992	-		-	-
Share of OCI in Equity accounted Investee - CSCS (See note 20(i))	(12,627)	-	-	(12,627)	-	-	-	-
Share of OCI in Equity accounted Investee- CSCS (See note 20(i))		239	-	239	-	-	-	-
Movement in Actuarial gain/(loss)	-	4,767	-	4,767	-	4,767	-	4,767
Balance at 31 December 2020	1,437,497	(48,103)	-	1,389,394	-	(48,342)	-	(48,342)

(e) Non-controlling interest: This is the component of shareholders equity as reported on the consolidated statement of financial position which represents the ownership interest of shareholders other than the parent of the subsidiary. The Group does not have any subsidiary that has material non-controlling interest.

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

31 Contingent liabilities and commitments

(a) **Legal proceedings**

The Company, in its ordinary course of business, is presently involved in 8 cases as a plaintiff and 68 cases as a defendant (2020: 8; 68). As at 31 December 2021, estimated contingent liabilities stood at N13,630,708,802 (2020: N13,630,708,802). Based on legal advice, management expects some of the outcome of the litigations to have minimal effect on the Group's financial position, hence a provision of N402,743,583.88 (2020: N373,543,090) for claims and litigations have been recognised in the financial statements.

(b) **Capital commitments**

The Group had no capital commitments in respect of authorized and contracted capital projects as at 31 December 2021.

32 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. From the Company's perspective, this definition includes key management personnel and associates. As at the reporting date, the Company had a number of transactions with related parties in the normal course of business. These include rent paid to NGX Real Estate Limited on the property occupied by the Company and payment of other expenses on behalf of the subsidiaries.

A summary of related party transactions during the year is shown below:

(a) (i) **Intercompany receivables**

In thousands of naira	**Note**	**2021**	**2020**
NSE Consult Limited	17	171,298	-
NGX Real Estate Limited	17	485,158	728,434
Coral Properties Limited	17	1,196	-
NSE Nominees Limited	17	110	-
NGX Regulation Limited	17	225,325	-
		883,087	728,434

(ii) **Intercompany payables**

In thousands of naira		**2021**	**2020**
NGX Exchange Limited	17	895,918	-
		895,918	-

(b) **Intercompany expenses**

In thousands of naira	**Note**	**2021**	**2020**
Rent and service charge paid to NGX Real Estate Limited		252,473	238,557
		252,473	238,557

(c) **Transactions with associate companies**

In thousands of naira	**Note**	**2021**	**2020**
Investment in CSCS	20	3,347,223	1,420,653
Dividend received from CSCS	10	1,707,681	1,255,218
Investment in NG Clearing	20	1,736,687	1,736,687

(d) **Compensation to key management personnel during the year comprised:**

In thousands of naira	**2021**	**2020**
Short-term benefits	166,779	423,689
Post-employment benefits (pension and gratuity)	-	38,806
Total	166,779	462,495

(e) Balance on the ECL impairment losses on the related party receivables are shown below:

Subsidiaries	**2021**			**2020**		
In thousands of naira	**ECL Impairment on Receivable**	**Impairment on investment**	**Total**	**Impairment on Receivable**	**Impairment on investment**	**Total**
NSE Consult Limited (see note 17 (a)(ii))	-	1,000	1,000	626,989	1,000	627,989
NGX Real Estate Limited (see note 17 (a)(ii))	394,795	-	394,795	328,109	-	328,109
Coral Properties Limited (see note 17 (a)(ii))	19,900	72,000	91,900	20,596	72,000	92,596
NSE Nominees Limited (see note 17 (a)(ii))	-	500	500	-	500	500
	414,695	73,500	488,195	975,694	73,500	1,049,194

33 Group entities

Significant subsidiaries	**Country of incorporation**	**Nature of business**	**Ownership Interest**	**Non Controlling Interest**
NGX Real Estate Limited	Nigeria	Property letting and investment	99.9%	0.1%
Coral Properties Limited	Nigeria	Real estate development	99.9%	0.1%
NSE Consult Limited	Nigeria	Financial advisers & consultants	99.8%	0.2%
NSE Nominees Limited	Nigeria	Acts as a nominee	83.3%	16.7%
Nigerian Exchange Limited	Nigeria	Capital Market Infrastructure	99.9%	0.1%
NGX Regulation Limited	Nigeria	Regulatory services	99.9%	0.1%

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

		Group		Company	
34	**Cash flow workings**				
	In thousands of naira	**2021**	**2020**	**2021**	**2020**
(i)	**Changes in intercompany receivables**				
	Opening balance	-	-	728,434	868,671
	Impairment (charges)/reversal	-	-	349,000	25,568
	Closing balance	-	-	(909,120)	(728,434)
		-	-	168,314	165,805
	Adjustment for non cash item:				
	Reclassification from intercompany receivables	-	-	211,999	-
	Change during the year	-	-	380,313	165,805
(ii)	**Changes in trade and other receivables**				
	Opening balance	862,045	229,550	847,600	200,382
	Impairment charges	(46,463)	(59,123)	-	(59,108)
	Closing balance	(1,658,323)	(862,045)	(1,123,164)	(847,600)
	Change during the year	(842,741)	(691,618)	(275,564)	(706,326)
(iii)	**Changes in prepayments**				
	Opening balance	152,032	301,827	149,495	301,802
	Closing balance	(474,258)	(152,032)	(281,503)	(149,495)
	Change during the year	(322,226)	149,795	(132,008)	152,307
(iv)	**Changes in other liabilities, leases and provisions**				
	Opening balance	(2,919,288)	(3,018,320)	(2,936,307)	(3,080,264)
	Effect of unrealized loss on foreign currency transaction	(89,430)	(39,533)	(77,418)	(39,535)
	Interest expense	(31,871)	(5,721)	(29,727)	(5,075)
	Lease payment	-	1,008	166,990	167,998
	Transfer of lease liabilities	-	-	54,560	-
	Closing balance	3,127,015	2,919,288	2,880,184	2,936,307
	Change during the year	86,425	(143,278)	58,282	(20,569)
(v)	**Interest received**				
	Interest income	1,343,207	1,258,388	1,307,121	1,257,121
	Interest received on prior period highly liquid investment	3,835	12,678	3,835	11,769
	Interest receivable on placements	(16,961)	(3,835)	(16,961)	(3,835)
	Interest receivable on bonds	(111,092)	(262,950)	(111,092)	(262,950)
		1,218,989	1,004,281	1,182,903	1,002,105
(vi)	**Dividend received**				
	Dividend income	1,707,680	1,255,218	1,707,680	1,255,218
		1,707,680	1,255,218	1,707,680	1,255,218
(vii)	**Purchase of investments**				
	Opening balance of investments	10,183,146	11,895,368	8,707,760	11,249,305
	Fair value changes	564,153	1,018,991	-	-
	Interest receivable placement and bonds	128,053	254,107	128,053	255,016
	Effect of unrealized loss on foreign currency transaction	8,228	82,137	8,228	82,136
	ECL impairment on treasury bills and bonds	12,649	(903)	(12,649)	(903)
	Closing balance of total investments	(14,360,003)	(10,183,146)	(12,320,465)	(8,707,760)
	Change during the year	(3,463,774)	3,066,555	(3,489,073)	2,877,795
(viii)	**Proceeds from the sale of property and equipment**				
	Gain on disposal of property and equipment	1,246	4,631	623	4,631
	Cost eliminated on disposal	(57,950)	40,008	29,400	40,007
	Accumulated depreciation eliminated on disposal	51,950	(27,742)	(29,400)	(27,742)
	Proceeds from the sale of property and equipment	(4,754)	16,897	623	16,898
(ix)	**Additional investment in associates**				
	Opening balance	12,425,595	10,689,986	3,157,340	2,157,340
	Closing balance	(14,750,630)	(12,425,595)	(5,083,910)	(3,157,340)
		(2,325,035)	(1,735,609)	(1,926,570)	(1,000,000)
	Adjustment:				
	Share of profit of associate	2,119,361	2,003,217	-	-
	Dividend received	(1,707,680)	(1,255,218)	-	-
	Share of OCI from Equity-accounted associate	(13,216)	(12,388)	-	-
	Additional investment in associate	(1,926,570)	(1,000,000)	(1,926,570)	(1,000,000)
(x)	**Net foreign exchange differences**				
	Exchange gain	8,228	134,484	8,228	134,919
	Exchange loss	(53,371)	(40,330)	(37,429)	(40,330)
	Net foreign exchange differences	(45,143)	94,154	(29,201)	94,589

35 Earnings per share

Basic earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year. Where a stock split or bonus share issue has occurred, the number of shares in issue in the prior year is adjusted to achieve comparability.

Profit attributable to the shareholders of NGX Group\ (N'000)	2,248,166	1,838,995	1,880,790	1,062,078
Number of shares in issue at end of the year (in thousands of shares)	1,982,140	-	1,982,140	-
Weighted average number of ordinary shares in issue (in thousands of shares)	1,982,140	-	1,982,140	-
Basic and diluted earnings per share (Naira)	1.13	-	0.95	-

Basic and diluted earnings per share are the same, as NGX Group has no potentially dilutive ordinary shares

Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

36 Subsequent events

On 11 January 2022, the Company obtained approval from the Securities and Exchange Commission to issue and allot 18,023,652 shares. These shares were issued and allotted from the claims review shares reserve. The Group considers this event an adjusting event and has adjusted the financial statement accordingly creating a non-distributable reserve called the Claims review shares reserve where this is warehoused.

Other than the above mentioned, there were no other events after reporting date requiring adjustment of, or disclosure in, these consolidated and separate financial statements.

37 Non Audit fees

The Group Auditor provides the following non-audit services during the year.

In thousands of naira	**2021**	**2020**
NED remuneration survey	6,000	
Review of Group corporate structure	7,500	
Consultancy services for long term incentive plan	10,000	
Ethics Line subscription	1,000	-
	24,500	

38 Group Restructuring

a) Changes in presentation of the financial statement

Due to changes in the operating structure of NGX Group during the financial year, certain comparative balances were reclassified in order to enhance inter-period comparability of financial information. The following summarizes the impact on the Group and Company's financial statements.

	As previously presented		**Reclassification**		**As presented**	
In thousands of naira	**Group**	**Company**	**Group**	**Company**	**Group**	**Company**
Revenue	3,769,352	3,655,061	1,279,948	2,512,339	5,027,740	6,167,400
Adjustment to revenue include:						
Treasury investment income	-	-	1,279,948	1,257,121	1,279,948	1,257,121
Dividend income	-	-	-	1,255,218	-	1,255,218
	-	-	1,279,948	2,512,339	1,279,948	2,512,339
Other income	1,269,881	3,461,413	(1,279,948)	(2,512,339)	(10,067)	949,074
Adjustment to other income include:						
Interest income	1,279,948	1,257,121	(1,279,948)	(1,257,121)	-	-
Dividend income	-	1,255,218	-	(1,255,218)	-	-
	1,279,948	2,512,339	(1,279,948)	(2,512,339)	-	-

b) Changes in operating structure

As part of the demutualization process, other entities were created to carry on the trading and regulatory arm of the Group. These group entities commenced business operations from 1 March 2021. The results of the Company as at 28 Feb 2021 are summarized below. Accordiingly revenue and expenses were seperated and reported by the relevant entites where they are earned/incurred post demutualization.

28 February 2021

In thousands of Naira	**Company**
Profit or loss	
Revenue	719,740
Other income	233,573
	953,313
Personnel expense	500,903
Depreciation and amortization	39,229
Operating expenses	265,228
Finance costs	5,159
	810,519
	142,794
Assets and liabilities	
Total current assets	10,409,946
Total non-current assets	13,320,630
	23,730,576
Total current liabilities	2,544,349
Total non-current liabilities	895,567
Total liabilities	3,439,916
Equity and reserve	20,290,660
Total Equity and reserve	23,730,576

(c) Transfer of assets

The Company transferred assets and liabilities to the subsidiaries as additional investments in the subsidiaries during the year. During the year, the Company reallocated its personnel within the Group post demutualization. The total assets and liabilities transferred to these subsidiary to date are as follows

	Nigerian Exchange Ltd		**NGX Regulation Ltd**		
in thousands of naira	As at 28 Feb 2021	As at 31 Dec 2020	As at 28 Feb 2021	As at 31 Dec 2020	Total Transfer by the Company
Property and equipment	1,821,845	1,773,036	46,997	59,611	3,701,489
Intangible assets	133,111	143,925	84,868	93,371	455,275
Trade and other receivables	477,715	-	-	-	477,715
Cash and cash equivalent	501,096	500,000	500,000	500,000	2,001,096
Prepayment	35,757	-	-	-	35,757
Other liabilities	(606,634)	-	-	-	(606,634)
	2,362,890	**2,416,961**	**631,865**	**652,982**	**6,064,698**

Other National Disclosures

Other National disclosure
Value Added Statement

For the year ended 31 December 2021

In thousands of naira	**Group 2021**	**%**	**Group 2020**	**%**
Gross earnings	8,918,121		8,022,451	
Bought in materials and services - local	(2,712,829)		(2,223,440)	
Impairment	(70,289)		(60,409)	
Value added	6,135,003	100	5,738,602	100
DISTRIBUTION				
EMPLOYEES AND DIRECTORS				
Personnel expenses	3,239,711	53	3,240,385	56
GOVERNMENT				
Income tax expense	153,036	2	70,266	1
RETAINED IN THE BUSINESS				
For depreciation and amortization	494,090	8	588,956	10
To augment reserves	2,248,166	37	1,838,994	32
	6,135,003	100	5,738,602	100

In thousands of naira	**Company 2021**	**%**	**Company 2020**	**%**
Gross earnings	4,120,274		7,116,475	
Bought in materials and services - local	(1,369,338)		(2,166,339)	
Reversal/ (Provision) for losses	324,791		(34,443)	
	3,075,727	100	4,915,693	100
DISTRIBUTION				
EMPLOYEES AND DIRECTORS				
Personnel expenses	983,340	32	3,240,385	66
GOVERNMENT				
Tax expense	24,896	1	-	-
RETAINED IN THE BUSINESS				
For Depreciation and Amortization	186,702	6	613,230	12
To augment reserves	1,880,790	61	1,062,078	22
	3,075,728	100	4,915,693	100

Other National disclosure
Five Year Financial Summary

FINANCIAL SUMMARY

For the year ended 31 December 2021

STATEMENT OF FINANCIAL POSITION

In thousands of naira	Group 31 Dec 2021	Group 31 Dec 2020	Group 31 Dec 2019	Group 31 Dec 2018	Group 31 Dec 2017
ASSETS					
Cash and cash equivalents	2,248,237	6,988,063	4,416,040	2,810,873	3,566,350
Trade and other receivables	1,658,323	862,045	229,550	1,282,058	1,090,933
Prepayment	460,577	152,032	301,827	291,787	221,682
Investment securities	3,986,512	2,768,959	7,133,863	7,688,773	6,134,672
Total current assets	8,353,649	10,771,099	12,081,280	12,073,491	11,013,637
Investment securities	10,373,491	7,414,186	4,761,505	2,604,247	1,994,095
Investment properties under construction	-	-	-	1,144,400	1,144,400
Investment in associates	14,750,630	12,425,595	10,689,986	9,024,856	7,998,012
Property and equipment	4,209,295	4,253,760	4,391,352	3,914,072	4,026,520
Intangible assets	181,875	241,932	257,155	309,030	512,713
Total non-current assets	29,515,290	24,335,473	20,099,998	16,996,605	15,675,740
Total assets	37,868,940	35,106,573	32,181,278	29,070,096	26,689,377
LIABILITIES					
Other liabilities	2,498,648	2,411,964	2,661,043	2,063,366	2,779,242
Current tax liabilities	224,725	89,095	46,286	171,225	145,400
Lease liabilities	222,623	133,780	-	-	-
Defined-contribution pension	-	38,484	-	-	26,651
Total current liabilities	2,945,996	2,673,323	2,707,329	2,234,591	2,951,293
Retirement benefit obligation	163,964	544,582	477,034	368,344	195,064
Provisions	405,744	373,543	357,276	357,276	267,767
Deferred tax liabilities	238,882	238,882	213,761	192,332	144,753
Total non current liabilities	808,590	1,157,006	1,048,071	917,952	607,584
Total liabilities	3,754,586	3,830,330	3,755,400	3,152,543	3,558,877
EQUITY					
Share capital	982,058	-	-	-	-
Other reserves	1,988,351	1,389,394	-	-	-
Retained earnings	31,143,945	29,886,849	28,425,878	25,917,553	23,130,500
Total equity	34,114,354	31,276,243	28,425,878	25,917,553	23,130,500
Total liabilities and equity	37,868,940	35,106,573	32,181,278	29,070,096	26,689,377

INCOME STATEMENT

In thousands of naira	Group 31 Dec 2021	Group 31 Dec 2020	Group 31 Dec 2019	Group 31 Dec 2018	Group 31 Dec 2017
Revenue	5,777,055	5,027,740	4,954,435	4,822,617	5,872,096
Revenue	5,777,055	5,027,740	4,954,435	4,822,617	5,872,096
Other income	1,021,704	991,494	2,828,923	2,848,871	2,431,200
Impairment (loss)/writeback on assets	(70,289)	(60,409)	(63,990)	(50,364)	(49,574)
Personnel expenses	(3,239,711)	(3,240,384)	(3,694,465)	(3,066,896)	(2,866,324)
Operating expenses	(2,712,829)	(2,223,441)	(2,778,345)	(2,471,201)	(2,324,029)
Net operating expenses	(5,001,125)	(4,532,740)	(3,707,877)	(2,739,591)	(2,808,727)
Operating profit/(loss)	281,841	(93,956)	768,225	1,502,424	2,548,066
Share of profit of equity accounted investees (net of income tax)	2,119,361	2,003,217	1,531,589	1,302,603	1,267,264
Profit before minimum tax	2,401,202	1,909,261	2,299,814	2,805,027	3,815,330
Minimum tax	(6,981)	-	-	-	-
Profit before income tax	2,394,221	1,909,261	2,299,814	2,805,027	3,815,330
Income tax expense	(146,055)	(70,266)	(41,766)	(101,583)	(23,536)
Profit for the year	2,248,166	1,838,995	2,258,048	2,703,444	3,791,794

Other National disclosure
Five Year Financial Summary

FINANCIAL SUMMARY

For the year ended 31 December 2021

STATEMENT OF FINANCIAL POSITION

In thousands of naira	**Company 31 Dec 2021**	**Company 31 Dec 2020**	**Company 31 Dec 2019**	**Company 31 Dec 2018**	**Company 31 Dec 2017**
ASSETS					
Cash and cash equivalents	1,097,730	5,562,994	4,307,178	2,606,461	3,268,116
Trade and other receivables	1,123,164	847,600	200,383	1,172,910	986,698
Intercompany receivables	909,120	728,434	868,671	2,052,107	2,781,324
Prepayment	267,822	149,495	301,802	218,637	221,682
Investment securities	1,946,974	2,768,959	6,943,867	7,688,734	6,134,672
Total current assets	5,344,810	10,057,482	12,621,901	13,738,849	13,392,492
Investment securities	10,373,491	5,938,801	4,305,438	2,340,632	1,710,004
Investment in associates	5,083,910	3,157,340	2,157,340	1,058,304	450,304
Investment in subsidiaries	3,738,111	4,015,893	945,950	945,950	946,450
Property and equipment	296,147	397,780	2,255,227	1,836,427	1,932,814
Intangible assets	31,362	-	252,520	304,394	508,077
Total non-current assets	19,523,022	13,509,814	9,916,475	6,485,707	5,547,649
Total assets	24,867,831	23,567,296	22,538,376	20,224,556	18,940,141
Other liabilities	2,335,019	2,370,941	2,722,988	2,051,419	2,531,480
Current tax liabilities	-	-	-	-	-
Lease liabilities	142,422.00	191,823	-	-	-
Defined-contribution pension	-	38,483	-	-	26,651
Total current liabilities	2,477,441	2,601,247	2,722,988	2,051,419	2,558,131
LIABILITIES					
Retirement benefit obligation	24,496	544,582	477,034	368,344	195,064
Provisions	402,743	373,543	357,276	357,276	267,767
Total non current liabilities	427,239	918,125	834,310	725,620	462,831
Total liabilities	2,904,680	3,519,372	3,557,298	2,777,038	3,020,962
EQUITY					
Share capital	982,058	-	-	-	-
Other reserves	(29,789)	(48,342)	-	-	-
Retained earnings	20,985,986	20,096,266	18,981,079	17,447,517	15,919,179
Total equity	21,938,255	20,047,924	18,981,079	17,447,517	15,919,179
Total liabilities and equity	24,867,831	23,567,296	22,538,376	20,224,556	18,940,141

INCOME STATEMENT

In thousands of naira	**Company 31 Dec 2021**	**Company 31 Dec 2020**	**Company 31 Dec 2019**	**Company 31 Dec 2018**	**Company 31 Dec 2017**
Revenue	3,734,541	6,167,400	4,863,461	4,700,579	5,758,128
Revenue	3,734,541	6,167,400	4,863,461	4,700,579	5,758,128
Other income	385,734	949,074	3,728,576	3,575,043	2,643,845
Impairment (loss)/writeback on assets	324,791	(34,443)	(82,821)	(52,840)	(69,659)
Fair value (losses)/gain on investment securities	-	-	-	-	-
Personnel expenses	(983,340)	(3,240,384)	(3,694,465)	(3,066,895)	(2,866,324)
Operating expenses	(1,369,338)	(2,166,340)	(2,760,945)	(2,431,748)	(2,363,350)
Net operating expenses	(1,642,153)	(4,492,094)	(2,809,656)	(1,976,441)	(2,655,488)
Operating profit/(loss)	2,092,388	1,675,306	2,053,806	2,724,138	3,102,640
Profit before minimum taxation	1,905,686	1,062,078	1,523,852	2,196,884	2,634,954
Minimum tax	(6,031)	-	-	-	-
Profit before income tax	1,899,655	1,062,078	1,523,852	2,196,884	2,634,954
Income tax expense	(18,865)	-	-	-	-
Profit for the year	1,880,790	1,062,078	1,523,852	2,196,884	2,634,954