



# **CENTRAL SECURITIES CLEARING SYSTEM PLC**

## **MANAGEMENT ACCOUNTS**


**FOR THE PERIOD ENDED 31 DECEMBER 2021**

## CENTRAL SECURITIES CLEARING SYSTEM PLC



## Statement of financial position as at 31 December 2021

|                                      | Notes | Dec-21                | Dec-20                |
|--------------------------------------|-------|-----------------------|-----------------------|
|                                      |       | N                     | N                     |
| <b>Non-current assets</b>            |       |                       |                       |
| Property and equipment               | 13    | 1,851,377,670         | 1,354,102,866         |
| Intangible assets                    | 14    | 375,414,857           | 585,704,817           |
| Equity-accounted investee            | 15    | 1,541,437,270         | 1,541,437,270         |
| Investment in subsidiary             | 16    | 10,000,000            | 10,000,000            |
| Investment securities                | 17(a) | 22,146,100,145        | 19,570,294,904        |
| <b>Total non-current assets</b>      |       | <b>25,924,329,941</b> | <b>23,061,539,857</b> |
| <b>Current assets</b>                |       |                       |                       |
| Short term investments               | 17(b) | 6,495,521,506         | 7,707,367,067         |
| Cash and cash equivalents            | 19    | 5,178,109,388         | 10,066,199,801        |
| Trade receivables                    | 20    | 713,466,672           | 160,450,430           |
| Other assets                         | 21    | 4,446,216,125         | 424,482,045           |
| <b>Total current assets</b>          |       | <b>16,833,313,691</b> | <b>18,358,499,343</b> |
| <b>Total assets</b>                  |       | <b>42,757,643,632</b> | <b>41,420,039,200</b> |
| <b>Equity</b>                        |       |                       |                       |
| Share capital                        | 22(a) | 5,000,000,000         | 5,000,000,000         |
| Retained earnings                    |       | 29,691,322,639        | 30,204,250,394        |
| Fair value reserve                   |       | 273,769,830           | 273,769,830           |
| Actuarial reserve                    |       | 1,669,357             | 1,669,357             |
| <b>Total equity</b>                  |       | <b>34,966,761,827</b> | <b>35,479,689,581</b> |
| <b>Non-current liabilities</b>       |       |                       |                       |
| Deferred tax liabilities             | 23    | 63,485,319            | 63,485,319            |
| Long term incentive scheme           | 24    | 8,250,000             | 125,551,478           |
| <b>Total non-current liabilities</b> |       | <b>71,735,319</b>     | <b>189,036,797</b>    |
| <b>Current liabilities</b>           |       |                       |                       |
| Intercompany payables                | 25    | 10,000,000            | 10,000,000            |
| Payables and Accruals                | 26    | 1,161,389,591         | 1,533,906,072         |
| Current tax liabilities              | 27    | 1,119,618,390         | 436,529,338           |
| Other liabilities                    | 28    | 5,428,138,504         | 3,770,877,413         |
| <b>Total current liabilities</b>     |       | <b>7,719,146,486</b>  | <b>5,751,312,822</b>  |
| <b>Total liabilities</b>             |       | <b>7,790,881,805</b>  | <b>5,940,349,619</b>  |
| <b>Total equity and liabilities</b>  |       | <b>42,757,643,632</b> | <b>41,420,039,200</b> |

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

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

CENTRAL SECURITIES CLEARING SYSTEM PLC



Income Statements for the period ended 31 December 2021

|  | NOTES | DEC 2021 Q4          | DEC 2020 Q4          | DEC 2021 YTD         | DEC 2020 YTD         |
|--|-------|----------------------|----------------------|----------------------|----------------------|
|  |       | N                    | N                    | N                    | N                    |
| Fees   | 5     | 1,281,118,451        | 1,379,872,588        | 4,502,636,280        | 4,118,039,292        |
| Products and Services                          | 7a    | 362,715,962          | 46,975,079           | 962,715,934          | 366,362,288          |
| Other operating income                         | 7b    | 607,587,521          | 124,622,680          | 1,202,915,357        | 127,527,738          |
| <b>Total operating income</b>                  |       | <b>2,251,421,934</b> | <b>1,551,470,347</b> | <b>6,668,267,571</b> | <b>4,611,929,319</b> |
| Depreciation and Amortisation Cost             | 8     | 191,796,731          | 144,509,345          | 690,188,180          | 616,288,261          |
| Staff cost                                     | 9     | 514,432,120          | 361,151,340          | 1,654,686,419        | 1,342,913,073        |
| Administrative expenses                        | 10a   | 278,831,630          | 663,910,491          | 937,267,598          | 1,352,811,854        |
| Products and Services                          | 10b   | 129,361,038          | 72,340,900           | 264,929,549          | 170,475,218          |
| Other expenses                                 | 11    | 324,417,865          | 284,475,524          | 610,949,947          | 465,555,086          |
| Impairment loss/(reversal) on financial assets |       | 1,897,343            | 34,510,502           | 1,897,343            | 34,510,502           |
| <b>Total operating expenses</b>                |       | <b>1,440,736,727</b> | <b>1,560,898,102</b> | <b>4,159,919,035</b> | <b>3,982,553,993</b> |
| <b>Operating profit</b>                        |       | <b>810,685,207</b>   | <b>(9,427,755)</b>   | <b>2,508,348,536</b> | <b>629,375,326</b>   |
| Investment income                              | 6     | 1,367,914,501        | 4,304,416,354        | 3,770,195,161        | 7,464,669,232        |
| <b>Profit before tax</b>                       |       | <b>2,178,599,708</b> | <b>4,294,988,598</b> | <b>6,278,543,697</b> | <b>8,094,044,558</b> |
| Tax provisions/(reversal)                      |       | 328,477,121          | 161,917,507          | 941,471,452          | 605,646,540          |
| <b>Profit after tax</b>                        |       | <b>1,850,122,587</b> | <b>4,133,071,091</b> | <b>5,337,072,245</b> | <b>7,488,398,018</b> |
| <b>RELEVANT RATIOS</b>                         |       |                      |                      |                      |                      |
| Earning Per Share (eps) (kobo)                 |       | 37.0                 | 82.7                 | 106.7                | 149.8                |
| Diluted Earning Per Share (eps) (kobo)         |       | 37.0                 | 82.7                 | 106.7                | 149.8                |



**Statement of changes in equity**  
for the period ended 31 December 2021.

**31 December 2021**

|  | Share capital        | Retained earnings     | Face value reserve | Actuarial reserves | Total                 |
|--|----------------------|-----------------------|--------------------|--------------------|-----------------------|
| Balance at 1 January 2021                            | 5,000,000,000        | 30,204,250,394        | 273,769,830        | 1,669,357          | 35,479,689,581        |
| Profit for the period                                | -                    | 5,337,072,245         | -                  | -                  | 5,337,072,245         |
| Other comprehensive income:                          |                      |                       |                    |                    |                       |
| Fair Value gain/(loss) - FVOCI Financial Instruments |                      | -                     | -                  | -                  | -                     |
| Actuarial gain on long term incentive                |                      | -                     | -                  | -                  | -                     |
| Deferred tax impact                                  |                      | -                     | -                  | -                  | -                     |
| Total other comprehensive income                     | -                    | 5,337,072,245         | -                  | -                  | 5,337,072,245         |
| Transactions with equity holders:                    |                      |                       |                    |                    |                       |
| Dividends  | -                    | (5,850,000,000)       | -                  | -                  | (5,850,000,000)       |
| <b>Balance at 31 December 2021</b>                   | <b>5,000,000,000</b> | <b>29,691,322,639</b> | <b>273,769,830</b> | <b>1,669,357</b>   | <b>34,966,761,826</b> |

**31 December 2020**

|  | Share capital        | Retained earnings     | Face value reserve | Actuarial reserves | Total                 |
|--|----------------------|-----------------------|--------------------|--------------------|-----------------------|
| Balance at 1 January 2020                    | 5,000,000,000        | 27,633,870,818        | 317,029,182        | 851,000            | 32,951,751,000        |
| Profit for the period                        | -                    | 6,870,379,576         | -                  | -                  | 6,870,379,576         |
| Other comprehensive income:                  |                      |                       |                    |                    |                       |
| Fair value loss- FVOCI Financial instruments |                      | -                     | (43,259,352)       | -                  | (43,259,352)          |
| Actuarial gain on long term incentive        |                      | -                     | -                  | 1,169,081          | 1,169,081             |
| Deferred tax impact                          |                      | -                     | -                  | (350,724)          | (350,724)             |
| Total other comprehensive income             | -                    | 6,870,379,576         | (43,259,352)       | 818,357            | 6,827,938,581         |
| Transactions with equity holders:            |                      |                       |                    |                    |                       |
| Dividends                                    | -                    | (4,300,000,000)       | -                  | -                  | (4,300,000,000)       |
| <b>Balance at 31 December 2020</b>           | <b>5,000,000,000</b> | <b>30,204,250,394</b> | <b>273,769,830</b> | <b>1,669,357</b>   | <b>35,479,689,581</b> |



**Statement of changes in equity**  
for the period ended 31 December 2021

**31 December 2021**

|  | Share capital        | Retained earnings     | Face value reserve | Actuarial reserves | Total                 |
|--|----------------------|-----------------------|--------------------|--------------------|-----------------------|
| Balance at 1 January 2021                            | 5,000,000,000        | 30,204,250,394        | 273,769,830        | 1,669,357          | 35,479,689,581        |
| Profit for the period                                | -                    | 5,337,072,245         | -                  | -                  | 5,337,072,245         |
| Other comprehensive income:                          |                      |                       |                    |                    |                       |
| Fair Value gain/(loss) - FVOCI Financial Instruments |                      | -                     | -                  | -                  | -                     |
| Actuarial gain on long term incentive                |                      | -                     | -                  | -                  | -                     |
| Deferred tax impact                                  |                      | -                     | -                  | -                  | -                     |
| Total other comprehensive income                     | -                    | 5,337,072,245         | -                  | -                  | 5,337,072,245         |
| Transactions with equity holders:                    |                      |                       |                    |                    |                       |
| Dividends  | -                    | (5,850,000,000)       | -                  | -                  | (5,850,000,000)       |
| <b>Balance at 31 December 2021</b>                   | <b>5,000,000,000</b> | <b>29,691,322,639</b> | <b>273,769,830</b> | <b>1,669,357</b>   | <b>34,966,761,826</b> |

**31 December 2020**

|  | Share capital        | Retained earnings     | Face value reserve | Actuarial reserves | Total                 |
|--|----------------------|-----------------------|--------------------|--------------------|-----------------------|
| Balance at 1 January 2020                    | 5,000,000,000        | 27,633,870,818        | 317,029,182        | 851,000            | 32,951,751,000        |
| Profit for the period                        | -                    | 6,870,379,576         | -                  | -                  | 6,870,379,576         |
| Other comprehensive income:                  |                      |                       |                    |                    |                       |
| Fair value loss- FVOCI Financial instruments |                      | -                     | (43,259,352)       | -                  | (43,259,352)          |
| Actuarial gain on long term incentive        |                      | -                     | -                  | 1,169,081          | 1,169,081             |
| Deferred tax impact                          |                      | -                     | -                  | (350,724)          | (350,724)             |
| Total other comprehensive income             | -                    | 6,870,379,576         | (43,259,352)       | 818,357            | 6,827,938,581         |
| Transactions with equity holders:            |                      |                       |                    |                    |                       |
| Dividends                                    | -                    | (4,300,000,000)       | -                  | -                  | (4,300,000,000)       |
| <b>Balance at 31 December 2020</b>           | <b>5,000,000,000</b> | <b>30,204,250,394</b> | <b>273,769,830</b> | <b>1,669,357</b>   | <b>35,479,689,581</b> |



**Statement of cash flows**

for the period ended 31 December 2021



|   | Notes | Dec-21                 | Dec-20                 |
|---|-------|------------------------|------------------------|
| <b>Cash flows from operating activities</b>         |       |                        |                        |
| Profit for the period                               |       | 5,337,072,245          | 7,488,398,018          |
| <b>Adjustments for:</b>                             |       |                        |                        |
| Income tax expense recognised in profit or loss     | 12    | 941,471,452            | 605,646,540            |
| Amortisation of intangible assets                   | 8     | 286,311,730            | 327,087,875            |
| Depreciation of property and equipment              | 8     | 403,876,450            | 289,200,385            |
| Interest income                                     | 6     | (3,770,195,161)        | (7,464,669,232)        |
| Impairment/loss on financial assets                 |       | 1,897,343              | 34,510,502             |
| Foreign Exchange Loss                               | 11    | 11,197,600             | 111,991,777            |
| Movement in investment in Associate                 |       | -                      | -                      |
| Defined benefit Charge                              |       | -                      | -                      |
| Profit on disposal of property and equipment        | 7b    | (409,289)              | (1,079,845)            |
|   |       | <b>3,211,222,370</b>   | <b>1,391,086,020</b>   |
| Tax paid  |       | (258,382,400)          | (623,700,538)          |
| Contribution to long term incentive scheme          | 24    | 22,535,586             | 43,928,832             |
| <b>Changes in operating assets and liabilities:</b> |       |                        |                        |
| Trade receivables                                   | 20    | (553,016,242)          | (110,478,954)          |
| Other assets  | 21    | (4,021,734,080)        | (209,295,166)          |
| Payables and accruals                               | 26    | (372,516,481)          | 157,514,078            |
| Other liabilities                                   | 28    | 1,657,261,091          | 1,528,938,040          |
| <b>Net cash flows from operating activities</b>     |       | <b>(314,630,155)</b>   | <b>2,177,992,312</b>   |
| <b>Cash flows from investing activities:</b>        |       |                        |                        |
| Purchase of property and equipment                  | 13    | (901,156,254)          | (559,790,790)          |
| Purchase of intangible asset                        | 14    | (76,023,770)           | (127,319,947)          |
| Proceeds on disposal of property and equipment      | 13    | 409,289                | 1,079,875              |
| Net proceed/(purchase) of long term investments     | 17(b) | 1,211,845,561          | (670,022,300)          |
| Net proceed/(purchase) of long term investments     | 17(a) | (2,575,805,240)        | 2,631,355,642          |
| Interest received                                   |       | 3,617,270,156          | 6,513,419,632          |
| <b>Net cash flows used in investing activities</b>  |       | <b>1,276,539,742</b>   | <b>7,788,722,112</b>   |
| <b>Cash flows from financing activities:</b>        |       |                        |                        |
| Dividend paid                                       |       | (5,850,000,000)        | (4,300,000,000)        |
| Lease payment                                       |       | -                      | -                      |
| <b>Net cash flows used in financing activities</b>  |       | <b>(5,850,000,000)</b> | <b>(4,300,000,000)</b> |
| Net decrease in cash and cash equivalents           |       | (4,888,090,413)        | 5,666,714,424          |
| Cash and cash equivalents, beginning of the period  |       | 10,066,199,801         | 6,691,490,428          |
| Effect of movements in exchange rates on cash held  |       | -                      | -                      |
| <b>Cash and cash equivalents, end of the period</b> |       | <b>5,178,109,388</b>   | <b>12,358,204,852</b>  |

CENTRAL SECURITIES CLEARING SYSTEM PLC  
 Notes to the Financial Statements  
 for the period ended 31 December 2021



5 Fees

|                      | DEC 2021 YTD         | DEC 2020 YTD         |
|----------------------|----------------------|----------------------|
|                      | N                    | N                    |
| Eligibility Fees (a) | 26,560,398           | 14,328,750           |
| Depository Fees (b)  | 1,824,552,600        | 1,235,315,999        |
| Listing Fees ©       | 74,316,810           | 3,136,833            |
| Transaction Fees (d) | 2,577,206,471        | 2,865,257,710        |
|                      | <u>4,502,636,280</u> | <u>4,118,039,292</u> |

- a. Eligibility fees are annual renewal fees paid by stockbroking firms as participants of the CSD
- b. Depository fees are annual fee (including fees for initial deposit of shares) by Issuers on the basis of their market Capitalization at last trading day of December of the preceding year
- c. Fees from new issuance of Equities.
- d. Equity transaction fees are fees for equities traded on the NSE, FMDQ and NASD respectively

6 Investment income

|                                       | DEC 2021 YTD         | DEC 2020 YTD         |
|---------------------------------------|----------------------|----------------------|
|                                       | N                    | N                    |
| Cash & Cash Equivalent                | 829,463,074          | 421,067,159          |
| Commercial Papers                     | 15,713,727           | 407,203,438          |
| FGN Bonds                             | 1,588,306,258        | 2,147,027,305        |
| State Govts Bonds                     | 315,968,614          | 550,530,881          |
| Corporate Bonds                       | 202,028,620          | 56,610,086           |
| Alternative Investments (NIDF)        | 153,663,861          | 119,922,903          |
| Gain on disposal of Commercial Papers | -                    | 138,133,850          |
| Gain on disposal of FGN Bond          | 665,051,007          | 3,624,173,609        |
|                                       | <u>3,770,195,161</u> | <u>7,464,669,232</u> |

**CENTRAL SECURITIES CLEARING SYSTEM PLC**  
**Notes to the Financial Statements**  
for the period ended 31 December 2021



**7a Products and Services**

|   | DEC 2021 YTD       | DEC 2020 YTD       |
|---|--------------------|--------------------|
|   | N                  | N                  |
| Electronic Document Management Services (a) | 463,714,914        | 184,867,521        |
| Website Subscription Fees                   | 36,454,356         | 36,542,124         |
| Statement of Stock Position Fees            | 18,237,054         | 11,452,064         |
| Settlement Banks Participation fee          | 40,000,000         | 20,000,000         |
| Collateral Management Fee                   | 365,830,052        | 99,593,521         |
| Special Accounts Fee                        | 3,407,582          | 6,381,449          |
| Global Search                               | 14,840,861         |                    |
| Legal Entity Identifier Subscription        | 5,586,863          | 6,325,610          |
| ISIN & Symbol Code Service                  | 12,997,565         |                    |
| Data Services (API account)                 | 195,000            |                    |
| New Income Lines – Issuers portal           | 1,451,686          | 1,200,000          |
|   | <b>962,715,934</b> | <b>366,362,288</b> |

**7b Other operating income**

|                                | DEC 2021 YTD         | DEC 2020 YTD       |
|--------------------------------|----------------------|--------------------|
|                                | N                    | N                  |
| X-Alert Handling fees          | 2,067,328            | 3,259,254          |
| Nominal & Other Fees (a)       | 898,036,356          | 110,142,437        |
| Custodian fee                  | 7,790,572            |                    |
| Miscellaneous Income           | 417,779              | 7,337,556          |
| Profit on Disposal of Assets   | 409,289              | 1,079,845          |
| DMO Services - FG Savings Bond | 6,668,419            | 5,708,647          |
| Gains on Foreign Exchange      | 287,525,614          |                    |
|                                | <b>1,202,915,357</b> | <b>127,527,738</b> |

(a) Nominal fees include fees for transfer fees and shares distribution service charges.

**8 Depreciation & Amortisation expenses**

|                                   | DEC 2021 YTD       | DEC 2020 YTD       |
|-----------------------------------|--------------------|--------------------|
|                                   | N                  | N                  |
| Depreciation of PPE               | 403,876,450        | 289,200,385        |
| Amortization of Intangible Assets | 286,311,730        | 327,087,875        |
|                                   | <b>690,188,180</b> | <b>616,288,261</b> |

**9 Staff cost**

|                              | DEC 2021 YTD         | DEC 2020 YTD         |
|------------------------------|----------------------|----------------------|
|                              | N                    | N                    |
| Salaries & Allowances        | 1,109,466,142        | 1,087,973,196        |
| Staff Training & Development | 19,698,598           | 4,466,153            |
| Staff Welfare                | 98,783,789           | 57,283,318           |
| Medical Expenses             | 54,410,100           | 51,561,348           |
| Performance Bonus            | 251,025,238          |                      |
| Pension Fund Contribution    | 98,766,966           | 97,700,226           |
| Long Term Incentive          | 22,535,586           | 43,928,832           |
|                              | <b>1,654,686,419</b> | <b>1,342,913,073</b> |



Document Classification: CSCS Confidential

CENTRAL SECURITIES CLEARING SYSTEM PLC  
Notes to the Financial Statements  
for the period ended 31 December 2021



| 10a Administrative expenses             | DEC 2021 YTD       | DEC 2020 YTD         |
|---|--------------------|----------------------|
|   | N                  | N                    |
| Rates                                   | 29,955,976         | 46,821,186           |
| Publicity/Enlightenment                 | 1,560,313          | 3,800,675            |
| Telephone/Communication                 | 6,252,241          | 4,539,668            |
| Office Equipment Maintenance            | 13,018,058         | 13,839,065           |
| Generator Diesel Expense                | 25,033,231         | 25,345,712           |
| Electricity/Energy/Water                | 15,571,312         | 12,175,717           |
| Motor Vehicle Maintenance               | 15,391,246         | 15,280,182           |
| Motor Vehicle Fuel Expense              | 4,542,038          | 2,801,026            |
| Office Building Maintenance             | 3,060,812          | 1,253,700            |
| Computer/IT Maintenance                 | 220,007,411        | 183,063,216          |
| Printing & Stationeries                 | 2,583,430          | 3,152,553            |
| Audit Fees/Expenses                     | 29,499,999         | 24,003,100           |
| Professional/Consulting Fees            | 77,235,270         | 183,624,747          |
| Travels & Accommodation                 | 28,083,396         | 18,145,447           |
| Insurance                               | 59,062,162         | 52,507,175           |
| Entertainment                           | 153,873            | 444,050              |
| Corporate & Brand Communications        | 5,312,673          | 6,850,452            |
| Industrial Training fund                | 13,021,880         | 37,789,437           |
| Newspapers & Periodicals                | 161,595            | 565,338              |
| Filing, Processing Fees                 | 170,000            | 42,000               |
| Legal Expenses                          | 17,979,910         | 18,406,461           |
| Annual Subscriptions                    | 45,093,630         | 42,778,449           |
| NSITF(Management Contribution)          | 9,311,033          | 54,865,995           |
| AGM Expenses                            | 13,652,241         | 8,715,211            |
| Other Admin (Outsourced staff) Expenses | 31,538,678         | 45,690,121           |
| Sponsorship                             | 10,365,000         | 22,033,750           |
| Swift Running Cost                      | -                  | 3,302,464            |
| Corporate Social Responsibility         | 16,370,000         | 96,173,317           |
| Stakeholders Engagement Expenses        | 2,197,200          | 303,500              |
| Software License Fees                   | 192,551,170        | 350,263,479          |
| Lease Interest Expense/Others           | 48,531,822         | 74,234,665           |
|   | <b>937,267,598</b> | <b>1,352,811,854</b> |

Document Classification: CSCS Confidential

CENTRAL SECURITIES CLEARING SYSTEM PLC  
Notes to the Financial Statements  
for the period ended 31 December 2021



10b Products and Services.

|                                    | DEC 2021 YTD       | DEC 2020 YTD       |
|------------------------------------|--------------------|--------------------|
|                                    | N                  | N                  |
| Digital Centre Services Expenses   | 158,455,817        | 98,874,823         |
| Business Development               | 58,966,275         | 10,033,928         |
| Edo State Project Expense          | 46,818,128         | 59,928,467         |
| Legal Entity Identifier Remittance | 280,913            | 1,638,000          |
| Admin fee.                         | 408,417            | -                  |
|                                    | <u>264,929,549</u> | <u>170,475,218</u> |

11 Other expenses

|                                       | DEC 2021 YTD       | DEC 2020 YTD       |
|---------------------------------------|--------------------|--------------------|
|                                       | N                  | N                  |
| Bank Charges etc                      | 6,203,969          | 4,822,256          |
| NIBBS BVN Verification Service Charge | 7,495,959          | -                  |
| Directors Fees                        | 212,678,532        | 137,852,500        |
| Directors' Expenses                   | 373,373,887        | 210,716,338        |
| Loss on Foreign Exchange              | 11,197,600         | 111,991,777        |
| Investor Protection Expenses          | -                  | 172,215            |
|                                       | <u>610,949,947</u> | <u>465,555,086</u> |

12 Taxation

|                                 | DEC 2021 YTD       | DEC 2020 YTD       |
|---------------------------------|--------------------|--------------------|
| Current year provisions:        | N                  | N                  |
| Income tax                      | 806,629,834        | 483,581,743        |
| Education Tax                   | 53,775,322         | 37,328,710         |
| Information Technology Levy     | 80,662,983         | 80,940,446         |
| Nigerian Police Trust Fund Levy | 403,313            | 3,795,641          |
|                                 | <u>941,471,452</u> | <u>605,646,540</u> |

13 Property and equipment

| Depreciation rate                | 20%                | 12.5%                  | 25%                  | 20%                | 33%                   | Building: Right-   |                    |                      |
|----------------------------------|--------------------|------------------------|----------------------|--------------------|-----------------------|--------------------|--------------------|----------------------|
| Description                      | Motor vehicles     | Furniture and fittings | Computer equipment   | Office equipment   | Leasehold improvement | of-use asset       | Work in progress   | Total                |
| Cost:                            | N                  | N                      | N                    | N                  | N                     | N                  | N                  | N                    |
| As at 1 January 2021             | 843,115,750        | 137,909,537            | 965,545,579          | 157,084,932        | 75,467,437            | 356,286,695        | 394,341,580        | 2,929,751,510        |
| Additions                        | 49,500,000         | -                      | 69,727,387           | 38,761,143         | 383,977,495           | 82,241,543         | 276,948,686        | 901,156,254          |
| Disposals                        | -                  | -                      | -                    | -                  | -                     | -                  | -                  | -                    |
| Reclassification                 | -                  | -                      | -                    | -                  | -                     | -                  | -                  | -                    |
| <b>As at 31 December 2021</b>    | <b>892,615,750</b> | <b>137,909,537</b>     | <b>1,035,272,965</b> | <b>195,846,075</b> | <b>459,444,932</b>    | <b>438,528,238</b> | <b>671,290,267</b> | <b>3,830,907,764</b> |
| <b>Accumulated Depreciation:</b> |                    |                        |                      |                    |                       |                    |                    |                      |
| As at 1 January 2021             | 295,426,806        | 111,233,534            | 876,227,183          | 109,831,331        | 75,467,367            | 107,467,423        | -                  | 1,575,653,644        |
| Current charge                   | 166,515,147        | 7,544,830              | 57,099,343           | 21,874,377         | 95,958,610            | 54,884,143         | -                  | 403,876,450          |
| Disposals                        | -                  | -                      | -                    | -                  | -                     | -                  | -                  | -                    |
| <b>As at 31 December 2021</b>    | <b>461,941,953</b> | <b>118,778,364</b>     | <b>933,326,526</b>   | <b>131,705,708</b> | <b>171,425,977</b>    | <b>162,351,566</b> | <b>-</b>           | <b>1,979,530,094</b> |
| <b>Net Book Value</b>            |                    |                        |                      |                    |                       |                    |                    |                      |
| As at 31 December 2021           | <b>430,673,797</b> | <b>19,131,173</b>      | <b>101,946,440</b>   | <b>64,140,367</b>  | <b>288,018,955</b>    | <b>276,176,672</b> | <b>671,290,267</b> | <b>1,851,377,670</b> |
| As at 31 December 2020           | <b>547,688,944</b> | <b>26,676,003</b>      | <b>89,319,396</b>    | <b>47,253,601</b>  | <b>70</b>             | <b>248,820,271</b> | <b>394,344,580</b> | <b>1,354,102,866</b> |

14 Intangible assets

| Description                     | Purchased software   | Work In progress- software | Total                |
|---------------------------------|----------------------|----------------------------|----------------------|
| Cost                            | N                    | N                          | N                    |
| As at 1 January 2021            | 3,620,279,289        | 133,357,215                | 3,753,636,504        |
| Additions                       | 138,813,783          | (62,790,013)               | 76,023,770           |
| <b>As at 31 December 2021</b>   | <b>3,759,093,072</b> | <b>70,567,202</b>          | <b>3,829,660,274</b> |
| <b>Accumulated Amortisation</b> |                      |                            |                      |
| As at 1 January 2021            | 3,167,933,687        | -                          | 3,167,933,687        |
| Current charge                  | 286,311,730          | -                          | 286,311,730          |
| <b>As at 31 December 2021</b>   | <b>3,454,245,418</b> | <b>-</b>                   | <b>3,454,245,418</b> |
| <b>As at 31 December 2021</b>   | <b>304,847,654</b>   | <b>70,567,202</b>          | <b>375,414,857</b>   |
| As at 31 December 2020          | <b>452,345,602</b>   | <b>133,359,215</b>         | <b>585,704,817</b>   |

**CENTRAL SECURITIES CLEARING SYSTEM PLC**  
**Notes to the Financial Statements**  
for the period ended 31 December 2021

**15 Equity-accounted investee**

|  | Dec-21               | Dec-20               |
|--|----------------------|----------------------|
|  | N                    | N                    |
| Investment in associate -NG Clearing Limited | 1,541,437,270        | 736,687,270          |
| Additional investment during the year        | -                    | 804,750,000          |
| <b>Carrying amount</b>                       | <b>1,541,437,270</b> | <b>1,541,437,270</b> |

**16 Investment in subsidiary**

|                                      | N                 | N                 |
|--------------------------------------|-------------------|-------------------|
| Insurance Repository Nigeria Limited | 10,000,000        | 10,000,000        |
| <b>Carrying amount</b>               | <b>10,000,000</b> | <b>10,000,000</b> |

**17 Investment securities**

Investments can be analysed as follows:

**17(a) Non-current investment securities**

|                                | N                     | N                     |
|--------------------------------|-----------------------|-----------------------|
| Federal Government bonds       | 16,237,427,527        | 12,551,235,918        |
| Corporate bonds                | 2,048,052,396         | 1,799,092,914         |
| State Government bonds         | 2,260,140,875         | 3,631,708,744         |
| Equity Investments- at FVOCI   | 100,100,000           | 100,100,000           |
| Alternative Investments (NIDF) | 1,559,093,492         | 1,546,871,474         |
| <b>Gross carrying amount</b>   | <b>22,204,814,290</b> | <b>19,629,009,050</b> |

**Investment securities at amortised cost:**

|  | N                     | N                     |
|--|-----------------------|-----------------------|
| Federal Government bonds                             | 12,275,395,787        | 8,589,204,179         |
| State Government bonds                               | 2,260,140,875         | 3,631,708,744         |
| Corporate bonds                                      | 958,132,861           | 709,173,378           |
| Alternative Investments (NIDF)                       | 1,559,093,492         | 1,546,871,474         |
|  | <b>17,052,763,015</b> | <b>14,476,957,775</b> |
| Allowance for ECL-Federal Government Bond            | (7,623,009)           | (7,623,009)           |
| Allowance for ECL-State Government Bond              | (11,692,505)          | (11,692,505)          |
| Allowance for ECL - Corporate Bond                   | (29,873,045)          | (29,873,045)          |
| Allowance for ECL - NIDF Investments                 | (9,525,586)           | (9,525,586)           |
| <b>Total investment securities at amortised cost</b> | <b>16,994,048,870</b> | <b>14,418,243,629</b> |

**Investment securities at Fair Value through OCI:**

|  |                      |                      |
|--|----------------------|----------------------|
| Federal Government bonds                                     | 3,962,031,739        | 3,962,031,739        |
| Corporate bonds  | 1,089,919,536        | 1,089,919,536        |
| <b>Total investment securities at Fair Value through OCI</b> | <b>5,051,951,275</b> | <b>5,051,951,275</b> |

**Equity Investments at Fair Value through OCI**

|  |                    |                    |
|--|--------------------|--------------------|
| NSE Nominees Share Investments                           | 100,000            | 100,000            |
| Lagos Commodities & Futures Exchange                     | 100,000,000        | 100,000,000        |
| <b>Total equity investment at Fair Value through OCI</b> | <b>100,100,000</b> | <b>100,100,000</b> |

**Total non-current investment securities**

|                       |                       |
|-----------------------|-----------------------|
| <b>22,146,100,145</b> | <b>19,570,294,904</b> |
|-----------------------|-----------------------|



**CENTRAL SECURITIES CLEARING SYSTEM PLC**  
**Notes to the Financial Statements**  
for the period ended 31 December 2021



**17 Investment securities- Continued**

| <b>Current assets:</b>                   | <b>Dec-21</b>        | <b>Dec-20</b>        |
|--|----------------------|----------------------|
| <b>17(b) Short term investments</b>      | <b>N</b>             | <b>N</b>             |
| Short-term Deposits (Unclaimed dividend) | 155,170,945          | 162,828,298          |
| Short-term Deposits (Call Deposit)       | 341,078              | 2,300,974,735        |
| Short-term Deposits (Fixed Deposit)      | 6,348,526,762        | 5,252,081,314        |
|  | <b>6,504,038,786</b> | <b>7,715,884,347</b> |
| Allowance for ECL -Short-term deposit    | (8,517,280)          | (8,517,280)          |
| <b>Total carrying amount</b>             | <b>6,495,521,506</b> | <b>7,707,367,067</b> |

**18 Intercompany receivables**

|   | <b>N</b>     | <b>N</b>     |
|---|--------------|--------------|
| Amount due from Insurance Repository        | 34,510,502   | 34,510,502   |
| Allowance for ECL- Intercompany receivables | (34,510,502) | (34,510,502) |
| <b>Carrying amount</b>                      | <b>-</b>     | <b>-</b>     |

**19 Cash and cash equivalents**

|   | <b>N</b>             | <b>N</b>              |
|---|----------------------|-----------------------|
| Guaranty Trust Bank Plc                     | 161,592,501          | 255,606,517           |
| Sterling Bank Plc                           | 1,262,988            | 1,003,113,059         |
| Sterling Bank-Stamp Duty Collection Account | 524,717,908          | 2,039,287,844         |
| Sterling Bank-IST Collection Account        | 71,208,061           | 118,380,499           |
| Zenith Bank Plc                             | 480,397              | 384,274               |
| First Bank of Nigeria Limited               | 908,719              | 31,734,118            |
| Access Bank Plc                             | 1,413,203,982        | 2,151,836,730         |
| Union Bank Plc                              | 47,778               | 357,640               |
| Fidelity Bank Plc                           | 13,059,656           | 1,031,660,598         |
| United Bank for Africa Plc                  | 10,162,107           | 7,115,910             |
| Stanbic IBTC Bank Plc                       | 410,129              | 410,129               |
| Keystone Bank Plc                           | 375                  | 375                   |
| Citibank Nig Plc                            | 999,330              | 999,330               |
| FSDH Merchant Bank Limited                  | 96,840               | 96,840                |
| Nova Merchant Bank Limited                  | 103,666,124          | 377                   |
| SunTrust Bank Nig. Limited                  | 58                   | 58                    |
| Ecobank                                     | 5,500                | 5,500                 |
| Wema Bank                                   | 833,154              | 1,063,679,181         |
| FCMB Plc                                    | 41,519               | 4,514,296             |
| Coronation Merchant Bank Limited            | 86,936               | 78,716                |
| Rand Merchant Bank Ltd.                     | 1,021                | 1,021                 |
| FCMB - Stamp Duty Collection Account        | 29,015,403           | 856,083,912           |
| Titan Trust Bank Limited                    | 318                  | 1,004,868,802         |
| Providus Bank Limited                       | 553,135,229          | 501,368,490           |
| Greenwich Bank Limited                      | 1,085,677,607        | -                     |
| Globus Bank Ltd                             | 1,213,080,167        | -                     |
| Cash Advance                                | -                    | 1,200,000             |
| Cash Imprest                                | 1,450,000            | 450,000               |
|   | <b>5,185,143,808</b> | <b>10,073,234,221</b> |
| Allowance for ECL-Bank Balances             | (7,034,420)          | (7,034,420)           |
| <b>Total carrying amount</b>                | <b>5,178,109,388</b> | <b>10,066,199,801</b> |



**CENTRAL SECURITIES CLEARING SYSTEM PLC**  
**Notes to the Financial Statements**  
for the period ended 31 December 2021



|  | Dec-21               | Dec-20             |
|--|----------------------|--------------------|
|  | N                    | N                  |
| <b>20 Trade receivables</b>                      |                      |                    |
| Trade Debtors - Bond Dealers                     | 19,701,931           | 14,422,497         |
| Trade Debtors - Quoted Companies                 | 486,174,897          | 128,781,095        |
| Trade Debtors - Sales & Bus. Dev.                | 426,655,920          | 228,652,134        |
| Trade Debtors/Unquoted Companies with NASD       | 2,762,656            | 8,385,661          |
| Trade Debtors - Stockbroking Firms - Eligibility | 7,665,000            | 7,665,000          |
| Trade Debtors - Stockbroking Firms- Trans. Fees  | 11,286,543           | 14,701,193         |
| Trade Debtors - Settlement Banks                 | 2,850,000            | 1,473,125          |
|  | <b>957,096,947</b>   | <b>404,080,705</b> |
| Allowance for ECL- trade receivables (a)         | (243,630,275)        | (243,630,275)      |
|  | <b>713,466,672</b>   | <b>160,450,430</b> |
| <b>(a) Analysis of ECL impairment:</b>           |                      |                    |
| Stockbroking Firm                                | 22,366,056           | 22,366,056         |
| Quoted Companies                                 | 97,517,967           | 97,517,967         |
| Sales & Bus. Dev.                                | 110,662,449          | 110,662,449        |
| Settlement Banks                                 | 1,473,116            | 1,473,116          |
| Bond Dealers                                     | 11,610,687           | 11,610,687         |
|  | <b>243,630,275</b>   | <b>243,630,275</b> |
| <b>21 Other assets</b>                           |                      |                    |
|  | N                    | N                  |
| Withholding Tax Recoverable                      | 162,320,962          | 90,153,789         |
| Prepayment - Rate                                | 3,000,000            | 3,000,000          |
| Prepaid Expenses (a)                             | 394,559,773          | 319,336,140        |
| Ex-Staff Debtors                                 | 4,474,584            | 1,823,372          |
| Other Assets (b)                                 | 3,950,260,806        | 78,568,744         |
|  | 4,514,616,125        | 492,882,045        |
| Allowance for ECL- other receivables             | (68,400,000)         | (68,400,000)       |
|  | <b>4,446,216,125</b> | <b>424,482,045</b> |
| <b>(a) Prepaid Expenses:</b>                     |                      |                    |
|  | N                    | N                  |
| Directors transport/Holiday allowance            | 171,622,356          | 196,091,896        |
| Insurance Premium                                | 1,439,245            | 7,731,435          |
| Microsoft Open Value, Sophos License, IBM etc    | 100,425,011          | 102,881,253        |
| Health Insurance-Axa Mansaard/Bupa               | 17,752,393           | 12,631,557         |
| Founding Membership of EnterpriseNGR             | 95,000,000           | -                  |
| Digital Centre Services                          | 8,320,768            | -                  |
|  | <b>394,559,773</b>   | <b>319,336,140</b> |

**CENTRAL SECURITIES CLEARING SYSTEM PLC**  
**Notes to the Financial Statements**  
for the period ended 31 December 2021



**21 Other assets- Continued**

|  | Dec-21<br>N          | Dec-20<br>N       |
|--|----------------------|-------------------|
| <b>(b) Other Assets:</b>                           |                      |                   |
| NMA Investment & Securities Ltd                    | 68,194,365           | 68,400,000        |
| Dafinone Consulting - Sage VIP Payroll             | 1,117,012            | 1,117,012         |
| Insurance claims receivable                        | 525,750              | -                 |
| CSCS Unclaimed Dividend- Africa Prudential         | 15,611,208           |                   |
| Sundry Stocks (tokens & Biometric devices)         | 7,637,664            | 9,007,616         |
| FBN Plc/Chief Registrar, High Court of Lagos State | 3,857,174,807        |                   |
|  | <b>3,950,260,806</b> | <b>78,568,744</b> |

**22 Capital and reserves**

| <b>22(a) Share capital</b>      | N                    | N                    |
|---------------------------------|----------------------|----------------------|
| Authorized Shared Capital       | 5,000,000,000        | 5,000,000,000        |
| <b>Share Capital Fully paid</b> | <b>5,000,000,000</b> | <b>5,000,000,000</b> |

| <b>22(b) Retained earnings</b> | N                     | N                     |
|--------------------------------|-----------------------|-----------------------|
| General Reserve                | 30,204,250,394        | 27,633,870,818        |
| Profit for the period          | 5,337,072,245         | 6,870,379,576         |
| Dividend payment               | (5,850,000,000)       | (4,300,000,000)       |
|                                | <b>29,691,322,639</b> | <b>30,204,250,394</b> |

| <b>22(c) Fair value reserve</b> | N                  | N                  |
|---------------------------------|--------------------|--------------------|
| Fair value reserve              | 273,769,830        | 273,769,830        |
|                                 | <b>273,769,830</b> | <b>273,769,830</b> |

| <b>22(d) Actuarial reserve</b>        | N                     | N                     |
|---------------------------------------|-----------------------|-----------------------|
| Opening actuarial reserves            | 1,669,357             | 851,000               |
| Actuarial gain on long term incentive | -                     | 1,169,081             |
| Deferred tax impact                   | -                     | (350,724)             |
|                                       | -                     | 818,357               |
| Closing actuarial reserves            | <b>1,669,357</b>      | <b>1,669,357</b>      |
| <b>Total Capital and reserves</b>     | <b>34,966,761,826</b> | <b>35,479,689,581</b> |

**NON-CURRENT LIABILITIES:**

| <b>23 Deferred tax asset/(liabilities)</b> | N                   | N                   |
|--|---------------------|---------------------|
| Deferred Taxation                          | (63,485,319)        | (63,485,319)        |
|  | <b>(63,485,319)</b> | <b>(63,485,319)</b> |

| <b>24 Long Term Incentive Scheme</b> | N                | N                  |
|--------------------------------------|------------------|--------------------|
| Long Term Incentive Provision        | 8,250,000        | 125,551,478        |
| <b>Carrying amount</b>               | <b>8,250,000</b> | <b>125,551,478</b> |

**CENTRAL SECURITIES CLEARING SYSTEM PLC**  
**Notes to the Financial Statements**  
for the period ended 31 December 2021



|   | Dec-21               | Dec-20               |
|---|----------------------|----------------------|
|   | N                    | N                    |
| <b>27 Current tax liabilities</b>                   |                      |                      |
| Information Technology Levy                         | 80,340,016           | 73,024,444           |
| Education Tax                                       | 60,176,698           | 25,906,785           |
| Income Tax  | 978,052,666          | 336,952,412          |
| Nigerian Police Trust Fund Levy                     | 1,049,010            | 645,697              |
|   | <b>1,119,618,390</b> | <b>436,529,338</b>   |
| <b>28 Other liabilities</b>                         |                      |                      |
| <b>28(a) Financial liabilities</b>                  | N                    | N                    |
| Unclaimed Dividend                                  | 155,170,945          | 162,828,298          |
| CSCS Individual Divestment                          | 1,290,000            | 1,290,000            |
| AdonaiNet Nigeria Ltd                               | 7,691,699            | 7,691,699            |
| CSCS Share Buy-Back/Deposit for Repo                | 96,067,400           | 29,521,400           |
| Depository Fee Suspense                             | 45,091,859           | 35,882,183           |
| Accrued Directors Allowance                         | 3,061,500            | -                    |
| Amount Due to Inv & Sec Tribunal                    | 77,768,874           | 120,479,184          |
| CSCS Stamp Duty Account                             | 4,411,791,520        | 2,896,252,517        |
| Lease Liability                                     | 319,355,524          | 276,075,925          |
| CSCS FGN Green Bond                                 | 15,557,507           | 15,557,507           |
| Fidelity-CSCS PLC/Vetiva Griffin 30 ETF/Lotus Halal | 34,298,401           | 12,317,687           |
| Dumez - Divestment Fund                             | 231,649              | 231,649              |
| Fixed Asset Disposal                                | 7,381,173            | 92,110               |
| Accrued Sec. Fees                                   | 50,958,758           | -                    |
|   | <b>5,225,716,809</b> | <b>3,558,220,159</b> |
| <b>28(b) Indirect tax</b>                           |                      |                      |
| Withholding Tax (Corporate)                         | 4,706,849            | 13,813,196           |
| Withholding Tax (Individual)                        | 6,103,964            | 12,140,940           |
| VAT Input   | 123,371,015          | 56,162,295           |
| VAT Output  | 5,245,800            | 5,345,360            |
| VAT - Depository Fee                                | -                    | 68,111,718           |
| Personal Income Tax (PAYE)                          | 62,994,067           | 57,083,746           |
|   | <b>202,421,695</b>   | <b>212,657,254</b>   |
| <b>Total Other liabilities</b>                      | <b>5,428,138,504</b> | <b>3,770,877,413</b> |

**29 Contingent liabilities**

There are pending litigations against the Company some of which the Company is only a nominal party. Contingent liability as at 31 December 2020 stood at N2,759,948,900.34 (31 December 2019: N3,347,005,190.71). However, the directors are of the opinion that the various suits will not succeed against the Company. There has been no significant change as at 31 December 2021 in the litigations involving the Company.

**CENTRAL SECURITIES CLEARING SYSTEM PLC**  
**Notes to the Financial Statements**  
for the period ended 31 December 2021



| <b>CURRENT LIABILITIES:</b>                       | <b>Dec-21</b>        | <b>Dec-20</b>        |
|---|----------------------|----------------------|
|   | <b>N</b>             | <b>N</b>             |
| <b>25 Intercompany payables</b>                   |                      |                      |
| Payables to Insurance Repository                  | 10,000,000           | 10,000,000           |
| <b>Carrying amount</b>                            | <b>10,000,000</b>    | <b>10,000,000</b>    |
| <b>26 Payable and Accruals</b>                    |                      |                      |
| Sundry Creditors (a)                              | 126,634,884          | 117,617,010          |
| Audit Fees  | 29,499,999           | 21,500,000           |
| Nigeria Social Insurance Trust Fund               | 3,030,119            | 22,500,645           |
| National Housing Fund                             | 688,328              | 682,098              |
| Staff Pension Fund                                | 197,955              | 3,799,292            |
| CSCS Staff Multipurpose Co-operative              | 597,117              | -                    |
| CSCS/NSE X-Alert                                  | -                    | 544,376              |
| Accrued Expenses (b)                              | 933,585,712          | 370,273,615          |
| Other payables (Accrued Performance Bonus)        | -                    | 647,523,565          |
| Contract liability (c)                            | 67,155,477           | 349,465,470          |
|   | <b>1,161,389,591</b> | <b>1,533,906,072</b> |
| <b>(a) Sundry Creditors:</b>                      |                      |                      |
| AdonaiNet - Uncollected Trade Alert fees          | 79,299,341           | 79,299,341           |
| Stale Cheques                                     | 2,951,927            | 2,951,927            |
| Trade Debtors Credit Bal/Excess State Bond Coupon | 32,960,161           | 32,960,161           |
| Accruals  | 11,423,455           | 2,405,581.29         |
|   | <b>126,634,884</b>   | <b>117,617,010</b>   |
| <b>(b) Accrued Expenses:</b>                      |                      |                      |
| Accruals-ISO surveillance audit.                  | 2,326,875            | 2,326,875            |
| 2019 X ALERT FEE DUE TO CSCS/NSE                  | -                    | 1,172,490            |
| TCS Bancs Subscriptions Accrual & Change Request  | 39,829,794           | 61,677,301           |
| Bloomberg Subscription                            | 3,654,585            | 3,240,000            |
| CSCS's Share of Diesel Expenses                   | 5,424,578            | 2,796,060            |
| BCP Site-Mitigate Assurance                       | -                    | 2,620,313            |
| Retainer Fees                                     | 14,421,250           | 4,531,250            |
| Accrued NSE PHCN Electricity Bills                | 2,149,934            | 2,700,000            |
| DB2 AND WEBSPHERE LICENSES- Accrual               | -                    | 9,154,952            |
| Client Network/Directors Expenses                 | 10,463,151           | 83,000,000           |
| Industrial Training Fund Contribution             | 25,520,445           | 23,443,235           |
| Consulting costs and Professional fees            | 110,256,412          | 110,256,412          |
| Retrofitting of 13th and 14th floors-DBH          | 650,000,000          | 63,354,728           |
| Others  | 69,538,687           | -                    |
|   | <b>933,585,712</b>   | <b>370,273,615</b>   |
| <b>(c) Contract liability</b>                     |                      |                      |
| Nominal fees                                      | -                    | 248,325,000          |
| Sales & Bus. Development                          | 27,248,737           | 20,049,084           |
| Collateral Management                             | 38,983,839           | 80,098,886           |
| Website Subscription                              | 922,900              | 992,500              |
|   | <b>67,155,477</b>    | <b>349,465,470</b>   |