THE NIGERIAN STOCK EXCHANGE - INVESTORS' PROTECTION FUND
FINANCIAL STATEMENTS

FOR YEAR ENDED 31 DECEMBER 2019

THE NIGERIAN STOCK EXCHANGE - INVESTORS' PROTECTION FUND
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FOR YEAR ENDED 31 DECEMBER 2019

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Business Office:	Stock Exchange House. 2/4 Customs Street, Lagos Island, Lagos.
Independent auditor:	PricewaterhouseCoopers Landmark Towers 5B Water Corporation Road, Victoria Island Lagos, Nigeria
Bankers:	First Bank of Nigeria Ltd Samuel Asabia House 35 Marina Lagos.
	Access Bank Plc Plot 999c Danmole Street Off Adeola Odeku, Idejo Street Victoria Island Lagos.
	Guaranty Trust Bank Plc 635 Akin Adesola Street Victoria Island Lagos.
	Zenith Bank Plc Plot 84 Ajose Adeogun Street Victoria Island Lagos

The Board of Trustees of the Nigerian Stock Exchange - Investors' Protection Fund presents the annual report on the activities and administration of the Investors' Protection Fund ("the Fund") together with the financial statements and auditor's report for the year ended 31 December, 2019 which disclose the state of affairs of the Fund.

(a) Legal form

The Fund was established by the Nigerian Stock Exchange ("the Exchange") in 1988. In accordance with Section 197(2) of the Investment and Securities Act 2007, ("ISA"), the responsibility for administration of the Fund is vested in a Board of Trustees. The Exchange re-constituted the Board of Trustees in September 2012 and developed rules that became effective from 21 January 2014.

(b) Principal activities and business review

The objective of the Fund is to compensate investors who suffer pecuniary losses arising from:

(i) the insolvency, bankruptcy or negligence of a dealing member firm of the Exchange; and
(ii) defalcation committed by a dealing member firm or any of its directors, officers, employees or representatives in relation to securities, money or any property entrusted to, or received or deemed received by the dealing member firm in the course of its business as a capital market operator; as well as to compensate persons who suffer pecuniary loss from the revocation or cancellation of the registration of a dealing member by the Securities and Exchange Commission ("Commission").

The Fund comprises contributions from the Exchange and its Dealing Members and any cumulative surplus from operations.

(c) Operating results

The Fund's results are set out on page 9. The surplus for the financial period under review has been transferred to retained earnings. At the end of the year, the Fund reported a net asset position of N1.09 billion.

(d) Trustees interest in contracts

None of the Trustees had direct or indirect interest in contracts or proposed contracts with the Fund during the year.

(e) Trustees' responsibilities

Pursuant to Section 205(1) of the ISA 2007, the Board of Trustees is responsible for establishing and keeping proper books of accounts of the Fund. The Board of Trustees is also responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the Fund.

(f) Events after the end of the reporting period

The disclosure around subsequent event is shown on Page 23 in the notes to the financial statements

REPORT OF THE BOARD OF TRUSTEES OF THE INVESTORS' PROTECTION FUND OF THE NIGERIAN STOCK EXCHANGE Cont'd

(g) Auditor

The independent auditor, Messrs PricewaterhouseCoopers Chartered Accountants was appointed in 2013 by order of the Board of Trustees of the Investors' Protection Fund in accordance with Section 205(2) of the ISA 2007.

PricewaterhouseCoopers have signified their willingness to continue in the office as auditors.

Mrs. Mojisola Adeola
Secretary to the Board
FRC/2013/NBA/00000004263
Lagos, Nigeria

THE NIGERIAN STOCK EXCHANGE - INVESTORS' PROTECTION FUND
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR YEAR ENDED 31 DECEMBER 2019

The Investment and Securities Act 2007 ("ISA") requires the Board of Trustees to establish and keep proper books of accounts in relation to the Nigerian Stock Exchange - Investors' Protection Fund.

Pursuant to Section 205(1) of the ISA 2007, the Trustees accept responsibility for establishing and keeping proper books of accounts of the Fund.

The Board of Trustees is responsible for the preparation of financial statements which give a true and fair view of the state of affairs in conformity with:

-International Financial Reporting Standards.
-The Financial Reporting Council of Nigeria Act.
-Investment and Securities Act.

The Trustees are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Fund and of its results for the year. The Trustees further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements.

Nothing has come to the attention of the Trustees to indicate that the Fund will not remain a going concern for at least twelve months from the date of this statement.

SIGNED ON BEHALF OF THE BOARD OF TRUSTEES:

Mr. Sam Onukwue
FRC/2013/CISN/00000004129
Member, Board of Trustees
28 May, 2020

Ms. Tinuade Awe
FRC/2013/NBA/00000001803
Member, Board of Trustees
28 May, 2020

Independent auditor's report

To the Members of Nigerian Stock Exchange – Investors' Protection Fund

Report on the audit of the financial statements

Our opinion

In our opinion, Nigerian Stock Exchange – Investors' Protection Fund's ("the Fund's") financial statements give a true and fair view of the financial position of the Fund as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Investments and Securities Act and the Financial Reporting Council of Nigeria Act.

What we have audited

Nigeria Stock Exchange – Investors' Protection Fund's financial statements comprise:

- the statement of financial position as at 31 December 2019;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to the Fund for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The trustees are responsible for the other information. The other information comprises *Corporate Information, Report of the Board of Trustees, Statement of Trustees' Responsibilities, Value Added Statement and Five-Year Financial Summary,* but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the 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 trustees and those charged with governance for the financial statements

The trustees are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Investments and Securities Act, the Financial Reporting Council of Nigeria Act, and for such internal control as the trustees 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 financial statements, the trustees are responsible for assessing the Fund'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 trustees either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Fund'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 the 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 Fund '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 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 Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

Tolu Adeleke

For: **PricewaterhouseCoopers**

Chartered Accountants

Lagos, Nigeria

29 May 2020

Engagement Partner: Tolulope Adeleke

FRC/2014/ICAN/00000008319

THE NIGERIAN STOCK EXCHANGE - INVESTORS' PROTECTION FUND
STATEMENT OF FINANCIAL POSITION
FOR YEAR ENDED 31 DECEMBER 2019

	Notes	31 Dec 2019 N' 000	31 Dec 2018 N' 000
Assets			
Bank balances	8	697,932	353,003
Investment securities at amortised cost	9	609,057	826,767
Total assets		**1,306,989**	**1,179,770**
Liabilities			
Provision for claims	11	150,214	135,335
Other liabilities	12	64,231	59,922
Total liabilities		**214,445**	**195,257**
Net assets attributable to the Fund		**1,092,544**	**984,513**
Represented by:			
Members contribution		313,120	313,120
Retained earnings		779,424	671,393
		1,092,544	**984,513**

The accompanying notes form an integral part of these financial statements.

Signed on behalf of the Board of Trustees on 28 May 2020 by:

Mr. Sam Onukwue
FRC/2013/CISN/00000004129

Ms. Tinuade Awe
FRC/2013/NBA/00000001803

Additionally certified by:
Mr. Cyril Eigbobo
Chief Financial Officer
FRC/2013/ICAN/00000001736

THE NIGERIAN STOCK EXCHANGE - INVESTORS' PROTECTION FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR YEAR ENDED 31 DECEMBER 2019

	Notes	31 Dec 2019 N' 000	31 Dec 2018 N' 000
Income			
Revenue from dealing members	13	1000	-
Interest income	14	158,195	134,611
		159,195	**134,611**
Expenses			
Claim expense	15	34,835	36,519
Impairment loss on financial assets	16	575	-
Operating expenses	17	15,754	14,372
		51,164	**50,891**
Surplus for the year		**108,031**	**83,720**

The accompanying notes form an integral part of these financial statements.

THE NIGERIAN STOCK EXCHANGE - INVESTORS' PROTECTION FUND
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE FUND
FOR YEAR ENDED 31 DECEMBER 2019

31 December 2019

	Members Contribution N' 000	Retained Earnings N' 000	Total N' 000
Balance as at 1 January 2019	313,120	671,393	984,513
Surplus for the year	-	108,031	108,031
	313,120	**779,424**	**1,092,544**

31 December 2018

	Members Contribution N' 000	Retained Earnings N' 000	Total N' 000
Balance at 1 January 2018 as previously reported	313,120	587,677	900,797
Changes on initial application of IFRS 9	-	(4)	(4)
Restated balance as at 1 January 2018	313,120	587,673	900,793
Surplus for the year	-	83,720	83,720
	313,120	**671,393**	**984,513**

The accompanying notes form an integral part of these financial statements.

THE NIGERIAN STOCK EXCHANGE - INVESTORS' PROTECTION FUND
STATEMENT OF CASH FLOWS
FOR YEAR ENDED 31 DECEMBER 2019

	Note	31 Dec 2019	31 Dec 2018
		N' 000	**N' 000**
Cash flows from operating activities			
Surplus for the year		108,031	83,720
Adjustments for:			
Interest income	14	(158,195)	(134,611)
Claims expense	17	34,835	36,519
		(123,360)	**(98,092)**
Changes in other liabilities		4,309	(5,858)
Changes in other receivables		-	71
Interest received		95,375	93,915
Claims paid	17	(19,957)	(15,419)
Net cashflow from operating activities		**64,397**	**58,337**
Cashflow from investing activities			
Purchase of investment securities		(433,248)	(1,135,079)
Proceeds from redemption of investment securities		756,000	1,249,500
Net cashflow from investing activities		**322,752**	**114,421**
Net increase in cash and cash equivalents		387,149	172,758
Cash and cash equivalents at the beginning of the year		813,995	641,237
Cash and cash equivalent at end of year	8	**1,201,144**	**813,995**

The accompanying notes form an integral part of these financial statements.

1 General information

The Nigerian Stock Exchange Investors' Protection Fund ("the Fund") was established by The Nigerian Stock Exchange ("the Exchange") in 1988, pursuant to Part XIV of the Investment and Securities Act 2007 and is situated at 2/4 Customs Street, Marina, Lagos.

The primary purpose of the Fund is to compensate investors who suffer a pecuniary loss as a result of the insolvency, bankruptcy or negligence of a dealing member firm or any defalcation by a dealing member of the Exchange. The Fund comprises contributions from the Exchange and its dealing members and any cumulative surplus or loss from operations.

In accordance with the Investments and Securities Act Section No 197 (2) of 2007, the responsibility for administration of the Fund became vested in a Board of Trustees. The Exchange reconstituted the Board of Trustees in September 2012 and they developed rules that became effective from 21 January 2014.

2 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements of The Nigerian Stock Exchange - Investors' Protection Fund have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS) as issued by The International Accounting Standards Board (IASB), and with the requirements of the Financial Reporting Council of Nigeria Act and the Investment and Securities Act (ISA).

(i) The financial statements have been prepared in accordance with the going concern principle under the historical cost convention. The financial statements comprise the statements of comprehensive income, financial position, changes in net assets attributable to the board of the fund, changes in cash flows and the notes.

(ii) The preparation of the financial statements in conformity with IFRS requires the Trustees to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.
Information about significant areas of estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 5

(iii) These financial statements are presented in Naira, which is the Fund's functional currency. All financial information presented in Naira has been rounded to the nearest thousand.

Changes in accounting policies and disclosures

(i) New and amended standards adopted by the Fund during the period

A number of new standards became effective commencing 1 January 2019:

- *IFRS 16 Leases*
- *Prepayment Features with Negative Compensation – Amendments to IFRS 9*
- *Long-term Interests in Associates and Joint Ventures – Amendments to IAS 28*
- *Annual Improvements to IFRS Standards 2015 – 2017 Cycle*
- *Plan Amendment, Curtailment or Settlement – Amendments to IAS 19*
- *Interpretation 23 Uncertainty over Income Tax Treatments.*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) Standards issued but not yet effective

The following standards have been issued or amended by the IASB but are yet to become effective for annual periods beginning on or after 1 January 2019:

- *IFRS 17 Insurance Contracts*
- *Definition of a Business (Amendments to IFRS 3)*
- *Definition of Material (Amendments to IAS 1 and IAS 8)*
- *Amendments to References to Conceptual Framework in IFRS Standards*

3 Other accounting policies

(a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured.

(i) Revenue

Revenue is recognised when the contribution by the dealing member becomes due. Dealing members are required to pay one million Naira (N1million) as contribution to the Fund in fulfilment of licensing requirement set by the Exchange. The mandatory fee of N1million is to be paid before commencement of trading by the dealing members.

(ii) Interest income

Interest income is recognised in the statement of comprehensive income, using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, when appropriate, a shorter period) to the carrying amount of the financial instrument. When calculating the effective interest rate, the Fund estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. Interest received or receivable, and interest paid or payable are recognised in the statement of comprehensive income as interest income and interest expense, respectively.

(b) Provisions, contingent liabilities and assets

Provisions are liabilities that are uncertain in amount and timing. Provision are recognised when the Fund has a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.
Where there is a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

A contingent liability is a possible obligation that arises from past event 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 Fund or the Fund has a present obligation as a result of a past event. It is not recognised because it is not likely that an outflow of resources will be required to settle the obligation or the amount can not be reliably estimated.

Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability is not likely to occur.
A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Fund.

Contingent assets and liabilities are disclosed in the financial statement when they arise.
Provisions from claims on the Fund are made after the verification process to determine the obligations has been completed. Claims verified below the threshold of N400,000 are fully provided for at verified amounts, while all verified claims above the threshold are provided for using the maximum limit as approved by the Board of Trustees of N400,000 per claim.
Unverified claims are recorded as contingent liabilities in the financial statements based on the IPF rules which specifies maximum thresholds for a claim.

(c) Taxation

Contributions and fines and penalties received by the Fund, will not be subject to income or capital gains tax as the Fund is not a taxable entity. Interest and dividends accruing on investments made by the Fund are however subject to withholding tax at the rate of 10% deducted at source. Income is recorded gross of withholding taxes in the statement of comprehensive income while the corresponding withholding taxes are expensed in the statement of comprehensive income.

(d) Cash and cash equivalents

Cash and cash equivalents includes cash at bank, placements with financial institutions, other short-term highly liquid investments (i.e Treasury bills) with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4 Financial assets and liabilities

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument.
Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.
The Fund's financial assets include government securities, bank balances and other receivables.

At initial recognition, the Fund measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost to the extent that they do not represent cash and cash equivalents.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Fund recognises the difference as follows:
(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
(b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

4.1 Financial assets

Classification and measurement

From 1 January 2018, the Fund classifies its debt financial assets in the following measurement categories:
• Amortised Cost
The Fund does not have instruments classified at fair value.

a) Business model assessment

Business model assessment involves determining whether financial assets are managed in order to generate cash flows from collection of contractual cash flows, selling financial assets or both.
The Fund assesses business model at a portfolio level reflective of how groups of assets are managed together to achieve a particular business objective. For the assessment of business model the Fund takes into consideration the following factors:
• the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets
• how the performance of assets in a portfolio is evaluated and reported to the Fund's management;
• the risks that affect the performance of assets held within a business model and how those risks are managed;
• how compensation is determined for the trustees that manages the assets; 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 Fund's continuing recognition of the assets.

The Fund determines the classification of the financial instruments at initial recognition. The business model assessment falls under three categories:

i) Financial assets held with the sole objective to collect contractual cash flows;
ii) Financial assets held with the objective of both collecting contractual cash flows and selling; and
iii) Financial assets held with neither of the objectives mentioned in the two categories above. These are basically financial assets held with the sole objective to trade and to realize fair value changes.
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 Fund's continuing recognition of the assets

(b) Cash flow characteristics

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Fund Manager assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.
The Fund reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

The classification requirements for debt instruments are described below:

(c) *Debt instruments*

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government securities
Classification and subsequent measurement of debt instruments depend on:
(i) the Fund's business model for managing the asset; and
(ii) the cash flow characteristics of the asset.
Based on these factors, the Fund classifies its debt instruments into one of the following three measurement categories:

(i) Financial assets measured at amortised cost

These represent assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured.

(d) Derecognition of financial assets

The Fund derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or has assumed an obligation to pay those cash flows to one or more recipients, subject to certain criteria.

Any interest in transferred financial assets that is created or retained by the Fund is recognised as a separate asset or liability.

(e) Impairment methodology

The Fund assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost. The Fund does not have financial instruments measured at fair value.
IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:
• A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Fund Manager.
• A financial instrument with significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
• A financial instrument which is credit-impaired, the financial instrument is then moved to 'Stage 3'.
• Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
• A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward looking information.
• Purchased or originated credit-impaired financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

The Fund's financial instruments subject to impairment relates to investment securities which are government instruments with very low credit risk as these are sovereign instruments with no history of default. A simplified approach was used by the Fund in determining the expected credit losses (ECL) on these instruments.

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or Fund of financial assets is impaired. A financial asset or a Fund of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (a 'loss event'), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Fund of financial assets that can be reliably estimated.

The following factors are considered in assessing objective evidence of impairment:

- Payment defaults.
- Renegotiation of terms of the financial asset due to financial difficulty of the investee fund.
- Disappearance of an active market for an asset due to financial difficulties.

The impairment loss is calculated as the difference between the carrying amount of the financial assets and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. When the Fund considers that there are no realistic prospects of recovering the asset, the relevant amounts are written off.

If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

The Fund considers a financial asset to be in default when:

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

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

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

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

(f) Write-off

The gross carrying amount of a financial asset is written off when the Fund has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Fund makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Fund 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 Fund's procedures for recovery of amounts due.

(g) 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 Fund has access at the date. A number of the Fund's accounting policies and disclosures require the measurement of fair values, for both financial and non financial assets and liabilities

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

4.2 Financial liabilities

(a) Classification and measurement

In both the current and prior period, financial liabilities are recognised initially at fair value, net of any transaction costs. Subsequently, they are measured at amortised cost. The Fund has no financial liabilities in any other category. The Fund determines the classification of financial liabilities at initial recognition. The financial liabilities include other liabilities and provisions for claims.

(b) Derecognition of financial liabilities

Financial liabilities are derecognised when they have been redeemed or otherwise extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). The exchange between the Fund and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.
In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

(5) Significant accounting judgements and estimates

The preparation of the financial statements to conform with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and assumption that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(a) Provision for claims

Provisions for claims are measured based on the accounting policies on provisions, contingent liabilities and assets in note 3(b) of the financial statements. Each claim is assessed individually by the Nigerian Stock Exchange's Broker Dealers Regulation Unit and based on the details verified, claims are recommended to the Board of Trustees to be paid.

6 Financial risk management

The Fund has exposure to the following risks from financial instruments:
• credit risk
• liquidity risk
• market risk

This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk.

Risk management framework

The Fund maintains positions in a variety of non-derivative financial instruments in accordance with its investment management strategy.

The Fund's investment portfolio comprises short term deposit, treasury bills and bonds with financial institutions in Nigeria. In instances where the portfolio has diverged from target asset allocations, the Fund's management is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

The Fund is not exposed to foreign currency risk as it does not engage in any transaction denominated in foreign currency.

(a) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from cash and bank balances, investment in bonds and treasury bills, balances due from the counterparties. For risk management reporting purposes, the Fund considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

(i)*Maximum exposure to credit risk*

The Fund's maximum credit risk exposure at the reporting date is represented by the respective carrying amounts of the relevant financial assets in the statement of financial position as follows.

	31-Dec-19 N' 000	31-Dec-18 N' 000
Cash and bank balances	697,932	353,003
Investment securities	609,057	826,767
	1,306,989	**1,179,770**

(ii) Concentration risk of financial assets with credit risk exposure
Geographical sectors

All credit risk exposures (without taking into account any collateral held or other credit support) are maintained within Nigeria. An analysis of concentration of credit risk as at 31 December 2019 and 31 December 2018 is set out below respectively

	Cash and bank balances N'000	Other Receivables N'000	Investment securities N'000	Total N'000
31 December 2019				
Nigeria	**697,932**	**-**	**609,057**	**1,306,989**
31 December 2018				
Nigeria	**353,003**	**-**	**826,767**	**1,179,770**

(iii) Credit quality of financial assets

The Fund's financial assets for the current period and prior periods are classified as stage 1, stage 2 or stage 3.. Classification by credit quality as at 31 December 2019 and 31 December 2018 is set out below:

Credit quality by class

31 December 2019	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Bank balances	697,932	-	-	**697,932**
Investment securities at amortised cost	609,057	-	-	**609,057**
	1,306,989	-	-	**1,306,989**

31 December 2018	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Bank balances	353,003	-	-	**353,003**
Investment securities at amortised cost	826,767	-	-	**826,767**
	1,179,770	-	-	**1,179,770**

The credit quality of financial assets can be referenced to external credit rating agency (Standard & Poor and Fitch Rating Agencies). The risk of default is considered below

31 December 2019

Financial assets	B+ N'000	B- N'000	Unrated N'000	Total N'000
Cash and bank balances	697,932	-	-	697,932
Investment securities at amortised cost	609,057		-	609,057
	1,306,989	-	-	**1,306,989**

31 December 2018

Financial assets	B+ N'000	B- N'000	Unrated N'000	Total N'000
Cash and bank balances	353,003	-	-	353,003
Investment securities at amortised cost	826,767	-	-	826,767
	1,179,770	-	-	**1,179,770**

Bank balances

The Fund's cash and bank balances and its investments in treasury bills are held with First bank of Nigeria Limited, Access bank Plc, Guaranty Trust bank Plc and Zenith bank Plc. The Board of Trustees through the Finance team monitors the financial position of banks on a weekly basis.

Investment securities

The funds investment securities balance are investment in Federal Government securities which are held with Access Bank Plc, First Bank of Nigeria Limited and Guaranty Trust Bank Plc.

Other receivables

Other receivables includes balance of contributions received by the Nigerian Stock Exchange on behalf of the Fund. These balances have been fully impaired as at reporting date.

(b) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

(i)*Management of liquidity risk*

The Fund's policy and the Board of Trustees approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, including estimated compensation to investors, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund's liquidity risk is managed on a daily basis by the Board of Trustees through the investment manager of the Exchange in accordance with policies and procedures in place. The Fund at all times may invest any money not required immediately in any manner in which the Trustees determine as authorised by the Investment Securities Act.

(ii) *Liquidity gap analysis*

The Fund's liquidity risk is managed on a daily basis by the investment manager in accordance with policies and procedures in place.

Contractual and undiscounted cashflows

31 December 2019	Carrying Amount	Gross nominal value	0 - 30 days	31 - 90 days	Above 90 days
Financial assets	N'000	N'000	N'000	N'000	N'000
Bank balances	697,932	701,600	503,699	197,901	-
Investment securities	609,057	665,176	295,000	220,866	149,310
	1,306,989	**1,366,776**	**798,699**	**418,767**	**149,310**
Financial liabilities					
Provision for claims	150,214	150,214	150,214	-	-
Other liabilities	64,231	64,231	64,231	-	-
	214,445	**214,445**	**214,445**	-	-
Gap (Assets - Liabilities)	**1,092,544**	**1,152,331**	**584,254**	**418,767**	**149,310**

Contractual and undiscounted cashflows

31 December 2018	Carrying Amount	Gross nominal value	0 - 30 days	31 - 90 days	Above 90 days
Financial assets	N'000	N'000	N'000	N'000	N'000
Bank balances	353,003	353,003	199,008	153,995	-
Investment securities	826,767	925,965	252,000	214,000	459,965
	1,179,770	**1,278,968**	**451,008**	**367,995**	**459,965**
Financial liabilities					
Provision for claims	135,335	135,335	135,335	-	-
Other liabilities	59,922	59,922	59,922	-	-
	195,257	**195,257**	**195,257**	-	-
Gap (Assets - Liabilities)	**984,513**	**1,083,711**	**255,751**	**367,995**	**459,965**

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Fund's income or the fair 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.

Management of market risk

The Fund's strategy for the management of market risk is driven by the Fund's investment objective, which focuses on long-term growth while taking into cognizance the preservation of investor capital.
The Fund's market risk is managed on a daily basis by the investment manager in accordance with policies and procedures in place.

(i) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Fund holds fixed interest securities that expose the Fund to fair value interest rate risk.

The Fund also holds all its investment in short term fixed deposit. Due to the short term nature of investments, the exposure to fair value interest rate risk is considered immaterial.

Table below summarises the Fund's interest rate gap position.

31 December 2019	**Non Interest bearing N'000**	**Fixed Interest bearing N'000**	**Carrying amount N'000**
Assets			
Bank balances	66,558	631,374	697,932
Investment securities	-	609,057	609,057
	66,558	**1,240,431**	**1,306,989**
Liabilities			
Provision for claims	150,214	-	150,214
Other liabilities	64,231	-	64,231
	214,445	-	**214,445**
31 December 2018			
Assets			
Bank balances	12,083	340,920	353,003
Investment securities	-	826,767	826,767
	12,083	**1,167,687**	**1,179,770**
Liabilities			
Provision for claims	135,335	-	135,335
Other liabilities	59,922	-	59,922
	195,257	-	**195,257**

(ii) Currency risk and equity risk

The Fund is not exposed to currency risk and equity risk as it does not have foreign currency denominated transaction and does not have investments in equities.

(d) Fair value of financial assets and liabilities
- Financial Instruments not measured at fair value

All of the Fund's financial assets and liabilities are measured at amortised cost. Due to the short maturity of the Fund's financial instruments, the amortised cost closely approximates the fair value.
The table below shows the analysis of the financial instrument:

	31-Dec-19		31-Dec-18	
	Carrying Value N'000	**Fair Value N'000**	**Carrying Value N'000**	**Fair Value N'000**
Financial assets				
Bank balances	697,932	697,932	353,003	353,003
Investment securities	609,057	722,254	826,767	815,639
	1,306,989	**1,420,186**	**1,179,770**	**1,168,642**
Financial liabilities				
Provision for claims	150,214	150,214	135,335	135,335
Other Liabilities	64,231	64,231	59,922	59,922
	214,445	**214,445**	**195,257**	**195,257**

The table below set out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

	Level 1	**Level 2**	**Level 3**	**Fair value**	**Carrying value**
31 December 2019	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Assets					
Bank balances	-	697,932	-	697,932	697,932
Investment securities	-	722,254	-	722,254	609,057
	-	**1,420,186**	-	**1,420,186**	**1,306,989**
Liabilities					
Provision for claims	-	-	150,214	150,214	150,214
Other Liabilities	-	-	64,231	64,231	64,231
	-	-	**214,445**	**214,445**	**214,445**

	Level 1	**Level 2**	**Level 3**	**Fair value**	**Carrying value**
31 December 2018	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Assets					
Bank balances	-	353,003	-	353,003	353,003
Investment securities	-	815,639	-	815,639	826,767
	-	**1,168,642**	-	**1,168,642**	**1,179,770**
Liabilities					
Provision for claims	-	-	135,335	135,335	135,335
Other Liabilities	-	-	59,922	59,922	59,922
	-	-	**195,257**	**195,257**	**195,257**

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 inputs are unobservable inputs for the asset or liability.

-Financial Instruments measured at fair value

IFRS 7 para 25 requires the disclosures of the fair value of financial assets and liabilities by class in a way that that permits it to be compared with its carrying amount for each class of financial assets and financial liability. The Fund's financial instruments are receivables, investment securities and cash and bank balances which are carried at amortised cost. The Fund does not have any financial instruments that are carried at fair value.

7 Capital management

The Capital of the Fund is considered to be the net assets attributable to the members of NSE since the inception of the Fund. The Fund's objectives when managing its capital contributions are to safeguard its ability to continue as a going concern in order to provide compensation to members of the investing public who have suffered pecuniary loss as a result of the insolvency, bankruptcy or negligence of a dealing member firm or any defalcation by a dealing member of the Exchange.

In order to maintain its capital structure, the Fund is regularly monitored by the Board of Trustees who determines the nature of investments of the Fund's assets as well as the level of contribution of dealing members of the Fund.

8 Bank balances

	31 Dec 2019 N' 000	31 Dec 2018 N' 000
Bank balances	66,558	7,870
Fixed deposits	631,949	345,133
Allowance for ECL impairment (see note 9(a) below)	(575)	-
	697,932	**353,003**

8b Cash and cash equivalent for cashflow purposes

Bank balances	66,558	7,870
Fixed deposits	631,374	345,133
Investment securities (Treasury bills less than 90 days)	503,212	460,992
	1,201,144	**813,995**

9 Investment securities at amortised cost

Investment in treasury bills	503,212	714,995
Investment in FGN Bonds	105,848	111,776
Allowance for ECL impairment (see note 9(a) below)	(3)	(4)
	609,057	**826,767**
Current	503,208	714,991
Non-current	105,849	111,776
	609,057	**826,767**

(a) Movement in the allowance for impairment with respect to debt securities at amortised cost during the year was as follows.

	31 Dec 2019 N' 000
Balance as at 1 January 2019	4
Net re-measurement of loss allowance for Treasury Bills	(2)
Net re-measurement of loss allowance for Fixed deposits	575
Balance as at 31 December 2019	577

10 Other receivables

	31 Dec 2019 N' 000	31 Dec 2018 N' 000
Due from The Nigerian Stock Exchange	122,397	122,397
Gross total	**122,397**	**122,397**
Impairment for credit losses	**(122,397)**	**(122,397)**

The other receivable balance for the prior year are all current.

Due from The Nigerian Stock Exchange represents fines and penalties collected on behalf of the Fund by the Exchange which have been fully provided for as recoverability of the amount is in doubt.

(a) Movement in impairment on other receivables is shown below	31 Dec 2019 N' 000	31 Dec 2018 N' 000
Balance at 1 Jan 2019	122,397	122,397
Additional impairment	-	-
Balance at 31 Dec 2019	122,397	122,397

11 Provision for claims	31 Dec 2019 N' 000	31 Dec 2018 N' 000
Provision for claims as at 1 Jan 2019	135,335	114,235
Current year provision	34,836	36,519
Benefits paid	(19,957)	(15,419)
	150,214	135,335
Current	150,214	135,335

Provisions are made on the Fund based on verified claims by investors.

Total number of claims verified under Board of Trustees approved methodology as at 31 December 2019 is 839 (Dec 2018: 742). Of this total number, 307 (Dec 2018: 241) claimants have been paid the total of N85.5 million (Dec 2018: N65.6 million). A total provision of N150m have been provided for in full as at 31 December 2019 based on the maximum amount of N400,000 payable under the IPF rule.

12 Other liabilities	31 Dec 2019 N' 000	31 Dec 2018 N' 000
Provision for litigations	49,934	47,575
Audit fees payable	5,000	5,000
Withholding tax payable	288	59
Due to DataPro	1,696	1,254
Fees and expenses payable	7,314	6,034
	64,231	59,922
Current	14,297	12,347
Non current	49,934	47,575
	64,231	59,922

13 Revenue	31 Dec 2019 N'000	31 Dec 2018 N'000
Contributions from dealing members	1,000	-
	1,000	-

14 Interest income on investments at amortised cost	31 Dec 2019 N'000	31 Dec 2018 N'000
Interest income on money market placements	32,680	27,537
Interest income on treasury bills	110,776	101,558
Interest income on FGN Bonds	14,739	5,516
	158,195	134,611

15 Claims expenses	31 Dec 2019 N'000	31 Dec 2018 N'000
Claims expenses	34,835	36,519
	34,835	36,519

16 Impairment charge on financial asset	31 Dec 2019 N'000	31 Dec 2018 N'000
Impairment charge on debt instruments measured at amortised cost	575	
	575	-

17 Operating expenses	31 Dec 2019 N'000	31 Dec 2018 N'000
Professional fees	3,069	2,915
Trustees emolument (see note 17.1 below)	2,153	2,590
Audit fees	5,000	5,000
Withholding tax on investments	2,400	2,182
Litigation expenses	2,359	577
Other expenses	773	1,108
	15,754	14,372

17.1 Trustees' emoluments

	31 Dec 2019 N'000	31 Dec 2018 N'000
Remuneration paid to the Trustees was:		
Sitting allowances	1,300	1,245
Other directors expenses	853	1,345
	2,153	2,590

Sitting allowances and other emoluments disclosed above include amounts paid to:

Chairman	300	300
Highest paid Trustee	300	300

The average number of trustees during the year who earned more than N50,000 is shown below:

	31 Dec 2019	31 Dec 2018
N50,000- N100,000	2	6
N100,001- N150,000	4	1
Above N150,000	2	2
	8	9

18 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The Fund is primarily controlled by the Board of Trustees of the Investors' Protection Fund. As at the reporting date, the Fund had no transactions with the Trustees of the Fund beside the payment of the Trustees emolument. The representative of the Nigerian Stock Exchange on the Board of Trustees of the Fund did not receive any emolument as a Trustee of the Fund during the year. The Fund had no transactions with the NSE in the normal course of business.

19 Contingent liabilities and commitments

(i) Contingent liabilities

(a) Legal Proceedings

The Fund is involved in six active law suits and one suit awaiting execution as at 31 December 2019. The six active suits have a total claim of N370m. Initial rulings of the Investment & Securities Tribunal on the four cases were to the effect that the claimants be compensated from the IPF while the Tribunal dismissed the claims of the Plaintiff in two cases. Two of these claims arose whilst Investment & Securities Act 1999 was in force. That Act provided for full compensation for claims. The Fund is appealing these two rulings on technical grounds. The other four legal cases were instituted by investors after Investment & Securities Act 2007 and the 2007 approved rules of the Fund were in force. Five cases are on appeal, while the other is seeking to regularize the notice of appeal which was filed out of time. For the cases that are on appeal, the Trustees are appealing that the claim amounts to be paid should not exceed the limits set out in the SEC approved 2014 IPF Rules of Operation.

(b) Provision for claims

The Fund is aware of 1013 claims. 27 of this claims are yet to be verified by the Nigerian Stock Exchange in accordance with Section 213 of ISA 2007. No provision has been made in the books in respect of these claims but management estimates that based on the limits set by the IPF rules, the total contingent liability in respect of these unverified claims will not exceed N10.8m (which is the total unverified claims multiplied by the maximum amount payable of N400,000).

(ii) Capital commitments

The Fund had no capital commitments in respect of authorized and contracted capital projects as at 31 December 2019 (Dec 2018: Nil)

20 Events after the reporting period

The recent outbreak in Nigeria of the novel strain of Coronavirus which surfaced in China mid-December 2019 has begun to cause some level of business disruptions and economic uncertainties. These level of uncertainties that have arisen as a result of this global pandemic coupled with other macroeconomic challenges such as low production output, low budget oil price, rising inflation etc which may worsen are likely to negatively impact on the businesses of the Fund in relation to its projected revenues, credit loss estimates and other impairment assessment. The national government through its agencies and monetary authorities are putting in place various intervention schemes and palliatives to minimise impact on households and real sector of the economy. The impact of all these cannot be prematurely quantified at the moment

The financial impact of the Fund's business and duration of these disruptions cannot be reasonably estimated at this point in time and the Fund considers this a non-adjusting post balance sheet event. However, it is reasonably possible that outcomes within the next financial year that are different from assumptions used for some estimates and judgement, could require a material adjustment to carrying amount of the asset or liability

Aside the above events, there were no other events subsequent to the financial position date which require adjustments to, or disclosure in these financial statements

THE NIGERIAN STOCK EXCHANGE - INVESTORS' PROTECTION FUND
OTHER NATIONAL DISCLOSURES: STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2019

	31 Dec 2019		31 Dec 2018	
	N' 000	%	N' 000	%
Income				
Total revenue	159,195		134,611	
Cost of brought in goods and services (local)	(49,011)		(48,301)	
Value added	**110,184**	**100%**	**86,310**	**100%**
Distribution of value added:				
Trustees emolument	2,153	2%	2,590	3%
Retained in the Fund to augment reserve	108,031	98%	83,720	97%
	110,184	**100%**	**86,310**	**100%**

THE NIGERIAN STOCK EXCHANGE - INVESTORS' PROTECTION FUND
OTHER NATIONAL DISCLOSURES: FIVE YEAR FINANCIAL SUMMARY
FOR YEAR ENDED 31 DECEMBER 2019

Statement of financial position	31 Dec 19 N' 000	31 Dec 18 N' 000	31 Dec 17 N' 000	31 Dec 16 N' 000	31 Dec 15 N' 000
ASSETS:					
Cash and cash equivalents	697,932	353,003	330,861	227,359	495,895
Other receivables	-	-	71	71	-
Investment securities	609,057	826,767	750,765	710,143	403,584
Total assets	**1,306,989**	**1,179,770**	**1,081,697**	**937,573**	**899,479**
LIABILITIES:					
Provision for claims	150,214	135,335	114,235	87,003	105,924
Other liabilities	64,231	59,922	66,665	54,529	69,088
Total liabilities	**214,445**	**195,257**	**180,900**	**141,532**	**175,012**
EQUITY					
Net assets attributable to the Fund	1,092,544	984,513	900,797	796,041	724,467
Total equity	1,092,544	984,513	900,797	796,041	724,467
Total equity and liabilities	**1,306,989**	**1,179,770**	**1,081,697**	**937,573**	**899,479**

Statement of comprehensive income	31-Dec-19 N' 000	31-Dec-18 N' 000	31-Dec-17 N' 000	31-Dec-16 N' 000	31-Dec-15 N' 000
Interest and Other Income	159,195	134,611	161,035	99,151	120,439
Operating & Claim expenses	(51,164)	(50,891)	(56,279)	(180,978)	(62,921)
Surplus/(deficit) for the year	**108,031**	**83,720**	**104,756**	**(81,827)**	**57,518**