

Ibom Power Company Limited

Annual Report

31 December 2021

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Corporate information

Registration Number RC. 399519

Directors:

Engr. Etido Inyang (Chairman)
Engr. Meyen Etukudo (Managing Director)
Barr. Uwen Ekanem
Hon. Ayang Ayang
Hon. Emmanuel Ebe

Registered office:

2nd Floor, APICO Investment House
143 Olusegun Obasanjo way
Uyo, Akwa Ibom

Company secretary

Barr. Ime Asibong
2nd Floor, APICO Investment House
143 Olusegun Obasanjo way
Uyo, Akwa Ibom

Solicitor

Paul Usoro & Co Legal Practitioners
3rd floor, Plot 1668B Oyin Jolayemi street
Victoria Island
Lagos State

Felix Udom & Co
1 Umoren lane,
Uyo, Akwa Ibom

Justice Chambers (Barristers and Solicitors)
34, Udo Ekpo Mkpo street
Off Nwaniba road
Uyo, Akwa Ibom

Independent auditor

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
Lagos State

Principal bankers:

Access Bank Plc
Ecobank Nigeria Limited
First Bank of Nigeria
Guaranty Trust bank Plc
Polaris Bank Limited
United Bank for Africa Plc
Zenith Bank Plc

Tax Identification Number:

01292273-0001

Results at a glance

	<u>31 Dec 2021</u> NGN'000	<u>31 Dec 2020</u> NGN'000	<u>Change</u> (%)
Revenue	<u>1,719,565</u>	<u>4,880,618</u>	<u>(65)</u>
Loss before taxation	<u>(4,225,667)</u>	<u>(5,771,155)</u>	<u>27</u>
Loss after taxation	<u>(4,234,307)</u>	<u>(5,005,484)</u>	<u>15</u>
Accumulated deficit	<u>(37,039,265)</u>	<u>(32,804,958)</u>	<u>(13)</u>
Total assets	<u>14,038,150</u>	<u>13,750,745</u>	<u>2</u>
Share capital	<u>100,000</u>	<u>20,000</u>	<u>400</u>
Total equity	<u>(37,240,309)</u>	<u>(33,150,432)</u>	<u>(12)</u>

Directors' report for the year ended 31 December 2021

The directors present their report on the affairs of Ibom Power Company Limited ("the Company"), together with the financial statements and the auditor's report for the year ended 31 December 2021. The financial statements for the year ended 31 December 2021 were approved on the same date as the financial statements for the year ended 31 December 2022. The later financial statements should be referred to for a more recent and updated results of the Company.

Legal form

The Company was incorporated in Nigeria as a limited liability Company on 15 January 2001.

Principal activity

The Company is mainly engaged in the generation and sale of electric power to the National Grid.

The plant consists of three units—two GE Frame 6B and one GE Frame 9E gas turbine generators installed in a simple cycle configuration. The turbine units are GTG 1, GTG 2, and GTG 3, with a combined generating capacity of 191 MW.

During the financial year, the Company encountered operational challenges that significantly impacted its performance, resulting in four months of no power generation. Only GTG 2 and GTG 3 were functional during the year, but they still experienced substantial downtime.

GTG 2 was non-operational during March, April, and June due to extensive maintenance following an incident on 17 October 2020. The incident, caused by a breaker (52G) failure, severely damaged the generator. Efforts to resume generation were thwarted again on 28 August 2021, when the generator breaker failed once more, keeping the unit out of operation until its restoration on 19 October 2021.

GTG 3 underwent a Major Inspection (MI) commencing on 18 March 2021 and concluding on 20 May 2021. However, an incident during startup on 21 May led to significant damage to the compressor rotor. Due to the long lead time required to manufacture this component, GTG 3 remained out of operation for the remainder of the year.

Despite these setbacks, the Company saw operational improvements towards the end of the year. The restoration of GTG 2 and the major overhaul of GTG 3 have ensured the long-term reliability and performance of our power generation assets. The directors are confident that the measures taken will enhance the reliability and productivity of our plants in future periods.

Operating results and dividends

The following is a summary of the Company's operating results:

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Revenue	1,719,565	4,880,618
Loss before minimum tax and income tax	<u>(4,225,667)</u>	<u>(5,771,155)</u>
Minimum tax	<u>(8,640)</u>	<u>(24,403)</u>
Income tax credit	<u>-</u>	<u>790,074</u>
Loss for the year	<u>(4,234,307)</u>	<u>(5,005,484)</u>

The directors do not recommend the declaration of dividend during the year (2020: Nil).

Directors and their interests

The directors who served during the year are as follows:

Engr. Etido Inyang (Chairman)
Engr. Meyen Etukudo (Managing Director)
Barr. Uwen Ekanem
Hon. Ayang Ayang
Elder Ntieyong Inyangmme (Deceased, July 2021)
Hon. Emmanuel Ebe

The directors do not have any interests required to be disclosed under Section 310 of the Companies and Allied Matters Act (CAMA), 2020.

Directors' report cont'd

In accordance with Section 303 of the Companies and Allied Matters Act (CAMA), 2020, none of the directors has notified the Company of any declarable interests in contracts with the Company.

Shareholding structure

The Company's share holding structure is as follows:

Ordinary Shares of NGN 1 each as at				
	%	31 Dec 2021	%	31 Dec 2020
	Holding	Number	Holding	Number
Akwa Ibom Investment Corporation (AKICORP)	99.99	99,999,999	99.99	19,999,999
Globeleq Ibom Holdings BV	0.01	1	0.01	1
		<u>100,000,000</u>		<u>20,000,000</u>

On 13 April 2021, in accordance with Section 124 of the Companies and Allied Matters Act (CAMA), 2020, and Regulation 13 of the Companies Regulations 2021 issued by the Corporate Affairs Commission (CAC), the board of directors approved the allotment of the remainder of its authorized share capital, that is, eighty million (80.00 million) reserved ordinary shares each valued at NGN 1.00, of Ibom Power Company Limited to the Akwa Ibom Investment Corporation (AKICORP) at the nominal share price of NGN 1.00 per share, bringing the total issued share capital of the company to NGN 100.00 million. These shares have not been paid-up as at the date of this report.

Property, plant and equipment

Information relating to changes in property, plant and equipment is disclosed in Note 11 to these financial statements.

Events after the reporting period

There were no events after the reporting date which could have had a material effect on the financial position of the Company as at 31 December 2021 and on the financial performance for the year ended on that date which have not been adequately provided for or disclosed in these financial statements. See Note 28 for details.

Donation and charitable gifts

The Company made the following donations during the year:

	31 Dec 2021	31 Dec 2020
	NGN'000	NGN'000
Installation of transformers in various communities	8,174	17,922
Support to widows in Akwa Ibom state	38,332	-
Covid-19 palliatives	-	15,950
Way to the Nations orphanage	560	-
Skill acquisition programmes	4,621	2,200
Ikpa Ibekwe and Ikot Abasi youths	1,380	-
Village heads and councils	3,120	1,370
Christmas hampers	12,607	11,495
Cows for stakeholders	-	14,500
Food hampers	13,801	-
Donations to communities	<u>4,830</u>	<u>3,900</u>
	<u>87,425</u>	<u>67,337</u>

In accordance with Section 43(2) of the Companies and Allied Matters Act (CAMA), 2020, the Company did not make any donation or gift to any political party, political association or for any political purpose in the course of the year under review (2020: Nil).

Directors' report cont'd

Employment and employees

(a). Employee consultation and training

The Company places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees, and on the various factors affecting the performance of the Company through formal and informal meetings. Employees receive on-the-job training, complimented where necessary with additional facilities from educational institutions.

(b). Employment of physically challenged persons

Ibom Power Company Limited is an equal opportunity employer and does not discriminate on any grounds. Thus, we provide employment opportunities to physically-challenged persons. However, this actually goes beyond the need to ensure that there is no discrimination against such persons, but driven by a deep conviction that even in disability, there could be immense ability.

(c). Employee health, safety and welfare

The Company places a high premium on the health, safety and welfare of its employees in their place of work. The Company's policy includes having various forms of insurance policies to secure and protect its employees. In order to protect its employees against risks to health and safety hazards arising out of or in connection with their activities at work, the Company provides them with appropriate protective clothing.

Independent Auditors

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditors to the Company. In accordance with Section 401(2) of the Companies and Allied Matters Act (CAMA), 2020, therefore, the auditors will be re-appointed at the next annual general meeting of the Company without any resolution being passed.

Akwa Ibom, Nigeria

19TH July 2024

BY ORDER OF THE BOARD



Barr. Ime Asibong
Company Secretary

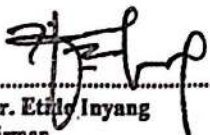
**Statement of directors' responsibilities in relation to the financial statements
for the year ended 31 December 2021**

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

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

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead. See Note 27 to these financial statements for more details.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:


.....
Engr. Etido Inyang
Chairman
FRC/2017/NSE/0016640
19TH JULY 2024
Date


.....
Engr. Meyen Etukudo
Managing Director
FRC/2017/COREN/0016083
19TH JULY 2024
Date

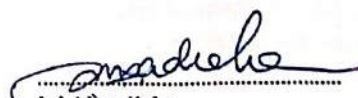
**Statement of corporate responsibility for the financial statements
for the year ended 31 December 2021**

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director/CEO and the Finance Manager hereby certify the financial statements of Ibom Power Company Limited for the year ended 31 December 2021 as follows:

- a) That we have reviewed the audited financial statements of the Company for the year ended 31 December 2021.
- b) That the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.
- c) That the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the year ended 31 December 2021.
- d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company is made known to us by other officers of the Company, during the period ended 31 December 2021.
- e) That we have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of audited financial statements, and certify that the Company's internal controls are effective as of that date.
- f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.
- g) That we have disclosed the following information to the Company's Auditors:
 - i) there are no significant deficiencies in the design or operation of the internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have identified for the Company's auditors any material weaknesses in internal controls; and
 - ii) there is no fraud that involves management or other employees who have a significant role in the Company's internal control.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:


Engr. Meyen Etukudo
Managing Director
FRC/2017/COREN/0016083
19TH July 2024
Date


Ini Akpadiaha
Finance Manager
FRC/2017/CAN/0016015
19TH July 2024
Date



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

Telephone 234 (1) 271 8955
234 (1) 271 8599
Internet home.kpmg/ng

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Ibom Power Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Ibom Power Company Limited** (the Company), which comprise:

- the statement of financial position as at 31 December 2021;
- the statement of profit or loss and other comprehensive income;
- the statement of changes in equity;
- the statement of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 27 of the financial statements, which indicates that the Company reported a loss after tax of NGN 4.23 billion during the year ended 31 December 2021 and, as of that date, the Company's current and total liabilities exceeded its current and total assets by NGN 47.17 billion and NGN 37.24 billion respectively. As stated in Note 27, these events or conditions, along with other matters as set forth in Note 27, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



Other Information

The Directors are responsible for the other information. The other information comprises Corporate information, Results at a glance, Directors' report, Statement of directors' responsibilities in relation to the financial statements, Statement of corporate responsibility for the financial statements, and Other national disclosures, 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 any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 Directors for the Financial Statements

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

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 skepticism 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company 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 the Board of Directors 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.

Report on Other Legal and Regulatory Requirements

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

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

Toyin Ogunlowo



Olutoyin I. Ogunlowo, FCA
FRC/2017/ICAN/00000015921
For: KPMG Professional Services
Chartered Accountants
17 September, 2024
Lagos, Nigeria



Statement of financial position

As at	Note	31 Dec 2021 NGN'000	31 Dec 2020 NGN'000
Assets			
Property, plant and equipment	11	9,823,935	9,413,519
Right of Use Asset	21	39,391	45,563
Intangible assets	12	32,646	38,121
Deferred cost	13	275,348	386,013
Non-current assets		<u>10,171,320</u>	<u>9,883,216</u>
Deferred cost	13	111,501	76,209
Trade and other receivables	14	1,949,933	3,237,037
Prepayments	15	-	257,009
Cash and cash equivalents	16	1,805,396	297,274
Current assets		<u>3,866,830</u>	<u>3,867,529</u>
Total assets		<u>14,038,150</u>	<u>13,750,745</u>
EQUITY			
Ordinary share capital	17(a)	100,000	20,000
Actuarial reserve	17(b)	(301,044)	(365,474)
Accumulated deficit		<u>(37,039,265)</u>	<u>(32,804,958)</u>
Total equity		<u>(37,240,309)</u>	<u>(33,150,432)</u>
LIABILITIES			
Lease liability	22	11,299	15,585
Employee benefits obligation	18	234,479	294,389
Non-current liabilities		<u>245,778</u>	<u>309,974</u>
Current tax liabilities	10(d)	836,130	827,490
Loans and borrowings	19	3,510,296	3,421,239
Lease liability	22	5,858	5,958
Trade and other payables	20	46,680,397	42,336,516
Total current liabilities		<u>51,032,681</u>	<u>46,591,203</u>
Total liabilities		<u>51,278,459</u>	<u>46,901,177</u>
Total equity and liabilities		<u>14,038,150</u>	<u>13,750,745</u>

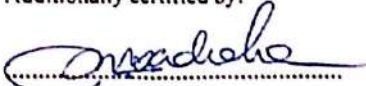
These financial statements were approved by the Board of Directors on 19th July 2024 and signed on its behalf by:


.....

.....

Engr. Etido Inyang (Chairman)
FRC/2017/NSE/0016640

Engr. Meyen Etukudo (Managing Director)
FRC/2017/COREN/0016083

Additionally certified by:


.....

Ini Akpadiala (Finance Manager)
FRC/2017/ICAN/0016015

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

Statement of profit or loss and other comprehensive income
for the year ended 31 December

		<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	<i>Note</i>	NGN'000	NGN'000
Revenue	5	1,719,565	4,880,618
Cost of sales	6	<u>(1,806,778)</u>	<u>(4,720,924)</u>
Gross (loss)/profit		(87,213)	159,694
Other income	7	8,527	75
General and administrative expenses	6	(5,729,638)	(3,468,741)
Impairment reversal/ (loss) on trade and other receivables	25	<u>2,418,337</u>	<u>(1,427,639)</u>
Operating loss		<u>(3,389,987)</u>	<u>(4,736,611)</u>
Finance income	8	529	-
Finance costs	8	<u>(836,209)</u>	<u>(1,034,544)</u>
Net finance costs		<u>(835,680)</u>	<u>(1,034,544)</u>
Loss before minimum tax and income tax		(4,225,667)	(5,771,155)
Minimum tax	10(a)	<u>(8,640)</u>	<u>(24,403)</u>
Loss before income tax		(4,234,307)	(5,795,558)
Income tax credit	10(b)	<u>-</u>	<u>790,074</u>
Loss for the year		<u>(4,234,307)</u>	<u>(5,005,484)</u>
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit obligation	18(a)	64,430	351,540
Related tax	10(e)	<u>-</u>	<u>(22,533)</u>
Other comprehensive income net of income tax		<u>64,430</u>	<u>329,007</u>
Total comprehensive loss for the year		<u>(4,169,877)</u>	<u>(4,676,477)</u>

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

Statement of changes in equity
for the year ended 31 December

	Share capital	Actuarial reserve	Accumulated deficit	Total equity
	NGN'000	NGN'000	NGN'000	NGN'000
Balance at 1 January 2020	<u>20,000</u>	<u>(694,481)</u>	<u>(27,799,474)</u>	<u>(28,473,955)</u>
Loss for the year	-	-	(5,005,484)	(5,005,484)
Other comprehensive income	-	329,007	-	329,007
Total comprehensive loss for the year	-	329,007	(5,005,484)	(4,676,477)
Balance at 31 December 2020	<u>20,000</u>	<u>(365,474)</u>	<u>(32,804,958)</u>	<u>(33,150,432)</u>
Balance as at 1 January 2021	<u>20,000</u>	<u>(365,474)</u>	<u>(32,804,958)</u>	<u>(33,150,432)</u>
Total comprehensive income				
Loss for the year	-	-	(4,234,307)	(4,234,307)
Other comprehensive income	-	64,430	-	64,430
Total comprehensive loss for the year	-	64,430	(4,234,307)	(4,169,877)
Transactions with owners of the company				
Issue of ordinary shares	80,000	-	-	80,000
Total transactions with owners of the company	80,000	-	-	80,000
Balance at 31 December 2021	<u>100,000</u>	<u>(301,044)</u>	<u>(37,039,265)</u>	<u>(37,240,309)</u>

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

Statement of cash flows
for the year ended 31 December

		<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
		NGN'000	NGN'000
	<i>Note</i>		
Cash flows from operating activities			
Loss for the year before tax		(4,225,667)	(5,771,155)
<i>Adjustments for:</i>			
- Depreciation of property plant and equipment	11(a)	181,913	574,935
- Depreciation of ROU asset	21	6,172	6,185
- Amortization of intangible assets	12	5,475	5,475
- Foreign exchange loss	8	396,975	780,105
- Write-off of irrecoverable deferred cost	13(a)	3,821,484	1,655,548
- Impairment (reversal)/ loss on trade and other receivables	14(a)	(2,418,337)	1,427,639
- Provision for gratuity benefits obligation	18(a)	27,329	119,195
- Provision for long service awards	18(b)	2,122	207
- Loss on disposal of property, plant and equipment	11(d)	565	392
- Default interest on trade payables	20(a)	329,205	168,822
- Default interest on loans and borrowings	19(a)	101,247	87,002
- Interest on lease liability	22	3,210	3,923
- (Gain)/ loss on reassessment of lease liability	22	(529)	-
		<u>(1,768,836)</u>	<u>(941,727)</u>
<i>Changes in:</i>			
- Deferred cost	13(a)	(3,746,111)	(1,207,510)
- Trade and other receivables	14(a)	3,785,441	816,391
- Prepayments	15(a)	257,009	8,623
- Trade and other payables	20(a)	<u>3,857,348</u>	<u>1,934,361</u>
Cash generated from operating activities		2,384,851	610,138
Income taxes paid	10(d)	-	(21,675)
Reclass of WHT liability payments recorded in current income tax liability in prior years	10(d)	-	9,145
Post employment benefits paid	18(a)	(12,000)	-
Long service awards paid	18(b)	<u>(12,931)</u>	<u>-</u>
Net cash generated from operating activities		<u>2,359,920</u>	<u>597,608</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment	11(a)	(592,894)	(3,893)
Acquisition of intangible assets	12	<u>-</u>	<u>-</u>
Net cash used in investing activities		<u>(592,894)</u>	<u>(3,893)</u>
Cash flow from financing activities			
Repayment of borrowings	18	(249,500)	(428,025)
Payment of lease liability	22	<u>(7,067)</u>	<u>(7,677)</u>
Net cash flow from financing activities		<u>(256,567)</u>	<u>(435,702)</u>
Net increase in cash and cash equivalents		1,510,459***	158,013
Cash and cash equivalents at the beginning of the year	16	297,274	136,065
Effect of exchange rate fluctuations on cash held	8(a)	<u>(2,337)</u>	<u>3,196</u>
Cash and cash equivalents at 31 December	16	<u><u>1,805,396</u></u>	<u><u>297,274</u></u>

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

Notes to the financial statements

1. Reporting entity

Ibom Power Company Limited ('the Company') was incorporated on 15 January 2001 as a private limited liability company, and licensed by the Nigerian Electricity Regulatory Commission of Nigeria on 12 May 2008. The Company is domiciled in Nigeria with its registered office at 2nd Floor, APICO Investment House, 143 Olusegun Obasanjo way, Uyo, Akwa Ibom.

2. Basis of accounting

(a) Statement of compliance

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

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis, except as otherwise stated. The methods used to determine fair values for initial recognition and disclosure purposes are discussed further in Note 2(d).

(c) Functional and presentational currency

These financial statements are presented in Nigerian Naira (NGN), which is the Company's functional currency. All financial information presented in NGN have been rounded to the nearest thousand unless stated otherwise.

(d) Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

i. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the respective notes. There were no significant matters requiring judgements in applying accounting policies during the year.

ii. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ending 31 December 2021 is included in the following notes:

- Note 25 - measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate;
- Note 23. – recognition and measurement of contingent liabilities: Key assumptions about the likelihood and magnitude of an outflow of resources; and
- Note 18 – measurement of defined benefit obligations: key actuarial assumptions
- Note 13 – measurement of deferred cost: key assumptions about the recoverability of deferred cost

Notes to the financial statements

2. Basis of accounting- cont'd

(d). Use of estimates and judgments- cont'd

iii. Measurement of fair values

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

The Company has an established control framework with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements including level 3 fair values and reports directly to the Board of Directors.

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair value is included in Note 25(a) - Financial Instruments.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions denominated in foreign currencies are translated and recorded in Nigerian Naira at the actual exchange rates as of the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Foreign currency differences are generally recognised in profit or loss.

(b). Financial instruments

(i). Recognition and initial measurement

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

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

Notes to the financial statements

3. Significant accounting policies- cont'd

(b). Financial instruments- cont'd

(ii). Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

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

Financial assets – Business model assessment

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

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

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

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

Notes to the financial statements

3. Significant accounting policies- cont'd

(b). Financial instruments- cont'd

(ii). Classification and subsequent measurement- cont'd

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

Financial assets – Subsequent measurement and gains and losses:

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
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Financial assets

The Company classified its financial assets into loans and receivables;

Financial assets – Subsequent measurement and gains and losses:

Loans and receivables	Trade receivables and cash and cash equivalents were measured at amortised cost using the effective interest method.
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Financial liabilities – Classification, subsequent measurement and gains and losses

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

(iii).Derecognition

Financial assets

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

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

Notes to the financial statements

3. Significant accounting policies- cont'd

(b). Financial instruments- cont'd

(iii). Derecognition - cont'd

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

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

(c) Property, plant and equipment (PPE)

(i). Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress. The cost of self-constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use including, where applicable, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

(ii). Subsequent costs

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the item will flow to the Company. The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii). Depreciation

Items of property, plant and equipment are depreciated from the date that they are available for use or, in respect of self constructed assets, from the date that the asset is completed and ready for use.

The Company's power generating equipment (i.e., plant & machinery assets) are generally depreciated based on the actual machine running hours over the estimated operating capacity of the assets. Significant parts of the plant that have different useful lives (in running hours) are accounted for as separate components (major components).

Notes to the financial statements

3. Significant accounting policies- cont'd

(c) Property, plant and equipment (PPE) - cont'd

(iii). Depreciation - cont'd

For the Company's other property, plant and equipments assets, depreciation is calculated to write off the cost of each items, less their estimated residual values, using the straight line method over their estimated useful lives. Land is not depreciated.

Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset.

The estimated useful lives of significant items of property, plant and equipment for the current and comparative periods are as follows:

Type of asset	Useful life
Buildings	30 Years
Plant and machinery	Machine running hours
Office equipment	3 years
Fittings and equipment	5 years
Motor vehicles	4 Years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Capital work in progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

(iv). Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal of the asset or when no future economic benefits are expected to accrue to the Company from its continued use. Any gain or loss arising on de-recognition is included in the statement of comprehensive income in the period in which the asset is derecognised. The gain or loss is determined as the difference between the carrying value and the net proceeds on the sale of the assets, if any, at the time of disposal.

(d) Intangible asset

(i). Recognition and measurement

Other intangible assets, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii). Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iii). Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for current and comparative periods are as follows:

Type of asset	Useful life
- License cost	10 years

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

Notes to the financial statements

3. Significant accounting policies- cont'd

(e) Leases

At inception, the Company assesses whether an arrangement is, or contains, a lease. An arrangement is, or contains, a lease if the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether an arrangement conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

As a lessee

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

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

Lease payments included in the measurement of the lease liability are fixed payments, including in-substance fixed payment

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets and lease liabilities separately in the statement of financial position.

Notes to the financial statements

3. Significant accounting policies- cont'd

(f) Impairment

(i). Non-derivative financial assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- contract assets

Financial instruments and contract assets

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

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

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 365 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 Company is exposed to credit risk.

Measurement of ECLs

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

Credit-impaired financial assets

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

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

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

Notes to the financial statements

3. Significant accounting policies- cont'd

(f) Impairment- cont'd

(i). Non-derivative financial assets- cont'd

Presentation of allowance for ECL in the statement of financial position

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

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii). Non- financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than deferred costs and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(g) Provisions and contingent liabilities

(i). Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(ii). Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position.

If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

Notes to the financial statements

3. Significant accounting policies- cont'd

(h) Revenue

Revenue recognition under IFRS 15

The Company generates revenue from generation and delivery of energy to the national grid. Revenue is measured based on the consideration specified in a contract with a customer.

The Company recognises revenue when it transfers control over the service to the customer. The Company currently generates its revenue from capacity generated and energy shared. Capacity generation is the maximum electricity available for consumption at any given time which is measured in megawatts (MW) whilst energy shared is the actual electricity delivered which is measured in kilo-watt-hours (kWh).

Performance Obligations

On the basis that the customer, NBET cannot benefit from capacity payments on its own and capacity and energy delivered are not sold separately in the electricity market in Nigeria, the Company has considered both to be a single performance obligation.

(i) Finance income and finance costs

Finance income comprises interest income on deposits. Finance income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and unwinding of the discount on provisions. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(j). Income tax

Income tax expense comprises current tax (company income tax, tertiary education tax) and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent of items recognised directly in equity or in other comprehensive income.

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

(i). Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

- Company income tax is computed on taxable profits (i.e. the assessable profit after capital allowances (tax depreciation) and brought forward losses (if any) have been considered).
- Tertiary education tax is computed on assessable profits (i.e the profit of the Company that is liable to tax after exempting non-taxable income and subjecting to tax, expenses which were not wholly, reasonably, exclusively or necessarily incurred for the operations of the Company, but before the consideration of capital allowances and losses).
- Nigeria Police Trust Fund levy is computed on net profit (i.e profit after deducting all expenses and taxes from revenue earned by the Company during the year)

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

Notes to the financial statements

3. Significant accounting policies- cont'd

(j). Income tax - cont'd

(ii). Deferred tax

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

Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

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

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

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

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

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

Deferred tax assets and liabilities are recorded under non-current assets and liabilities and are offset at single entity level if related to offsettable taxes. The balance of the offset, if positive, is recognised under 'Deferred tax assets' and, if negative, under 'Deferred tax liabilities'. When the results of transactions are recognised directly in shareholders' equity, current taxes, deferred tax assets and liabilities are also charged to shareholders' equity

(iii). Minimum tax

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

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

(k). Deferred cost

Deferred cost is recognised in respect of differences between the cost of gas consumed by the Company during the year and the Company's obligation to the gas supplier for quantity of gas delivered based on the existing take or pay gas purchase agreement with the gas supplier.

Deferred cost is recognised for quantities of gas not consumed as at year end, to the extent that it is probable that the Company will be able to consume the unutilised gas under its existing contractual agreement with the gas supplier.

The cost deferred is measured based on the first-in, first out method and includes expenditures incurred in acquiring gases, and other costs incurred in bringing them to their existing location and condition.

Notes to the financial statements

3. Significant accounting policies- cont'd

(l). Share capital

(i). Ordinary shares

When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserves. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

(m). Employee benefits

(i). Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonuses if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii). Defined contribution plan

A defined contribution plan is a post-employment benefit plan (pension fund) under which the Company pays fixed contributions into a separate entity as the related service is provided. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

In line with the provisions of the Pension Reform Act 2014, the Company has instituted a defined contribution pension scheme for its permanent staff. The Company and employee contributes 10% and 8% respectively of each employee's basic salary, transport and housing allowances which is charged to profit or loss as employee benefit expense in the periods during which services are rendered by employees.

(iii). Defined benefit plan

The Company currently operates one gratuity scheme which is a defined benefit scheme for certain employees.

The Company's net obligation in respect of the defined benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods and that benefit is discounted to determine its present value. In determining the liability for employee benefits under the defined benefit scheme, consideration is given to future increases in salary rates and the Company's experience with staff turnover.

The recognised liability is determined by an independent actuarial valuation every year using the projected unit credit method. Becoda Consulting Limited was engaged as the independent actuary in the current and prior year. Actuarial gains and losses arising from differences between the actual and expected outcome in the valuation of the obligation are recognised fully in Other Comprehensive Income. The effect of any curtailment is recognised in full in the profit or loss immediately the curtailment occurs. The discount rate is the yield on Federal Government of Nigeria issued bonds that have maturity dates approximating the terms of the Company's obligation.

(iv). Termination benefits

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

Notes to the financial statements

3. Significant accounting policies- cont'd

(n) Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows have been eliminated for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Finance costs paid is also included in financing activities while finance income received is included in investing activities.

(o) Operating profit/ (loss)

Operating profit/ (loss) is the result generated from the continuing principal revenue producing activities of the Company as well as other income and expenses related to operating activities. Operating profit/ loss excludes net finance costs and income taxes.

(p) 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 Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company 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 Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price.

Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Notes to the financial statements

4. Standards, amendments to standards and interpretations issued and effective/ not yet effective

(a) New standards, amendments and interpretations issued and effective

The following amendments to and interpretations of IFRS became effective during the annual periods beginning on 1 January 2021:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform
- Amendments to IFRS 16 - COVID-19-Related Rent Concessions beyond 30 June 2021

The application of these amendments to standards and interpretations does not have a material effect on the Company's financial statements.

A number of new Standards, Amendments to Standards, and Interpretations are effective for annual periods beginning after 1 January 2022 and have not been applied in preparing these financial statements. Those Standards, Amendments to Standards and Interpretations which may be relevant to the Company are set out below.

The Company do not plan to adopt these standards early. The standards will be adopted in the period that they become mandatory unless otherwise indicated:

i. Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use

The amendment was issued in May 2020. The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before its intended use by management.

As such, proceeds from selling items before the related item of property, plant and equipment is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs.

Companies will therefore need to distinguish between:

- costs associated with producing and selling items before the item of property, plant and equipment is available for use; and
- costs associated with making the item of property, plant and equipment available for its intended use.

Making this allocation of costs may require significant estimation and judgement. The amendments also clarify that testing whether an item of PPE is functioning properly means assessing its technical and physical performance rather than assessing its financial performance – e.g. assessing whether the PPE has achieved a certain level of operating margin

The amendments apply for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

The Company is still in the process of assessing the impact of this amendment on its financial reporting.

Notes to the financial statements

4. Standards, amendments to standards and interpretations issued and effective/ not yet effective- cont'd

(b) New standards, amendments and interpretations issued but not yet effective- cont'd

ii. Amendments to IFRS 9, IFRS 16 – Annual improvements 2018-2020

These amendments were issued in May 2020.

IFRS 9 Financial Instruments - The amendment clarifies that for the purpose of performing the “10 per cent test” for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

IFRS 16 Leases – The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted.

The Company is still in the process of assessing the impact of these new amendments on its financial reporting.

iii. Amendments to IAS 1- Classification of liabilities as current or non-current

This amendment was issued in January 2021. Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.

The existing requirement to ignore management’s intentions or expectations for settling a liability when determining its classification is unchanged.

The amendments also clarify how a company classifies a liability that includes a counterparty conversion option, which could either be recognised as either equity or liability separately from the liability component under IAS 32 Financial Instruments: Presentation

The standard is effective for annual periods beginning on or after 1 January 2023. Early adoption is permitted.

The Company is still in the process of assessing the impact of this amendment on its financial reporting.

iv. Amendments to IAS 1 and IFRS Practice Statement 2- Disclosure Initiative: Accounting Policies

This amendment was issued to assist companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company’s financial statements;

Notes to the financial statements

4. Standards, amendments to standards and interpretations issued and effective/ not yet effective - cont'd

(b) New standards, amendments and interpretations issued but not yet effective - cont'd

iv. Amendments to IAS 1 and IFRS Practice Statement 2-Disclosure Initiative: Accounting Policies- cont'd

The amendments are consistent with the refined definition of material:

"Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

The amendments are effective from 1 January 2023.

The Company is still in the process of assessing the impact of this amendment on its financial reporting.

v. Amendments to IAS 8- Definition of Accounting Estimates

This amendment was issued in February 2021. This amendment introduces a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

It also provides clarification to companies on how to distinguish changes in accounting policies and changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates.

The amendment also clarifies the following:

- An entity develops an accounting estimate to achieve the objective set out by an accounting policy.
- Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) and choosing the inputs to be used when applying the chosen measurement technique.
- A change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The definition of accounting policies remains unchanged.

The amendment is effective for annual periods beginning on or after 1 January 2023 and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

The Company is still in the process of assessing the impact of this amendment on its financial reporting.

Notes to the financial statements

4. Standards, amendments to standards and interpretations issued and effective/ not yet effective - cont'd

(b) New standards, amendments and interpretations issued but not yet effective - cont'd

iv. Amendments to IAS 12- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

This amendment clarifies that the initial recognition exemption does not apply to transactions that give rise to equal and offsetting temporary differences such as leases and decommissioning obligations. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition arising from these transactions.

The standard is effective for annual periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If an entity previously accounted for deferred tax on these transactions using the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.

The Company is still in the process of assessing the impact of this amendment on its financial reporting.

vii. The following new standards, amendment and interpretations which have been issued but not yet effective are not expected to have a significant impact on the Company's financial statements

- Amendments to IAS 37 - Onerous Contracts- Cost of Fulfilling a Contract
- Amendments to IFRS 3 - Reference to the Conceptual Framework)
- IFRS 17 and its Related Amendments - Insurance Contracts
- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture

5. Revenue

A. Revenue streams

Revenue from contracts with customer is disaggregated by major service lines as follows:

	Timing of recognition	31 Dec 2021 NGN'000	31 Dec 2020 NGN'000
Capacity generated	At a point in time	1,249,112	3,495,758
Energy delivered	At a point in time	470,453	1,384,860
		<u>1,719,565</u>	<u>4,880,618</u>

B. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

	31 Dec 2021 NGN'000	31 Dec 2020 NGN'000
Unbilled receivables (Note 14)	<u>116,679</u>	<u>650,442</u>

The unbilled receivables primarily relate to the Company's rights to consideration for capacity generated and energy delivered but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer.

Notes to the financial statements

6. Expenses

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Gas consumption	1,097,611	3,209,694
Salaries and wages	207,390	228,041
Depreciation (Note 11(e))	79,222	472,144
Amortisation of license cost (Note 12)	5,040	5,040
Plant insurance	10,747	39,402
Operation and maintenance	406,768	766,603
Direct costs	<u>1,806,778</u>	<u>4,720,924</u>
Salaries and Wages (Note 9(b))	853,592	900,170
Training expenses	47,390	15,181
Legal expenses	25,095	102,451
Consultancy fees ^a	223,145	41,263
Security	109,580	76,532
Travels	20,920	20,252
Repairs and maintenance	60,463	28,616
Auditors remuneration	22,500	22,500
Donations	87,425	67,337
Office supplies and utilities	82,608	49,484
IT expenses	35,135	16,879
Publicity and entertainment expenses	42,848	29,072
Rent	1,439	3,062
Insurance	4,202	3,707
Other tax expenses	1,688	98,176
Other expenses	53,357	81,704
Directors' fees (Note 9(b)(iv))	126,904	147,003
Depreciation of property plant and equipment (Note 11(e))	102,691	102,792
Depreciation of ROU asset (Note 21)	6,172	6,185
Loss on disposal of property, plant and equipment (Note 11(d))	565	392
Amortisation of intangible assets (Note 12)	435	435
Write-off of irrecoverable deferred cost (Note 13(a))	3,821,484	1,655,548
General and administrative expenses	<u>5,729,638</u>	<u>3,468,741</u>
Total direct costs, general and administrative expenses	<u>7,536,416</u>	<u>8,189,665</u>

^a Included in consultancy fees is NGN 2.00 million relating to tax consultancy services provided by KPMG Advisory Services (2020: NGN 2.00 million).

7. Other income

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Miscellaneous income ^b	8,527	75
	<u>8,527</u>	<u>75</u>

^b Miscellaneous income represents proceeds from insurance claim on company vehicle involved in an accident during the year (2020: income from sale of scrap filters during the year). The accidented vehicle has been disposed in accordance with IAS 16. See Note 11(d).

Notes to the financial statements

8. Net finance (cost)/ income

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Finance income		
Gain on reassessment of lease liability (Note 22)	529	-
Total finance income	<u>529</u>	<u>-</u>
Finance costs:		
Bank charges	(5,572)	(7,263)
Default interest on loans and borrowings (Note 19(a))	(101,247)	(87,002)
Interest expense-Lease liability (Note 22)	(3,210)	(3,923)
Default interest on trade payables (Note 20)	(329,205)	(168,822)
Foreign exchange loss, net	(396,975)	(767,534)
Total finance cost	<u>(836,209)</u>	<u>(1,034,544)</u>
Net finance cost	<u>(835,680)</u>	<u>(1,034,544)</u>

(a) Foreign exchange loss, net is analysed as follows:

Unrealised exchange loss on loans and borrowings (Note 19(a))	(237,310)	(547,573)
Unrealised exchange (loss)/ gain on cash and cash equivalents	(2,337)	3,196
Unrealised exchange loss on trade and other payables (Note 20)	<u>(157,328)</u>	<u>(235,728)</u>
Unrealised exchange difference for statement of cash flows	(396,975)	(780,105)
Realised exchange difference	-	12,571
Foreign exchange loss, net	<u>(396,975)</u>	<u>(767,534)</u>

9. Loss before taxation

(a) Loss before taxation is stated after charging:

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Depreciation (Note 11(d))	181,913	574,935
Auditor's remuneration (Note 6)	22,500	22,500
Directors' fees (Note 9(b)(iv))	126,904	147,003
Employee benefits expense (Note 9(b)(i))	853,592	900,170
Loss on disposal of property, plant and equipment (Note 11(c))	565	392
Net foreign exchange loss (Note 8(a))	<u>396,975</u>	<u>767,534</u>

(b) Staff costs and directors' remuneration:

(i). Staff costs during the year comprise:

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Salaries and wages	858,901	851,930
Post employment benefit charge (Note 18(a))	27,329	119,195
Long service award (Note 18(b))	2,122	207
Termination benefit (Note 24(b))	7,000	6,000
Other employee benefits	<u>165,630</u>	<u>150,879</u>
	<u>1,060,982</u>	<u>1,128,211</u>

Staff cost is analysed as followed:

Direct costs	207,390	228,041
General and administrative expenses	<u>853,592</u>	<u>900,170</u>
	<u>1,060,982</u>	<u>1,128,211</u>

Notes to the financial statements

9. Loss before taxation- cont'd

(b) Staff costs and directors' remuneration- cont'd:

(ii). The average number of full time persons employed by the Company during the year was as follows

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	Number	Number
Administration	67	63
Finance	10	10
Operations	50	59
	<u>127</u>	<u>132</u>

(iii). Higher paid employees of the Company, other than directors, whose duties were wholly and mainly discharged in Nigeria, received remuneration (excluding pension contributions) in the following ranges:

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	Number	Number
Below N1,000,000	1	1
N1,000,001 - N2,000,000	44	45
N2,000,001 - N3,000,000	24	27
N3,000,001 - N4,000,000	18	22
N4,000,001 - N5,000,000	19	16
N5,000,001 - N6,000,000	5	6
N6,000,001 - N7,000,000	6	4
N7,000,001 - N8,000,000	2	1
Above N8,000,000	8	10
	<u>127</u>	<u>132</u>

(iv). Director's expenses

Directors' remuneration paid during the year is analysed as follows:

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	N'000	N'000
Fees as directors	29,300	37,714
Other allowances	97,604	109,289
	<u>126,904</u>	<u>147,003</u>
The directors remuneration shown above includes:		
Chairman	<u>29,037</u>	<u>32,388</u>
Highest Paid Director	<u>29,037</u>	<u>32,388</u>

The other directors earned gross emoluments within the band stated below as follows:

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	Number	Number
N10,000,000 - N15,000,000	1	-
N15,000,001 - N20,000,000	1	-
N20,000,001 - N25,000,000	3	4
N25,000,001 - N30,000,000	-	1
	<u>5</u>	<u>5</u>

Notes to the financial statements

10. Income tax

(a) Minimum Tax

The company has applied the provisions of the Company Income Tax Act and the Finance Act 2021 that mandates a minimum tax assessment, where a tax payer does not have taxable profit which would eventually generate a tax liability assessed to tax. The Company's assessment based on the minimum tax legislation for the year ended 31 December 2021 is NGN 8.64 million; being 0.5% of Gross Turnover, (2020: NGN 24.40 million).

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Gross Turnover	1,728,092	4,880,693
Minimum tax @ 0.5%	<u>8,640</u>	<u>24,403</u>

(b) Income tax recognised in profit or loss

The tax charge is based on the profit for the year after adjusting for certain items of expenditure and income which are not deductible or chargeable for tax purposes, and comprise:

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Current tax expenses		
Company income tax (CIT)*	-	-
Tertiary education tax (TET)	-	-
Nigerian Police Trust Fund Levy	-	-
Reversal of excess income tax liability related to prior years (Note 10(d))	-	(96,318)
	-	(96,318)
Deferred tax expense		
Reversal/Origination of temporary differences	-	(693,756)
	<u>-</u>	<u>(790,074)</u>

(c) Reconciliation of effective tax rates

The tax on the Company's loss before tax differs from the theoretical amount as follows:

		<u>31 Dec 2021</u>		<u>31 Dec 2020</u>
	%	NGN'000	%	NGN'000
Profit before income tax		<u>(4,225,667)</u>		<u>(5,771,155)</u>
Income tax using the statutory tax rate	33	(1,373,342)	32	(1,846,770)
<i>Effect of:</i>				
Non-deductible expenses	-	32,975	(1)	63,772
Difference between CIT and TET	(4)	149,271	(1)	54,015
Tax incentives	-	(8,619)	-	(77)
Effect of increase in tertiary education tax rate	1	(46,595)	-	-
Temporary differences for which no deferred tax is recognised	(30)	1,246,310	(19)	1,087,697
Derecognition of previous recognised deferred tax	-	-	12	(693,756)
Tax losses for which no deferred tax is recognised	-	-	(14)	810,221
Reversal of excess income tax provision related to prior years	-	-	2	(96,318)
Changes in estimates relating to prior years	-	-	3	(168,858)
Total income tax (credit)/ expense	-	-	14	(790,074)

Notes to the financial statements

10. Income tax- cont'd

(d) Movement in current tax liability

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Opening balance	827,490	911,935
Charge for the year:		
- Company Income tax	-	-
- Nigerian Police Trust Fund Levy	-	-
- Minimum tax	8,640	24,403
Reversal of excess income tax liability related to prior years ^a	-	(96,318)
Reclass of WHT liability payments recorded in current income tax liability in prior years	-	9,145
Tax paid	-	(21,675)
Closing balance	<u>836,130</u>	<u>827,490</u>

^a Amount relates to the reversal of prior years over-provision of income tax following a post-pioneer status tax audit conducted by the Federal Inland Revenue Service (FIRS) for the accounting years 2014 to 2016.

(e) Movement in temporary differences is as follows:

For the year ended 31 December 2021	Balance as at 1 January N'000	Recognized in profit or loss N'000	Recognized in OCI N'000	Balance as at 31 December N'000	Deferred tax assets N'000	Deferred tax liabilities N'000
Property, plant and equipment	-	-	-	-	-	-
Unrealised foreign exchange	-	-	-	-	-	-
Provisions for employee benefits	-	-	-	-	-	-
Provision for expected credit losses on receivables	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the financial statements

10. Income tax- cont'd

(e) Movement in temporary differences is as follows- cont'd

For the year ended 31 December 2020	Balance as at 1 January N'000	Recognized in profit or loss N'000	Recognized in OCI N'000	Balance as at 31 December N'000	Deferred tax assets N'000	Deferred tax liabilities N'000
Property, plant and equipment	(2,910,890)	2,910,890	-	-	-	-
Unrealised foreign exchange	2,904	(2,904)	-	-	-	-
Provisions for employee benefits	157,312	(134,779)	(22,533)	-	-	-
Provision for expected credit losses on receivables						
	<u>2,079,451</u>	<u>(2,079,451)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(671,223)</u>	<u>693,756</u>	<u>(22,533)</u>	<u>-</u>	<u>-</u>	<u>-</u>

(f) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because the directors believe that they are not able to determine with reasonable certainty that future taxable profits will be available against which the Company can use the benefits therefrom.

Unrecognised deferred tax asset is attributable to the following:

	2021		2020	
	Gross impact	Tax impact	Gross impact	Tax impact
	NGN'000	NGN'000	NGN'000	NGN'000
Property, plant and equipment	8,388,243	2,516,473	8,599,453	2,579,836
Unrelieved losses	(8,671,558)	(2,601,467)	(2,700,736)	(810,221)
Provision for employee benefit - P/L	(605,962)	(196,938)	(601,443)	(192,462)
Provision for employee benefit - OCI	371,484	111,445	307,054	92,116
Leases	(4,216)	(1,370)	(2,431)	(778)
Impairment allowance on trade receivables	(5,507,588)	(1,789,966)	(7,925,925)	(2,536,296)
Net unrealised exchange difference	<u>(1,186,156)</u>	<u>(385,501)</u>	<u>(789,183)</u>	<u>(252,539)</u>
	<u>(7,215,753)</u>	<u>(2,347,324)</u>	<u>(3,113,211)</u>	<u>(1,120,344)</u>

11. Property, plant and equipment

(a) The movement on this account was as follows;

	Building	Plant & machinery	Furniture and fittings	Office equipment	Motor vehicle	Construction work-in-progress	Total
	NGN'000	NGN'000	NGN'000	NGN'000	NGN'000	NGN'000	NGN'000
COST							
Balance at 1 January 2020	2,340,774	18,415,064	93,607	56,678	142,774	276,999	21,325,896
Additions	-	-	1,337	2,556	-	-	3,893
Disposal	-	-	-	-	(7,850)	-	(7,850)
Balance as at December 2020	2,340,774	18,415,064	94,944	59,234	134,924	276,999	21,321,939
Balance at 1 January 2021	2,340,774	18,415,064	94,944	59,234	134,924	276,999	21,321,939
Additions	-	-	2,134	10,312	10,000	570,448	592,894
Disposal	-	-	-	-	(11,300)	-	(11,300)
Transfer	-	276,999	-	-	-	(276,999)	-
Balance as at December 2021	2,340,774	18,692,063	97,078	69,546	133,624	570,448	21,903,533
DEPRECIATION							
Balance at 1 January 2020	747,628	10,399,651	53,793	41,033	98,838	-	11,340,943
Charge for the year	74,125	472,144	9,421	6,530	12,715	-	574,935
Disposal	-	-	-	-	(7,458)	-	(7,458)
Balance as at December 2020	821,753	10,871,795	63,214	47,563	104,095	-	11,908,420
Balance at 1 January 2021	821,753	10,871,795	63,214	47,563	104,095	-	11,908,420
Charge for the year	74,125	79,222	9,824	8,039	10,703	-	181,913
Disposal	-	-	-	-	(10,735)	-	(10,735)
Write-off	-	-	-	-	-	-	-
Balance as at December 2021	895,878	10,951,017	73,038	55,602	104,063	-	12,079,598
CARRYING AMOUNT							
At 1 January 2020	1,593,146	8,015,413	39,814	15,645	43,936	276,999	9,984,953
At 31 December 2020	1,519,021	7,543,269	31,730	11,671	30,829	276,999	9,413,519
At 31 December 2021	1,444,896	7,741,046	24,040	13,944	29,561	570,448	9,823,935

(b) Capital work-in-progress represents the costs incurred to date on the major inspection overhaul of the Company's gas turbine (GTG 3), which will form part of plant & machinery. The major inspection overhaul is performed after every 48,000 hours of each plant's operation.

(c) The Company had no capital expenditure commitments for the year (2020: NGN 470 million for major inspection overhaul of its gas plants (GTG 3))

Notes to the financial statements - (cont'd)

11. Property, plant and equipment- cont'd

(d) The amount indicated as disposal relates to the residual value of one motor vehicle involved in an accident and disposed to insurance during the year (2020: Nil). See details below:

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Cost of disposed asset (Note 11(a))	11,300	7,850
Accumulated depreciation (Note 11(a))	<u>(10,735)</u>	<u>(7,458)</u>
Net book value of disposed assets	565	392
Proceeds of sale	-	-
Loss on disposal of property, plant and equipment (Note 6.)	<u>565</u>	<u>392</u>

(e) The depreciation for the year is allocated as follows:

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Direct costs (Note 6)	79,222	472,144
General and administrative expenses (Note 6)	<u>102,691</u>	<u>102,791</u>
	<u>181,913</u>	<u>574,935</u>

(f) Security

The plant and machinery of the company are held as security under a joint charge for the Access bank (formerly Diamond bank) and Afrexim bank loan facilities (Note 19).

12. Intangible asset

(a) Reconciliation of carrying amount

	License cost	Software	Total
	NGN'000	NGN'000	NGN'000
COST			
Balance at 1 January 2020	56,209	1,741	57,950
Additions	-	-	-
Balance at 31 December 2020	<u>56,209</u>	<u>1,741</u>	<u>57,950</u>
Balance at 1 January 2021	56,209	1,741	57,950
Additions	-	-	-
Balance as at December 2021	<u>56,209</u>	<u>1,741</u>	<u>57,950</u>
AMORTISATION			
Balance as at 1 January 2020	14,209	145	14,354
Charge for the year	<u>5,040</u>	<u>435</u>	<u>5,475</u>
Balance as at December 2020	<u>19,249</u>	<u>580</u>	<u>19,829</u>
Balance as at 1 January 2021	19,249	580	19,829
Charge for the year	<u>5,040</u>	<u>435</u>	<u>5,475</u>
Balance as at December 2021	<u>24,289</u>	<u>1,015</u>	<u>25,304</u>
Carrying amount			
At 1 January 2020	<u>42,000</u>	<u>1,596</u>	<u>43,596</u>
At 31 December 2020	<u>36,960</u>	<u>1,161</u>	<u>38,121</u>
At 31 December 2021	<u>31,920</u>	<u>726</u>	<u>32,646</u>

The amortisation of license cost is included in 'direct cost'; the amortisation of accounting software cost is included in 'general and administrative expenses'. See Note 6.

Notes to the financial statements - (cont'd)

13. Deferred cost

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Make-up gas	386,849	462,222
	<u>386,849</u>	<u>462,222</u>
Current portion of deferred cost	111,501	76,209
Non-current portion of deferred cost	275,348	386,013
	<u>386,849</u>	<u>462,222</u>

Make-up gas relates to quantities of gas available to the Company for future consumption based on take or pay gas contract with gas supplier. Deferred costs have been recognised to the extent that it is probable that the Company will be able to utilise the unused gas reserve in the future under the existing take-or-pay agreement.

The movement in the deferred cost balance for the year is shown below;

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
Opening balance	462,222	910,260
Additions during the year	3,820,145	1,323,435
Utilisations during the year	(74,034)	(115,925)
Write-off of irrecoverable deferred cost*	(3,821,484)	(1,655,548)
Closing balance	<u>386,849</u>	<u>462,222</u>

* This is the value of the quantities of make-up gas that the directors believe based on historical consumption that the Company will not be able to utilise before the expiration of its current take-or-pay contract with its gas supplier.

(a) Reconciliation of changes in deferred cost to statement of cashflows is as follows;

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Opening balance	462,222	910,260
Closing balance	(386,849)	(462,222)
Write-off of irrecoverable deferred cost	(3,821,484)	(1,655,548)
	<u>(3,746,111)</u>	<u>(1,207,510)</u>

14. Trade and other receivables

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Trade receivables, gross	7,255,926	10,508,882
Provision for bad debt	(5,507,588)	(7,925,925)
Trade receivables, net	1,748,338	2,582,957
Contract assets ^b (Note 5(b))	116,679	650,442
Other receivables ^c	84,916	3,638
	<u>1,949,933</u>	<u>3,237,037</u>

^b The contract assets primarily relates to the Company's rights to considerations for capacity generated and energy delivered but not billed at the reporting date. Following the application of IFRS 15 in 2018, unbilled receivables are now classified within contract assets. The contract assets are transferred to receivables when the Company issues an invoice to the customer. Information about the Company's exposure to credit and market risks, impairment losses for trade and other receivables are included in Note 25.

^c Included in other receivables balance as at year end is NGN 80.00 million due from the Akwa Ibom Investment Corporation (AKICORP) for the issuance of 80.00 million reserved shares at NGN 1.00 per share during the year (2020: Nil). See Note 17 (a)(iii) for details.

Notes to the financial statements - (cont'd)

14. Trade and other receivables - cont'd

(a) Reconciliation of changes in trade and other receivables to statement of cashflows is as follows:

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Opening balance	3,237,037	5,481,067
Closing balance	(1,949,933)	(3,237,037)
IFRS 9 impairment reversal/ (loss) (Note 25)	2,418,337	(1,427,639)
Receivable from issuance of reserved shares	80,000	-
Amount recognised in statement of cash flows	<u>3,785,441</u>	<u>816,391</u>

15. Prepayments

Prepayments comprise:

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Advance to vendors	-	257,009
	<u>-</u>	<u>257,009</u>
Non-current portion of prepayment	<u>-</u>	<u>-</u>
Current portion of prepayment	<u>-</u>	<u>257,009</u>

(a) Reconciliation of changes in prepayments to statement of cashflows is as follows;

	NGN'000	NGN'000
Opening balance	257,009	265,632
Closing balance	-	(257,009)
Amount recognised in statement of cash flows	<u>257,009</u>	<u>8,623</u>

16. Cash and cash equivalents

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Bank balances	1,805,090	297,221
Cash in hand	306	53
	<u>1,805,396</u>	<u>297,274</u>

17. Capital and reserves

(a) Share capital comprises:

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
<i>Authorized:</i>		
100,000,000 ordinary shares of NGN1.00 each	<u>100,000</u>	<u>100,000</u>
<i>Authorized, issued and fully paid:</i>		
20,000,000 ordinary shares of NGN 1.00 each at 1 January	20,000	20,000
<i>Authorized, issued during the year but not paid:</i>		
80,000,000 ordinary shares issued at NGN 1.00 each (Note 17a(iii))	80,000	-
100,000,000 ordinary shares of NGN1.00 each at 31 December	<u>100,000</u>	<u>20,000</u>

Notes to the financial statements - (cont'd)

17. Capital and reserves - cont'd

(a) Share capital comprises - cont'd:

(i) All ordinary shares rank equally with regard to the Company's residual assets. Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

(ii) The Federal Government of Nigeria (FGN) invested \$80 million in the Company and this amount was paid to the Government of Akwa Ibom State of Nigeria (AKSG) on 16 February 2007. AKSG duly acknowledged the receipt of this amount. As a result, on 1 March 2007, the Company issued 80 million redeemable preference shares of NGN0.50 (fifty kobo) each to the FGN, priced at \$1.00 per share. The Company's parent company, AKICORP, is to acquire the 80 million preference shares at their face value within 12 months of receipt of the amount from FGN. However, as of the year ended 31 December 2021, the total amount received by the Company for the preference shares is Nil (2020: Nil). Hence, no redeemable preference shares was recorded in the Company's books at year end (2020: Nil).

(iii) On 13 April 2021, in accordance with Section 124 of the Companies and Allied Matters Act (CAMA), 2020, and Regulation 13 of the Companies Regulations 2021 issued by the Corporate Affairs Commission (CAC), the board of directors approved the allotment and issue of eighty million (80.00 million) previously reserved ordinary shares each valued at NGN 1.00, of Ibom Power Company Limited to the Akwa Ibom Investment Corporation (AKICORP) at the nominal share price of NGN 1.00 per share, bringing the total issued share capital of the company to NGN 100.00 million.

(b) Actuarial Reserves

The actuarial reserves comprises actuarial gains or losses resulting from changes in economic and experience assumptions applied in the remeasurement of the Company's defined benefit obligation as at each year end. These gains or losses are accumulated in Other Comprehensive Income (OCI), net of taxes, in accordance with the requirements of IAS 19 - *Employee Benefits*.

The movement in actuarial reserves is shown below:

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Balance at 1 January	(365,474)	(694,481)
Actuarial loss on remeasurement of defined benefit (Note 18(a))	64,430	351,540
Related taxes (Note 10 (e))	-	(22,533)
Balance at 31 December	<u><u>(301,044)</u></u>	<u><u>(365,474)</u></u>

18. Provision for employee benefits obligation

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Defined benefits liability (Note 18(a))	185,094	234,195
Liability for long service awards (Note 18(b))	49,385	60,194
Total employee benefit liabilities	<u><u>234,479</u></u>	<u><u>294,389</u></u>

Notes to the financial statements - (cont'd)

18. Provision for employee benefits obligation- cont'd

(a) Movement in defined benefit liability

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Balance, beginning of year	234,195	466,540
Included in profit or loss:		
Current service cost	9,998	56,212
Interest cost	17,331	62,983
	<u>27,329</u>	<u>119,195</u>
Included in OCI:		
Actuarial loss/ (gain)	(64,430)	(351,540)
Benefits paid	(12,000)	-
Balance, end of year	<u>185,094</u>	<u>234,195</u>

Defined benefits obligation comprise gratuity provision and was based on an independent actuarial valuation performed by Benjamin Awunor (FRC/2015/NAS/00000012946), an executive director with Becoda Consulting Limited (FRC/2021/00000013819). The method of valuation used is the projected unit credit method, and the last valuation was as at 31 December 2021.

During the year, the plan arrangements for a number of employees in the Company were adjusted. The adjustment was in relation to the method of computation of the defined benefits obligation. Also, the company made total gratuity benefit payments amounting to NGN 12.00 million (2020: Nil). As a result, the Company's defined benefit obligation decreased by NGN49.10 million (2020: NGN 232.35 million).

Actuarial assumptions

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

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
Discount rate (% p.a.)	12.92%	7.40
Inflation rate(% p.a.)	3.00%	3.00%
Future average salary increase(% p.a.)	10.00%	10.00%

Due to unavailability of published reliable demographic data in Nigeria, the demographic assumptions regarding future mortality are based on the rates published by the Institute and Faculty of Actuaries in the UK: The PA90 mortality tables were adopted for this purpose.

Withdrawal from service

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	Rates	Rates
18-39	3.00%	3.00%
40-49	2.50%	2.50%
50-55	2.00%	2.00%
56-58	1.00%	1.00%
59	0.50%	0.50%
60	100.00%	100.00%

Sensitivity analysis

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

	<u>Increase</u>	<u>Decrease</u>
	N'000	N'000
Discount rate (2% movement)	(29,151)	38,847
Inflation rate (2% movement)	41,123	(31,694)
Future salary increase every 3 years (5% movement)	9,796	(8,240)

Notes to the financial statements - (cont'd)

18. Provision for employee benefits obligation-(cont'd)

(b) Movement in liability for long service award	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	N'000	N'000
Balance, beginning of year	60,194	59,987
Included in profit or loss:		
Current service cost	3,429	10,960
Interest cost	4,455	8,099
Actuarial loss/(gain)	<u>(5,762)</u>	<u>(18,852)</u>
	2,122	207
Other		
Benefits paid	<u>(12,931)</u>	<u>-</u>
Balance, end of year	<u>49,385</u>	<u>60,194</u>

Actuarial assumptions

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

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
Discount rate (% p.a.)	12.92%	7.40
Inflation rate(% p.a.)	3.00%	3.00%
Future average salary increase(% p.a.)	10.00%	10.00%

Due to unavailability of published reliable demographic data in Nigeria, the demographic assumptions regarding future mortality are based on the rates published by the Institute and Faculty of Actuaries in the UK: The PA90 mortality tables were adopted for this purpose.

Withdrawal from service

	<u>31 Dec 2021</u>	<u>31 Dec 2021</u>
	Rates	Rates
18-39	3.00%	3.00%
40-49	2.50%	2.50%
50-55	2.00%	2.00%
56-58	1.00%	1.00%
59	0.50%	0.5%
60	100.00%	100.00%

Sensitivity analysis

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

	<u>Increase</u>	<u>Decrease</u>
	N'000	N'000
Discount rate (2% movement)	(7,724)	9,758

Notes to the financial statements - (cont'd)

19. Loan and borrowings

Loans and borrowings comprise:

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Secured bank loans:		
Access bank (formerly, Diamond bank) loan (Note 19(a)(i))	510,000	639,500
Africa Export Import Bank (Afrexim) loan (Note 19(a)(ii))	<u>3,000,296</u>	<u>2,781,739</u>
	<u><u>3,510,296</u></u>	<u><u>3,421,239</u></u>

(a) Movement in the loans during the year was as follows;

For the year ended 31 December 2021	ACCESS BANK	AFREXIM	TOTAL
	NGN'000	NGN'000	NGN'000
Balance, beginning of the year	639,500	2,781,739	3,421,239
Default interest (Note 8)	-	101,247	101,247
Exchange difference (Note 8(a))	-	237,310	237,310
Repayment	<u>(129,500)</u>	<u>(120,000)</u>	<u>(249,500)</u>
Balance, end of the year	<u><u>510,000</u></u>	<u><u>3,000,296</u></u>	<u><u>3,510,296</u></u>

For the year ended 31 December 2020	ACCESS BANK	AFREXIM	TOTAL
	NGN'000	NGN'000	NGN'000
Balance, beginning of the year	839,500	2,375,189	3,214,689
Default interest (Note 8)	-	87,002	87,002
Exchange difference (Note 8(a))	-	547,573	547,573
Repayment	<u>(200,000)</u>	<u>(228,025)</u>	<u>(428,025)</u>
Balance, end of the year	<u><u>639,500</u></u>	<u><u>2,781,739</u></u>	<u><u>3,421,239</u></u>

(i) Access bank loan

The loan consists of two facilities: a loan of NGN1.92 billion, with a tenure of 3 years at an interest rate of 15% per annum, obtained in 2007 and a NGN400 million loan with a tenure of 3 years at an interest rate of 20% per annum, obtained in 2009. The loan was restructured in 2017 with the accrued interest on the loan waived and only the principal on the loan to be repaid over a three-year period with an agreed payment structure. The loan was obtained for the purpose of financing the completion of the Power Plant project to reach commercial operations.

No interest accrued on the loan during the year (2020: Nil). The Company made repayments amounting to NGN129.50 million during the year (2020: NGN 200 million).

The carrying amount of this loan has been classified as current in the financial statements on the basis of default in the repayment terms of the loan.

The loan is secured by a joint charge with Afrexim on the Company's Power plants (see Note 11(f)).

Information on the Company's exposure to liquidity and market risk is included in Note 25.

(ii) Afrexim bank loan

The loan consists of a single restructured facility of US\$ 11.65 million with a tenor of 5 years, with no interest on the loan's principal amount. The loan was originally obtained in 2008 and has remained unpaid, and continues to accrue interest due to default in payment.

The Company made repayments amounting to NGN 120.00 million during the year (2020: NGN 228.03 million). Default interest accrued on the outstanding balances during the year was NGN.101.25 million (2020: NGN 87.00 million).

The carrying amount of this loan has been classified as current in the financial statements on the basis of default in the repayment terms of the loan.

The loan is secured by a joint charge with Access bank on the Company's power plants (see Note 11(f)).

Information on the Company's exposure to liquidity and market risk is included in Note 25.

Notes to the financial statements - (cont'd)

20. Trade and other payables

Trade and other payables comprise:

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Trade payables	11,311,136	7,266,920
Accrued expenses	3,437,561	3,192,654
Due to related party (Note 24(c)(ii))	<u>31,460,055</u>	<u>31,460,055</u>
	46,208,752	41,919,629
Statutory deductions	<u>471,645</u>	<u>416,887</u>
	<u><u>46,680,397</u></u>	<u><u>42,336,516</u></u>

(a) Reconciliation of changes in trade and other payables to statement of cashflows is as follows;

	NGN'000	NGN'000
Opening balance	(42,336,516)	(39,997,605)
Closing balance	46,680,397	42,336,516
Default interest on trade payables (Note 8)*	(329,205)	(168,822)
Exchange difference (Note 8)	<u>(157,328)</u>	<u>(235,728)</u>
	<u><u>3,857,348</u></u>	<u><u>1,934,361</u></u>

* This represents default interest computed on uncontested amounts due to the Company's gas supplier as at year-end in accordance with the Gas Purchase and Sales Agreement between the company and its gas supplier. The default interest is accrued on overdue amounts from the due date to the payment date at LIBOR plus 5%.

21. Right of use asset

Leases as lessee

The company leases office spaces in both Ikot Abasi and Uyo, Akwa Ibom state. The leases typically run for a period of 1 to 50 years, with an option to renew the lease after that date. Lease payments are renegotiated before the start of a new term to reflect market rentals.

Information about leases for which the Company is a lessee is presented below.

	Leasehold Land	Building	Total
Cost:	N'000	N'000	N'000
Balance at 1 January 2021	30,168	28,127	58,295
Additions	-	-	-
Balance at 31 December 2021	<u>30,168</u>	<u>28,127</u>	<u>58,295</u>
Accumulated Depreciation:			
Balance at 1 January 2021	3,110	9,622	12,732
Charge for the year	<u>1,587</u>	<u>4,585</u>	<u>6,172</u>
Balance at 31 December 2021	<u>4,697</u>	<u>14,207</u>	<u>18,904</u>
Carrying amount at 31 December 2021	<u><u>25,471</u></u>	<u><u>13,920</u></u>	<u><u>39,391</u></u>
	Leasehold Land	Building	Total
Cost:	N'000	N'000	N'000
Balance at 1 January 2020	26,806	28,127	54,933
Additions	<u>3,362</u>	-	<u>3,362</u>
Balance at 31 December 2020	<u>30,168</u>	<u>28,127</u>	<u>58,295</u>
Accumulated Depreciation:			
Balance at 1 January 2020	1,514	5,033	6,547
Charge for the year	<u>1,596</u>	<u>4,589</u>	<u>6,185</u>
Balance at 31 December 2020	<u>3,110</u>	<u>9,622</u>	<u>12,732</u>
Carrying amount at 31 December 2020	<u><u>27,058</u></u>	<u><u>18,505</u></u>	<u><u>45,563</u></u>

Notes to the financial statements - (cont'd)

22. Lease liability

The lease liability is recognised at incremental borrowing rate. The Company's lease liability is presented below:

	Land and Building 31 Dec 2021 N'000	Land and Building 31 Dec 2020 N'000
Balance, beginning of the year	21,543	21,935
<i>Changes from financing cashflows</i>		
Payment of lease liability	(7,067)	(7,677)
Total changes from financing cashflows	(7,067)	(7,677)
<i>Other changes - liability related</i>		
Interest expense (See Note 9)	3,210	3,923
Addition	-	3,362
Gain on reassessment of lease liability	(529)	-
Total liability related to other changes	2,681	7,285
Balance as at 31 December 2020	17,157	21,543
Lease liabilities are analysed as follows		
Current portion	5,858	5,958
Non-current portion	11,299	15,585
	17,157	21,543

23. Contingencies

Contingent liabilities

As at December 31, 2021, the Company is a defendant in several pending legal cases, which are being handled by its Solicitors.

i. Case by the Nigerian Deposit Insurance Commission (NDIC): The NDIC instituted a case against the Company and another defendant to recover money owed by the Company to a debtor of the defunct Gulf Bank, for which NDIC is the administrator. The proceedings relating to the case have been the subject of a number of adjournments. The contingent liability in this case amounts to NGN 4.34 billion plus accrued interest, which the Company may be liable to pay.

ii. Case involving a Co-defendant: The Company is a co-defendant in another case where the plaintiff obtained a favorable judgment against the co-defendant and seeks to enforce the claim against the Company, alleging indebtedness to the co-defendant. The contingent liability here is NGN 9.94 million.

Based on a review of these cases and advice from external solicitors, the directors believe that the risk of material loss to the Company is unlikely. Therefore, no provisions have been recorded for either case.

Notes to the financial statements - (cont'd)

24. Related party transactions

(a) Parent and ultimate controlling party

As at year end, Akwa Ibom Investment Corporation (AKICORP) owned 99.99% of the Company's issued share capital. The ultimate parent Company is the Akwa Ibom State Government.

(b) Transactions with key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director of the Company.

Key management personnel compensation comprised the following:

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Termination benefit (Note 9(b))	7,000	6,000
Directors' remuneration	<u>126,904</u>	<u>147,003</u>

During the year, the Managing Director, Engr. Meyen Etukudo, also served as the Senior Special Assistant (SSA) to the Governor of Akwa Ibom State on Power. As a result, he received only allowances from the Company, amounting to NGN 24.08 million (2020: NGN 24.44 million), which is included as part of directors' remuneration.

Compensation of the Company's key management personnel includes fees, allowances and non-cash benefits.

(c) Related parties

(i) The table below shows net transactions between the Company and its related parties;

Related Company	Nature of relationship	Nature of transaction	Transactions for the year	
			2021 NGN'000	2020 NGN'000
Akwa Ibom State Government	Ultimate parent company	Land rent for construction of office building	-	1,138
Akwa Ibom Property Company limited (APICO)	Fellow subsidiary	Office rent	7,067	7,677

(ii) Amount due to related parties as at year end is shown below:

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Due to related party - Akwa Ibom Investment Corporation	<u>(31,460,055)</u>	<u>(31,460,055)</u>
	<u>(31,460,055)</u>	<u>(31,460,055)</u>

Information on the Company's exposure to credit risk is included in Note 25

Notes to the financial statements - (cont'd)

25. Financial instruments

(A) Financial risk management overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note represents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

(i) Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are currently being developed to identify and analyse risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems will be reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company, through its training and management standards and procedures, will develop a disciplined and constructive control environment in which all its employees understand their roles and obligations. The Company's Board of Directors will oversee and monitor compliance with the Company's risk management policies and procedures, and will review the adequacy of the risk management framework in relation to the risks faced by the Company.

(ii) Credit risk

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

The carrying amount of financial assets represents the maximum credit exposure.

Impairment losses/ gain on trade receivables recognised in profit or loss were as follows.

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	NGN'000	NGN'000
Impairment (reversal)/ loss on trade receivables arising from contracts with customers	<u>(2,418,337)</u>	<u>1,427,639</u>

Trade and other receivables

Management has credit policies in place and the exposure to credit risk is monitored on an ongoing basis by the board of directors. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each distribution company and the ability of the Operator of the Nigeria Electricity Market ("ONEM" or "Market Operator") and the Nigerian Bulk Electricity Trading Plc (NBET) to regulate and enforce payments by distribution companies. The management also considers the default risk associated with the industry and country in which customers operate.

The Company is closely monitoring the economic environment in the industry and is taking actions to limit its exposure to its sole customer. The Company's sole customer is a government agency with a credit risk of B- based on S&P Global Ratings for Nigeria.

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

Notes to the financial statements - (cont'd)

25. Financial instruments- cont'd

Credit risk- cont'd

Expected credit loss assessment for trade receivables as at 1 January and 31 December 2021

The Company uses an allowance matrix to measure the ECLs for the trade receivables from its sole customer, NBET. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

Impairment of receivable

In arriving at the impairment amounts, the trade receivables are classified based on their credit risk characteristics and the applicable loss rates are applied to the respective trade receivables category.

The credit risk characteristic of the Company's receivables are classified as follows:

- Receivables from periods prior to the Payment Assurance Guarantee ("PAG")
- Receivables representing 80% of revenue invoices covering period under PAG
- Receivables representing 20% of revenue invoices covering period under PAG
- Contract assets

The following table provides information about the exposure to credit risk and ECLs for trade receivables for customers as at 31 December 2021.

31 December 2021 <i>In thousands of naira</i> Trade receivable categories	Weighted- average loss rate	Gross carrying amount	Loss allowance
Revenue invoices prior to PAG	100%	1,356,979	1,356,979
80% of revenue invoices covered by PAG	25%	2,347,018	575,344
20% of revenue invoices not covered by PAG	100%	3,551,929	3,551,929
Trade receivables (Note 14)	76%	7,255,926	5,484,252
Contract assets (Note 14)	20%	116,679	23,336
		<u>7,372,605</u>	<u>5,507,588</u>

Management believes that the unimpaired amount that are past due are still collectible in full based on historical payment behaviour and extensive analysis of each customer's credit risk.

The following table provides information about the exposure to credit risk and ECLs for trade receivables for customers as at 31 December 2020.

31 December 2020 <i>In thousands of naira</i> Trade receivable categories	Weighted- average loss rate	Gross carrying amount	Loss allowance
Revenue invoices prior to PAG	100%	1,856,979	1,856,979
80% of revenue invoices covered by PAG	39%	4,454,962	1,741,917
20% of revenue invoices not covered by PAG	100%	4,196,941	4,196,941
Trade receivables (Note 14)	74%	10,508,882	7,795,837
Contract assets (Note 14)	20%	650,442	130,088
		<u>11,159,324</u>	<u>7,925,925</u>

Notes to the financial statements - (cont'd)

25. Financial instruments- cont'd

(ii) Credit risk- cont'd

Movements in the allowance for impairment in respect of trade and related party receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Related party receivables	Trade receivables	Total
	NGN'000	NGN'000	NGN'000
Balance on 1 January 2021	-	7,925,925	7,925,925
Impairment reversal on trade and other receivables	-	(2,418,337)	(2,418,337)
Balance as at 31 December 2021	-	<u>5,507,588</u>	<u>5,507,588</u>

	Related party receivables	Trade receivables	Total
	NGN'000	NGN'000	NGN'000
Balance on 1 January 2020	-	6,498,285	6,498,285
Impairment loss on trade and other receivables	-	<u>1,427,640</u>	<u>1,427,640</u>
Balance as at 31 December 2020	-	<u>7,925,925</u>	<u>7,925,925</u>

Other receivables

Other receivables include NGN 80.00 million due from the issuance of 80 million ordinary shares at NGN 1.00 per share during the year (2020: Nil) and employee receivables of NGN 4.92 million (2020: NGN 3.64 million). The Company reviews these balances due from this category on a periodic basis taking into consideration functions such as recoverability and continued employment relationship and ability to offset amounts against transactions due to these parties. Where such does not exist, the amounts are impaired. There was no impairment loss recognised in this category of receivables during the year. (2020: Nil)

Cash and cash equivalents

The Company held cash and cash equivalents as disclosed in Note 16. The cash and cash equivalents (with the exception of NGN0.31 million held as cash by the Company (2020: NGN0.05 million) are held by banks and financial institutions in Nigeria which are rated B+ to B-, based on Standard & Poor's and Fitch Ratings Inc.

The Company considers that its cash and cash equivalents have low credit risk based on the external credit rating of the counterparties and their ability to meet the cash and liquidity thresholds set by the Central Bank of Nigeria. The Company did not recognise any impairment on its cash and cash equivalents (2020: Nil).

(iii) Liquidity risk

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

The Company has a clear focus on ensuring sufficient access to capital to finance growth. As a part of the liquidity management process, the Company sources funds from related companies and financial institutions which can be utilised to meet its liquidity requirements. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Notes to the financial statements - (cont'd)

25. Financial instruments- cont'd

(iii) Liquidity risk- cont'd

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

		Carrying amount NGN'000	Total NGN'000	Contractual cash flows less than 1 year NGN'000	Payable on Demand NGN'000
Non-derivative financial liabilities					
At 31 December 2021					
	Note				
Loan and borrowings	19	3,510,296	3,510,296	-	3,510,296
Trade and other payables*	20	46,208,752	46,208,752	14,748,697	31,460,055
		<u>49,719,048</u>	<u>49,719,048</u>	<u>14,748,697</u>	<u>34,970,351</u>
At 31 December 2020					
Loan and borrowings	19	3,421,239	3,421,239	-	3,421,239
Trade and other payables*	20	41,919,629	41,919,629	10,459,574	31,460,055
		<u>45,340,868</u>	<u>45,340,868</u>	<u>10,459,574</u>	<u>34,881,294</u>

* excludes statutory deductions

(iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company manages market risks by keeping costs low through various cost optimization programs. Moreover, market developments are monitored and discussed regularly, and mitigating actions are taken where necessary.

(v) Currency risk

The Company is exposed to currency risk on purchases and borrowings that are denominated in a currency other than the functional currency, the Nigerian Naira. The currency in which these transactions primarily are denominated is the US Dollar. The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

In managing currency risk, the Company aims to reduce the impact of short-term fluctuations on earnings. Although the Company has various measures to mitigate exposure to foreign exchange rate movement, over the longer term, permanent changes in exchange rates would have an impact on profit. The Company monitors the movement in the currency rates on an ongoing basis

Notes to the financial statements - (cont'd)

25. Financial instruments- cont'd

(v) Currency risk - cont'd

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows.

<i>in thousands</i>	<u>31 Dec 2021</u>			<u>31 Dec 2020</u>		
	USD	GBP	EUR	USD	GBP	EUR
Financial asset						
Cash and cash equivalents	20	1	3	88	1	3
Financial liability						
Loans and borrowings	(6,748)	-	-	(7,059)	-	-
Net statement of financial position exposure	<u>(6,728)</u>	<u>1</u>	<u>3</u>	<u>(6,971)</u>	<u>1</u>	<u>3</u>

The following significant exchange rates have been applied during the year.

	<u>Average rate</u>		<u>Reporting date spot rate</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	NGN	NGN	NGN	NGN
USD	409.49	382.06	424.11	400.33
GBP	562.59	490.49	571.40	546.45
EUR	483.58	437.15	480.08	491.45

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Nigerian Naira against all other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	<u>Effect on profit or loss/ equity</u>	
	<u>Strengthening</u>	<u>Weakening</u>
	NGN'000	NGN'000
At 31 December 2021		
USD (10% movement)	285,341	(285,341)
GBP (10% movement)	(57)	57
EUR (10% movement)	(144)	144
At 31 December 2020		
USD (10% movement)	279,070	(279,070)
GBP (10% movement)	(55)	55
EUR (10% movement)	(147)	147

Interest rate risk profile

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Notes to the financial statements - (cont'd)

(B) Fair values Accounting classification and fair value

The following table shows the carrying amount of financial assets and financial liabilities. It does not include fair value information as the carrying amounts of these financial assets and financial liabilities not measured at fair value are reasonable approximations of their fair values.

		Financial assets at amortised costs NGN'000	Other financial liabilities NGN'000	Total NGN'000
31 December 2021	Note			
Financial assets not measured at fair value				
Trade and other receivables	14	1,949,933	-	1,949,933
Cash and cash equivalents	16	1,805,396	-	1,805,396
		<u>3,755,329</u>	<u>-</u>	<u>3,755,329</u>
Financial liabilities not measured at fair value				
Loans and borrowings	19	-	(3,510,296)	(3,510,296)
Trade and other payables*	20	-	(46,208,752)	(46,208,752)
		<u>-</u>	<u>(49,719,048)</u>	<u>(49,719,048)</u>
31 December 2020				
Financial assets not measured at fair value				
Trade & other receivables	14	3,237,037	-	3,237,037
Cash and cash equivalents	16	297,274	-	297,274
		<u>3,534,311</u>	<u>-</u>	<u>3,534,311</u>
Financial liabilities not measured at fair value				
Loans and borrowings	19	-	(3,421,239)	(3,421,239)
Trade and other payables*	20	-	(41,919,629)	(41,919,629)
		<u>-</u>	<u>(45,340,868)</u>	<u>(45,340,868)</u>

* Trade and other payables excludes statutory deductions.

Trade and other receivables, loans and borrowings, trade and other payables and cash and cash equivalents are the Company's financial instruments. Accordingly, management believes that their fair values are not expected to be materially different from their carrying values.

26. Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, using a ratio of adjusted net debt to adjusted equity. For this purpose, adjusted net debt is defined as total liabilities less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

	<u>31 Dec 2021</u> NGN'000	<u>31 Dec 2020</u> NGN'000
Total liabilities	51,278,459	46,901,177
Less: Cash and cash equivalents	(1,805,396)	(297,274)
Adjusted net debt	<u>49,473,063</u>	<u>46,603,903</u>
Total equity	<u>(37,240,309)</u>	<u>(33,150,432)</u>
Adjusted net debt to equity ratio	<u>(1.33)</u>	<u>(1.41)</u>

There were no significant changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

Notes to the financial statements - (cont'd)

27. Going concern

The Company reported a loss after tax of NGN4.23 billion for the year (2020: loss of NGN 5.01 billion) and as at same date, the Company's current and total liabilities exceeds its current and total assets by NGN 47.17 billion and NGN 37.24 billion (2020: NGN 42.72 billion and NGN 33.15 billion) respectively. A significant portion of the Company's liabilities amounting to NGN 31.46 billion, representing 61% of its total liabilities is due to Akwa Ibom Investment Corporation (AKICORP), its parent company, in form of trade and other payables as indicated in Note 24(c)(ii) of the financial statements.

Akwa Ibom Investment Corporation has confirmed that it is aware of the obligations of the Company and will not demand repayment of any outstanding due to it until such a time when the Company is in a position to make repayment.

Subsequent to year-end on 15 January 2024, the Company received a court order to pay the total judgement sum of \$7.81 million (NGN 3.31 billion) to the claimant, Afrexim Bank. As at the date of the approval of the financial statements, the judgement amount has not been fully settled.

These conditions give rise to a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. However, the directors acknowledge these uncertainties and believe that repayment of the facilities and other trade obligations will be met out of operating cash flows.

Based on the foregoing, the directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future and as such, realise its assets and settle its liabilities in the ordinary course of business. Accordingly, these financial statements have been prepared on the basis of accounting policies applicable to a going concern.

28. Events after the reporting date

i. Access Bank Loan

As explained in Note 19, the Company obtained two loans of NGN 1.92 billion at 15% per annum and NGN 0.40 billion at 20% per annum from Access Bank Plc in 2007 and 2009 respectively, each with a tenure of 3 years. These loans were restructured in 2017 with the accrued interest waived and only the principal on the loans to be repaid over a 3-year period with an agreed repayment structure. The Company has defaulted in repayment and hence as at the date of the approval of the financial statements, a total balance of NGN 0.42 billion is still outstanding.

ii. African Export-Import (AFREXIM) Bank Case

As explained in Note 19, the Company obtained a loan from Afrexim bank but have defaulted in repayment. On 15 January, 2024, the Company received a court order to pay the total judgment sum of \$7.81 million (NGN 3.31 billion) to the claimant, Afrexim bank, within 14 days of the order. Where the judgment sum is not paid within 14 days, post-judgment statutory interest shall accrue at a rate of 8% per annum on any unpaid amount from the date which falls 14 days after the date of the Order. As at the date of the approval of the financial statements, the judgement amount has not been fully settled.

There were no other significant events after the reporting date that could have had a material effect on the financial statements of the Company that have not been provided for or disclosed in these financial statements.

Other national disclosures

Value added statement

For the year ended 31 December

**The value added statement is not a part of the financial statements*

	<u>31 Dec 2021</u>	%	<u>31 Dec 2020</u>	%
	NGN'000		NGN'000	
Revenue	1,719,565		4,880,618	
Brought in materials and services				
Local	(3,805,714)		(7,580,111)	
	(2,086,149)		(2,699,493)	
Finance income	529		-	
Other income	8,527		75	
Value eroded	<u>(2,077,093)</u>	<u>100</u>	<u>(2,699,418)</u>	<u>100</u>
To Employee;				
-as salaries,wages and other staff costs	1,060,982	(52)	1,128,211	(42)
To provider of finance;				
-Finance cost and similar charges	836,209	(40)	1,034,544	(38)
To government as;				
- Taxes	8,640	-	(765,671)	28
Retained in the business:				
To maintain and replace;				
- Property, plant and equipment	181,913	(9)	574,935	(21)
- Intangible assets	5,040	-	5,040	-
To deplete reserve	(4,169,877)	201	(4,676,477)	173
Value eroded	<u>(2,077,093)</u>	<u>100</u>	<u>(2,699,418)</u>	<u>100</u>

Financial summary

As at 31 December

Statement of profit or loss and other comprehensive income

	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017
	NGN'000	NGN'000	NGN'000	NGN'000	NGN'000
Revenue	1,719,565	4,880,618	6,593,733	6,989,290	6,429,667
Results from operating activities	(3,389,987)	(4,736,611)	497,724	(3,527,195)	6,495,407
(Loss)/ profit before taxation	(4,225,667)	(5,771,155)	239,114	(3,743,714)	6,794,009
(Loss)/ profit for the year	(4,234,307)	(5,005,484)	22,734	(6,537,277)	4,206,224

Statement of financial position

	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017
	NGN'000	NGN'000	NGN'000	NGN'000	NGN'000
Employment of fund					
Property, plant and equipment	9,823,935	9,413,519	9,984,953	11,089,390	12,549,998
Right of use Asset	39,391	45,563	48,386	-	-
Deferred tax assets	-	-	-	-	-
Deferred cost	275,348	386,013	531,730	1,186,602	5,321,780
Intangible assets	32,646	38,121	43,596	47,040	194
Prepayments	-	-	-	23,751	25,783
Net current liabilities	(47,165,851)	(42,723,674)	(37,868,007)	(36,804,180)	(32,338,849)
Non-current liabilities	(245,778)	(309,974)	(1,214,613)	(3,648,147)	(4,724,461)
	(37,240,309)	(33,150,432)	(28,473,955)	(28,105,544)	(19,165,555)
Funds employed					
Share capital	100,000	20,000	20,000	20,000	20,000
Accumulated deficit	(37,039,265)	(32,804,958)	(27,799,474)	(27,822,208)	(19,216,181)
Actuarial reserve	(301,044)	(365,474)	(694,481)	(303,336)	30,626
	(37,240,309)	(33,150,432)	(28,473,955)	(28,105,544)	(19,165,555)