

Ibom Power Company Limited

Annual Report

31 December 2023

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Corporate information

Registration Number:	RC. 399519
Directors:	Engr. Etido Inyang (Chairman) Engr. Camillus Umoh (Acting Managing Director) Barr. Uwem Ekanem Hon. Ayang Ayang Hon. Emmanuel Ebe
Registered office:	2 nd Floor, APICO Investment House 143 Olusegun Obasanjo way Uyo, Akwa Ibom
Company secretary	Barr. Ime Asibong 2 nd 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 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 First City Monument Bank Limited Guaranty Trust bank Plc Polaris Bank Limited United Bank for Africa Plc Zenith Bank Plc
Tax Identification Number:	01292273-0001
Financial Reporting Council of Nigeria (FRC) No.:	FRC/2017/0000009740

Results at a glance

	<u>31 Dec 2023</u> NGN'000	<u>31 Dec 2022</u> NGN'000	<u>Change</u> (%)
Revenue	<u>9,067,499</u>	<u>5,255,706</u>	<u>73</u>
Loss before taxation	<u>(13,954,161)</u>	<u>(4,184,234)</u>	<u>(233)</u>
Loss after taxation	<u>(13,999,498)</u>	<u>(4,210,514)</u>	<u>(232)</u>
Accumulated deficit	<u>(55,249,277)</u>	<u>(41,249,779)</u>	<u>(34)</u>
Total assets	<u>14,957,041</u>	<u>14,483,143</u>	<u>3</u>
Share capital	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total equity	<u>(55,429,266)</u>	<u>(41,431,278)</u>	<u>(34)</u>

Directors' report

for the year ended 31 December 2023

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 2023.

Legal form

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

Principal Activity and Business Review

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

Its power plant consists of three gas turbine generators - two GE Frame 6B units (GTG 1 & GTG 2) and one GE Frame 9E units (GTG 3), installed in a simple cycle configuration. The gas turbines have a combined generating capacity of 191 MW.

During the year, GTG 3 experienced operational challenges due to a faulty auxiliary gear box, leading to significant downtime in the first and second quarters. A new auxiliary gear box was purchased and installed by the Company at the end of the third quarter, after which power generation resumed.

For the year ended 31 December 2023, the Company recorded revenue of NGN 9.07 billion (2022: NGN 5.26 billion), primarily driven by an increase in its energy delivered tariff rate. The increase in this rate was largely attributed to the significant depreciation of the Nigerian Naira following its floatation by the CBN in June 2023 and the subsequent exchange rate volatility. The energy delivered tariff rate per NERC's generation order includes a USD component to cover gas costs, which are priced in USD.

Notable developments during the year

The following notable developments occurred during the year:

1. Progress on Power Purchase Agreement

Ibom Power's current revenue-generating contract is its interim power purchasing agreement (interim PPA) with the Nigerian Bulk Electricity Trading (NBET) Plc, signed on the 7 May 2015. This interim agreement remains in effect until the approval of its PPA by the Nigerian Electricity Regulatory Commission (NERC) and its implementation by NBET.

Under the interim PPA, the Company earns revenue based on available capacity and energy supplied to the national grid, calculated using the tariff model from NERC's 2016 Generation Order, as communicated to the Company by NBET on 20 April 2016.

During the year, the company advanced discussions with NBET regarding its PPA. On 28 April 2023, NBET made a PPA offer, which the company accepted on 2 May 2023. However, only the wholesale tariff rate from the PPA was approved by NERC on 3 May 2024 with an effective date of 1 April 2024. NERC subsequently directed NBET to continue transacting under the existing interim PPA pending final approval of the new PPA by the Commission which is subject to the outcome of the ongoing transition arrangement for NBET.

The directors expect that the new tariff rate will significantly improve revenue and drive the company towards profitability in the future.

2. Technical Services Agreement

To enhance operational efficiency, the Company signed a Technical Service Agreement (TSA) with Dunmark Power Engineering Limited on 1 June 2023. Under the TSA, Dunmark provides planned maintenance services, including parts repairs services, parts supply, field services (e.g., borehole inspections, combustion inspections, hot gas path inspection, and major inspections). The agreement also covers unplanned maintenance services, which are classified extra works and are to be billed separately. The TSA has a tenure of 1 (one) year, commencing on 1 June 2023, with an option for renewal. The contract consideration is NGN 215 million.

3. Gas Purchase and Sale Agreement

The Company entered into a Gas Purchase and Sales Agreement (GSPA) with Septa energy on 15 May 2009, with an addendum signed on 1 January 2016 with Accugas Limited, an affiliate of Septa Energy. The agreement was for the supply of gas to generate electricity for sale to the national grid, with a tenure of 10 (ten) years commencing on 1 January 2014. The GSPA included minimum take-or-pay gas off-take commitments.

The agreement expired on 31 December 2023. Subsequently, management has entered into a new GSPA with an initial term of 24 months. The new GSPA operates on a "reasonable endeavours" gas supply arrangement and does not impose any minimum take-or-pay commitments. See Note 13 for treatment of the make-up gas balance from the expired GSPA.

Directors' report cont'd

Operating results

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

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	<u>NGN'000</u>	<u>NGN'000</u>
Revenue	<u>9,067,499</u>	<u>5,255,706</u>
Loss before minimum and income tax	<u>(13,954,161)</u>	<u>(4,184,234)</u>
Taxation	<u>(45,337)</u>	<u>(26,280)</u>
Loss for the year	<u>(13,999,498)</u>	<u>(4,210,514)</u>

Pass-through cost

The Company's pass-through cost related to revenue generation comprises the cost of gas consumed in electricity generation during the year in accordance with its Interim Power Purchase Agreement (PPA) with NBET. The impact of the Company's pass-through cost on revenue is presented below:

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	<u>NGN'000</u>	<u>NGN'000</u>
Revenue	9,067,499	5,255,706
Pass-through cost - Gas consumed (Note 6)	<u>(6,635,464)</u>	<u>(3,665,867)</u>
Net revenue	<u>2,432,035</u>	<u>1,589,839</u>

This net revenue forms the basis for calculating the Financial Reporting Council (FRC) annual levy for the year, in accordance with Section 33 of the Financial Reporting Council of Nigeria (Amendment) Act, 2023 and the FRC's letter to NESI participants dated 19 March 2025.

Dividend

The directors do not recommend the declaration of a dividend for the year (2022: 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. Uwem Ekanem
Hon. Ayang Ayang
Hon. Emmanuel Ebe

* Subsequent to year end, the Managing Director, Engr. Meyen Etukudo, who served during the year, was relieved of his position on 14 November 2024 by the Governor of Akwa Ibom State. Engr. Camillus Umoh, the Commissioner for Power, was appointed as the Acting Managing Director, effective 14 November 2024.

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

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.

Directors' report cont'd

Shareholding structure

The Company's share holding structure is as follows:

	Ordinary Shares of NGN 1 each as at			
	<u>%</u> Holding	<u>31 Dec 2023</u> Number	<u>%</u> Holding	<u>31 Dec 2022</u> Number
Akwa Ibom Investment Corporation (AKICORP)	99.99	99,999,999	99.99	99,999,999
Globeleq Ibom Holdings BV	0.01	<u>1</u>	0.01	<u>1</u>
		<u>100,000,000</u>		<u>100,000,000</u>

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 2023 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:

	<u>31 Dec 2023</u> <u>NGN'000</u>	<u>31 Dec 2022</u> <u>NGN'000</u>
Installation of transformers in various communities	43,505	169,577
Support to widows in Akwa Ibom state	-	24,844
Donations to schools and student associations	1,100	14,840
Donations to communities	<u>300</u>	<u>109,539</u>
	<u>44,905</u>	<u>318,800</u>

In accordance with Section 43 (2) of the Companies and Allied Matters Act, 2020, the Company did not make any donations or gift to any political party, political association or for any political purpose in the course of the year. (2022: Nil)

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. There were no physically challenged persons employed by the Company during the year.

(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.

Directors' report cont'd

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 Sections 401(2) of the Companies and Allied Matters Act (CAMA), 2020, therefore, the auditors will be re-appointed as the next annual general meeting of the Company without any resolution being passed.

BY ORDER OF THE BOARD
Lagos, Nigeria


22 AUGUST 2025

Barr. Ime Asibong
Company Secretary
FRC/2017/NBA/0017220


**Statement of directors' responsibilities in relation to the financial statements
for the year ended 31 December 2023**

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 (Amendment) Act, 2023.

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

28 AUGUST 2025
.....
Date


.....
Engr. Camillus Umoh
Acting Managing Director*

28 AUGUST 2025
.....
Date

**On 29 May 2025, the Acting Managing Director was granted a waiver by the Financial Reporting Council of Nigeria to sign the 2023 financial statements without indicating his FRC registration number.*

**Statement of corporate responsibility for the financial statements
for the year ended 31 December 2023**


Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Acting Managing Director and the Finance Manager hereby certify the financial statements of Ibom Power Company Limited for the year ended 31 December 2023 as follows:

- a) That we have reviewed the audited financial statements of the Company for the year ended 31 December 2023.
- 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 2023.
- 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 2023.
- 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. Camillus Umoh
Acting Managing Director*

28 AUGUST 2025
.....
Date


.....
Ini Akpadlaha, FCA
Finance Manager
FRC/2017/ICAN/0016015
28 AUGUST 2025
.....
Date

**On 29 May 2025, the Acting Managing Director was granted a waiver by the Financial Reporting Council of Nigeria to sign the 2023 financial statements without indicating his FRC registration number.*

**KPMG Professional Services**

KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMG 40014, Falomo
Lagos

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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 2023;
- 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 material 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 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 (as amended).

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 incurred a loss after tax of NGN 14 billion during the year ended 31 December 2023 and, as of that date, the Company's current and total liabilities exceeded its current and total assets by NGN 64.97 billion and NGN 55.43 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.

KPMG Professional Services, a partnership registered in Nigeria and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Registered in Nigeria No BN 986925

A list of partners is available for inspection at the firm's address.



Other Information

The Directors are responsible for the other information. The other information comprises the 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 IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 (as amended), 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.

Signed:

Chineme B. Nwigbo, FCA
FRC/2013/ICAN/00000001897
For: KPMG Professional Services
Chartered Accountants
03 October 2025
Lagos, Nigeria



Statement of financial position

As at

	Note	31 Dec 2023 NGN'000	31 Dec 2022 NGN'000
Assets			
Property, plant and equipment	11	9,723,106	9,924,203
Right of Use Asset	21	27,047	33,219
Intangible assets	12	21,840	27,171
Non-current assets		9,771,993	9,984,593
Deferred cost	13	-	276,396
Trade and other receivables	14	4,845,199	3,976,087
Prepayments	15	3,127	52,150
Cash and cash equivalents	16	336,722	193,917
Current assets		5,185,048	4,498,550
Total Assets		14,957,041	14,483,143
EQUITY			
Ordinary share capital	17(a)	100,000	100,000
Actuarial reserve	17(b)	(279,989)	(281,499)
Accumulated deficit		(55,249,277)	(41,249,779)
Total Equity		(55,429,266)	(41,431,278)
LIABILITIES			
Lease liability	22	5,494	11,798
Employee benefits obligation	18	222,320	209,361
Non-current liabilities		227,814	221,159
Current tax liabilities	10(d)	907,747	862,410
Loans and borrowings	19	7,440,577	3,827,004
Lease liability	22	8,107	4,391
Trade and other payables	20	61,802,062	50,999,457
Total current liabilities		70,158,493	55,693,262
Total liabilities		70,386,307	55,914,421
Total equity and liabilities		14,957,041	14,483,143

These financial statements were approved by the Board of Directors on **28 AUGUST** 2025 and signed on its behalf by:

.....
.....

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

Engr. Camillus Umoh (Acting Managing Director)*

Additionally certified by:

.....
.....

Ini Akpadiaha, FCA (Finance Manager)
FRC/2017/ICAN/0016015

**On 29 May 2025, the Acting Managing Director was granted a waiver by the Financial Reporting Council of Nigeria to sign the 2023 financial statements without indicating his FRC registration number.*

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 2023</u>	<u>31 Dec 2022</u>
	<i>Note</i>	NGN'000	NGN'000
Revenue	5	9,067,499	5,255,706
Cost of sales	6	<u>(8,213,368)</u>	<u>(4,793,978)</u>
Gross profit		854,131	461,728
Other income	7	921	337
General and administrative expenses	6	(4,959,806)	(4,737,107)
Impairment (loss)/reversal on trade and other receivables	25	<u>(1,723,845)</u>	<u>1,233,656</u>
Operating loss		<u>(5,828,599)</u>	<u>(3,041,386)</u>
Finance income	8	163	1,349
Finance costs	8	<u>(8,125,725)</u>	<u>(1,144,197)</u>
Net finance costs		<u>(8,125,562)</u>	<u>(1,142,848)</u>
Loss before minimum and income tax		(13,954,161)	(4,184,234)
Minimum tax	10(a)	<u>(45,337)</u>	<u>(26,280)</u>
Loss before income tax		(13,999,498)	(4,210,514)
Income tax expense	10(b)	<u>-</u>	<u>-</u>
Loss for the year		<u><u>(13,999,498)</u></u>	<u><u>(4,210,514)</u></u>
<i>Other comprehensive income</i>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit obligation	18(a)	1,510	19,545
Related tax	10(e)	<u>-</u>	<u>-</u>
Other comprehensive income, net of income tax		<u>1,510</u>	<u>19,545</u>
Total comprehensive loss for the year		<u><u>(13,997,988)</u></u>	<u><u>(4,190,969)</u></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 2022	<u>100,000</u>	<u>(301,044)</u>	<u>(37,039,265)</u>	<u>(37,240,309)</u>
Loss for the year	-	-	(4,210,514)	(4,210,514)
Other comprehensive income	-	19,545	-	19,545
Total comprehensive loss for the year	<u>-</u>	<u>19,545</u>	<u>(4,210,514)</u>	<u>(4,190,969)</u>
Balance at 31 December 2022	<u>100,000</u>	<u>(281,499)</u>	<u>(41,249,779)</u>	<u>(41,431,278)</u>
Balance as at 1 January 2023	<u>100,000</u>	<u>(281,499)</u>	<u>(41,249,779)</u>	<u>(41,431,278)</u>
Total comprehensive income				
Loss for the year	-	-	(13,999,498)	(13,999,498)
Other comprehensive income	-	1,510	-	1,510
Total comprehensive loss for the year	<u>-</u>	<u>1,510</u>	<u>(13,999,498)</u>	<u>(13,997,988)</u>
Balance at 31 December 2023	<u>100,000</u>	<u>(279,989)</u>	<u>(55,249,277)</u>	<u>(55,429,266)</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 2023</u>	<u>31 Dec 2022</u>
	NGN'000	NGN'000
<i>Note</i>		
Cash flows from operating activities:		
Loss for the year before tax	(13,954,161)	(4,184,234)
<i>Adjustments for:</i>		
- Depreciation of property plant and equipment	11(a) 646,064	407,851
- Depreciation of ROU asset	21 6,172	6,172
- Amortization of intangible assets	12 5,331	5,475
- Unrealised foreign exchange loss	8 6,663,477	500,107
- Write-off of irrecoverable deferred cost	13(a) 2,678,972	2,156,141
- Impairment loss/(reversal) on trade and other receivables	14(a) 1,723,845	(1,233,656)
- Provision for post employment benefit obligation	18(a) 31,969	32,201
- Reversal of provision for long service awards	18(b) (8,549)	(818)
- Loss on disposal of property, plant and equipment	11(d) 389	393
- Default interest on trade payables	20(a) 1,264,543	486,165
- Default interest on loans and borrowings	19(a) 189,152	148,372
- Interest on lease liability	22 2,716	2,685
- Gain on reassessment of lease liability	22 -	(1,349)
	(750,080)	(1,674,495)
<i>Changes in:</i>		
- Deferred cost	13(a) (2,402,576)	(2,045,688)
- Trade and other receivables	14(a) (2,592,957)	(792,498)
- Prepayments	15(a) 49,023	(52,150)
- Trade and other payables	20(a) 6,291,657	3,588,169
Cash generated from/(used in) operating activities	595,067	(976,662)
Post employment benefits paid	18(a) (8,952)	(27,405)
Long service awards paid	18(b) -	(9,550)
Net cash generated from/(used in) operating activities	586,115	(1,013,617)
Cash flows from investing activities:		
Acquisition of property, plant and equipment	11(a) (445,356)	(508,512)
Net cash used in investing activities	(445,356)	(508,512)
Cash flow from financing activities:		
Repayment of borrowings	19 -	(90,000)
Payment of lease liability	22 (5,304)	(2,304)
Net cash flow used in financing activities	(5,304)	(92,304)
Net increase/ (decrease) in cash and cash equivalents	135,455	(1,614,433)
Cash and cash equivalents at the beginning of the year	16 193,917	1,805,396
Effect of exchange rate fluctuations on cash held	7,350	2,954
Cash and cash equivalents at 31 December	16 336,722	193,917

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 (Amendment) Act, 2023. These financial statements were authorised for issue by the Board of Directors of the Company on 28 August 2025.

(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

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 at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year 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 18 – measurement of defined benefit obligations: key actuarial assumptions.

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(b) - Financial Instruments.

3. Material 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. Material 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. Material 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. Material 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. Material 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. Goodwill is not amortised.

The estimated useful life 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. Material 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. Material 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. Material 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. Material 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. Material 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. Material 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 years. 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. Material 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. Accounting standards, amendments to standards and interpretations issued and effective/ not yet effective

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

The following amendments to and interpretations of IFRS Accounting Standards became effective during the annual periods beginning on 1 January 2023:

- IFRS 17 - Insurance Contracts
- Amendments to IAS 1 - *Presentation of Financial Statements*, and IFRS Practice Statement 23 - Disclosure of Accounting Policies
- Amendments to IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors* - Definition of Accounting Estimates
- Amendments to IAS 12 - *Income taxes* - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

(b) New accounting standards, amendments and interpretations issued but not yet effective

A number of new accounting standards, amendments to standards, and interpretations are effective for annual periods beginning after 1 January 2024 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 1 - *Presentation of Financial Statements* - Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current Liabilities

This amendment was issued in October 2022. 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 2024. Early adoption is permitted.

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

Notes to the financial statements

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

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

ii. Amendments to IAS 21 - *The Effects of Changes in Foreign Exchange Rates* - Lack of Exchangeability

This amendment was issued in August 2023. The amendments clarifies:

- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability.

Assessing exchangeability: When to estimate the spot rate

A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate.

Estimating a spot rate: Meeting the estimation objective

A company's objectives when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements on how to estimate a spot rate. Therefore, when estimating a spot rate a company can use:

- an observable exchange rate without adjustment; or
- another estimation technique

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. This may include:

- the nature and financial impacts of the currency not being exchangeable
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable

The amendments are effective for annual reporting periods beginning on or after 1 January 2025.

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

Notes to the financial statements

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

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

iii. Other accounting standards, amendments and interpretations

The following new standards, amendment and interpretations are not effective and are not expected to have significant impact on the Company's financial statements

- Amendments to IFRS 10 - *Consolidated Financial Statements* and IAS 28 - *Investments in Associates and Joint Ventures* - Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture. Issued September 2014; effective date has been deferred indefinitely by the IASB
- Amendments to IFRS 16 - *Leases* - Lease Liability in a Sale and Leaseback. Issued September 2022; effective for periods beginning on or after 1 January 2024.
- Amendments to IAS 7 - *Statement of Cash Flows* and IFRS 7 - *Financial Instruments: Disclosures* - Supplier Finance Arrangements. Issued May 2023; effective for periods beginning on or after 1 January 2024.

5. Revenue

A. Revenue streams

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

	Timing of recognition	<u>31 Dec 2023</u> NGN'000	<u>31 Dec 2022</u> NGN'000
Energy delivered	At a point in time	7,556,399	3,950,023
Capacity generated	At a point in time	<u>1,511,100</u>	<u>1,305,683</u>
		<u>9,067,499</u>	<u>5,255,706</u>

B. Contract balances

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

	<u>31 Dec 2023</u> NGN'000	<u>31 Dec 2022</u> NGN'000
Receivables, which are included in 'trade and other receivables' (Note 14)	9,143,457	7,298,315
Contract assets (Note 14)	<u>1,610,226</u>	<u>862,020</u>

The contract assets 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 2023</u>	<u>31 Dec 2022</u>
	NGN'000	NGN'000
Gas consumption	6,635,464	3,665,867
Salaries and wages (Note 9(b)(i))	272,926	241,402
Depreciation (Note 11(e))	436,819	204,892
Amortisation of license cost (Note 12)	5,040	5,040
Plant insurance	27,181	21,493
Operations and maintenance	<u>835,938</u>	<u>655,284</u>
Direct costs	<u>8,213,368</u>	<u>4,793,978</u>
Salaries and Wages (Note 9(b)(i))	1,022,190	948,110
Training expenses	78,914	334,256
Legal expenses	42,084	47,633
Consultancy fees	184,442	4,500
Security	119,516	127,971
Travels	68,237	56,767
Repairs and maintenance	80,351	105,525
Auditors remuneration (Note 6(a))	32,000	27,000
Donations	44,905	318,800
Office supplies and utilities	96,010	124,013
IT expenses	24,645	31,458
Publicity and entertainment expenses	72,147	60,853
Rent	2,000	15,750
Insurance	18,811	14,897
FRC levy	730	-
Other tax expenses	-	17,750
Other expenses	94,031	46,545
Directors' remuneration (Note 9(b)(iv))	83,724	89,179
Depreciation of property plant and equipment (Note 11(e))	209,245	202,959
Depreciation of ROU asset (Note 21)	6,172	6,172
Loss on disposal of property, plant and equipment (Note 11(d))	389	393
Amortisation of intangible assets (Note 12)	291	435
Write-off of irrecoverable deferred cost (Note 13(a))	<u>2,678,972</u>	<u>2,156,141</u>
General and administrative expenses	<u>4,959,806</u>	<u>4,737,107</u>
Total direct costs, general and administrative expenses	<u>13,173,174</u>	<u>9,531,085</u>

(a) Auditors' Remuneration

Auditors' remuneration represents fees paid to the independent auditor for audit and tax services. See breakdown below:

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	NGN'000	NGN'000
Audit services	30,000	25,000
Tax filing services	<u>2,000</u>	<u>2,000</u>
	<u>32,000</u>	<u>27,000</u>

7. Other income

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	NGN'000	NGN'000
Miscellaneous income*	921	337
	<u>921</u>	<u>337</u>

* Miscellaneous income represents proceeds from sale of scrap air filters during the year (2022: proceeds from insurance claims received during the year).

Notes to the financial statements

8. Net finance costs

	<u>31 Dec 2023</u> NGN'000	<u>31 Dec 2022</u> NGN'000
Finance income:		
Interest income on bank deposits	163	-
Gain on reassessment of lease liability (Note 22)	-	1,349
Total finance income	<u>163</u>	<u>1,349</u>
Finance costs:		
Bank charges	(5,837)	(6,868)
Default interest on loans and borrowings (Note 19(a))	(189,152)	(148,372)
Interest expense-Lease liability (Note 22)	(2,716)	(2,685)
Default interest on trade payables (Note 20)	(1,264,543)	(486,165)
Foreign exchange loss, net	(6,663,477)	(500,107)
Total finance costs	<u>(8,125,725)</u>	<u>(1,144,197)</u>
Net finance costs	<u>(8,125,562)</u>	<u>(1,142,848)</u>

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

Unrealised exchange loss on loans and borrowings (Note 19(a))	(3,424,421)	(258,336)
Unrealised exchange gain on cash and cash equivalents	7,349	2,955
Unrealised exchange loss on other payables	(3,246,405)	(244,726)
Unrealised exchange difference for statement of cash flows	(6,663,477)	(500,107)
Foreign exchange loss, net	<u>(6,663,477)</u>	<u>(500,107)</u>

9. Loss before taxation

(a) Loss before taxation is stated after charging:

	<u>31 Dec 2023</u> NGN'000	<u>31 Dec 2022</u> NGN'000
Depreciation of property, plant and equipment (Note 11e)	646,064	407,851
Auditor's remuneration (Note 6(a))	32,000	27,000
Directors' fees (Note 9(b)(iv))	83,724	89,179
Employee benefits expense (Note 9(b)(i))	1,295,116	1,189,512
Loss on disposal of property, plant and equipment (Note 11(d))	389	393
Net foreign exchange loss (Note 8(a))	<u>6,663,477</u>	<u>500,107</u>

(b) Staff costs and directors' remuneration:

(i). Staff costs during the year comprise:

	<u>31 Dec 2023</u> NGN'000	<u>31 Dec 2022</u> NGN'000
Salaries and wages	1,108,748	1,022,555
Post employment benefit charge (Note 18(a))	31,969	32,201
Long service award (Note 18(b))	(8,549)	(818)
Other employee benefits	162,948	135,574
	<u>1,295,116</u>	<u>1,189,512</u>

Staff cost is analysed as followed:

Direct costs	272,926	241,402
General and administrative expenses	1,022,190	948,110
	<u>1,295,116</u>	<u>1,189,512</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 2023</u>	<u>31 Dec 2022</u>
	Number	Number
Administration	72	74
Finance	9	9
Operations	53	54
	<u>134</u>	<u>137</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 2023</u>	<u>31 Dec 2022</u>
	Number	Number
Below N1,000,000	4	4
N1,000,001 - N2,000,000	29	29
N2,000,001 - N3,000,000	31	32
N3,000,001 - N4,000,000	13	13
N4,000,001 - N5,000,000	21	21
N5,000,001 - N6,000,000	20	21
N6,000,001 - N7,000,000	4	5
N7,000,001 - N8,000,000	5	5
Above N8,000,000	7	7
	<u>134</u>	<u>137</u>

(iv). **Director's expenses**

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

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	N'000	N'000
Fees as directors	24,000	25,800
Other allowances	59,724	63,379
	<u>83,724</u>	<u>89,179</u>
The directors remuneration shown above includes:		
Chairman	<u>23,095</u>	<u>24,149</u>
Highest Paid Director	<u>23,095</u>	<u>24,149</u>

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

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	Number	Number
N10,000,000 - N15,000,000	1	1
N15,000,001 - N20,000,000	3	3
	<u>4</u>	<u>4</u>

Notes to the financial statements

10. Income tax

(a) Minimum Tax

The company has complied the provisions of the Company Income Tax Act (CITA) Cap C21 LFN 2004 which mandate a minimum tax assessment in cases where a tax payer does not have taxable profit which would result in a tax liability or where the assessed company income tax liability for the period is less than the minimum tax. The Company's assessment based on the minimum tax legislation for the year ended 31 December 2023 is NGN 45.34 million, being 0.5% of Gross Turnover (2022: NGN 26.28 million).

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	NGN'000	NGN'000
Gross Turnover	9,067,499	5,256,043
Minimum tax at 0.5%	<u>45,337</u>	<u>26,280</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. No income tax expense was recognised in the profit or loss account for the year (2022: Nil)

(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 2023</u>		<u>31 Dec 2022</u>
	%	NGN'000	%	NGN'000
Loss before income tax		<u>(13,954,161)</u>		<u>(4,184,234)</u>
Income tax using the statutory tax rate	33.0	(4,604,873)	32.5	(1,359,876)
Effect of:				
Non-deductible expenses	-	34,213	(3)	119,585
Tax incentives	-	(12,564)	-	(17,524)
Current-year losses for which no deferred tax asset is recognised	(1)	145,633	(2)	104,334
Temporary differences for which no deferred tax is recognised	(32)	4,470,441	(27.5)	1,153,481
Effect of increase in tertiary education tax rate	-	(32,850)	-	-
Total income tax (credit)/ expense	-	-	-	-

Notes to the financial statements

10. Income tax- cont'd

(d) Movement in current tax liability

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	NGN'000	NGN'000
Opening balance	862,410	836,130
Charge for the year:		
- Company Income tax	-	-
- Tertiary education tax	-	-
- Nigerian Police Trust Fund Levy	-	-
- Minimum tax	45,337	26,280
Closing balance	<u>907,747</u>	<u>862,410</u>

(e) Unrecognised deferred tax assets

Deferred tax assets have not been recognised 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:

	2023		2022	
	Gross impact	Tax impact	Gross impact	Tax impact
	NGN'000	NGN'000	NGN'000	NGN'000
Property, plant and equipment	7,233,255	2,169,977	7,921,587	2,376,476
Unrelieved losses	(17,699,355)	(5,309,807)	(12,844,916)	(3,853,475)
Employee benefit obligation	(222,320)	(85,142)	(209,362)	(77,818)
Leases	(13,004)	(4,291)	(9,421)	(3,062)
Impairment allowance on trade receivables	(5,997,777)	(1,979,266)	(4,273,932)	(1,389,028)
Net unrealised exchange difference	(8,352,729)	(2,756,401)	(1,686,263)	(548,035)
	<u>(25,051,930)</u>	<u>(7,964,930)</u>	<u>(11,102,307)</u>	<u>(3,494,942)</u>

Notes to the financial statements - (cont'd)

11. Property, plant and equipment

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

	Buildings	Plant & machinery	Furniture and fittings	Office equipment	Motor vehicles	Construction work-in-progress	Total
	NGN'000	NGN'000	NGN'000	NGN'000	NGN'000	NGN'000	NGN'000
COST							
Balance at 1 January 2022	2,340,774	17,678,713	97,078	69,546	133,624	570,448	20,890,183
Additions	-	-	20,156	13,683	474,673	-	508,512
Disposal	-	-	-	-	(7,850)	-	(7,850)
Transfer	-	570,448	-	-	-	(570,448)	-
Balance as at December 2022	2,340,774	18,249,161	117,234	83,229	600,447	-	21,390,845
Balance at 1 January 2023	2,340,774	18,249,161	117,234	83,229	600,447	-	21,390,845
Additions	-	417,927	12,185	15,244	-	-	445,356
Disposal	-	-	-	-	(7,788)	-	(7,788)
Balance as at December 2023	2,340,774	18,667,088	129,419	98,473	592,659	-	21,828,413
DEPRECIATION							
Balance at 1 January 2022	895,878	9,937,667	73,038	55,602	104,063	-	11,066,248
Charge for the year	74,125	204,892	10,889	7,038	110,907	-	407,851
Disposal	-	-	-	-	(7,457)	-	(7,457)
Balance as at December 2022	970,003	10,142,559	83,927	62,640	207,513	-	11,466,642
Balance at 1 January 2023	970,003	10,142,559	83,927	62,640	207,513	-	11,466,642
Charge for the year	74,125	436,819	11,487	8,654	114,979	-	646,064
Disposal	-	-	-	-	(7,399)	-	(7,399)
Balance as at December 2023	1,044,128	10,579,378	95,414	71,294	315,093	-	12,105,307
CARRYING AMOUNT							
At 1 January 2022	1,444,896	7,741,046	24,040	13,944	29,561	570,448	9,823,935
At 31 December 2022	1,370,771	8,106,602	33,307	20,589	392,934	-	9,924,203
At 31 December 2023	1,296,646	8,087,710	34,005	27,179	277,566	-	9,723,106

(b) Construction work-in-progress represents the costs incurred on capital expenditures which will form part of plant & machinery. The company had no construction work-in-progress balance as at year end (2022: Nil).

(c) The Company had no capital expenditure commitments for the year (2022: Nil)

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 a motor vehicle given to one management staff who resigned during the year in line with the Company's policy (2022: residual value of a motor vehicle given to one management staff who resigned during the year).

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	<u>NGN'000</u>	<u>NGN'000</u>
Cost of disposed assets (Note 11(a))	7,788	7,850
Accumulated depreciation (Note 11(a))	<u>(7,399)</u>	<u>(7,457)</u>
Net book value of disposed assets	389	393
Proceeds of sale	<u>-</u>	<u>-</u>
Loss on disposal of property, plant and equipment (Note 6.)	<u>389</u>	<u>393</u>

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

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	<u>NGN'000</u>	<u>NGN'000</u>
Direct costs (Note 6)	436,819	204,892
General and administrative expenses (Note 6)	<u>209,245</u>	<u>202,959</u>
	<u>646,064</u>	<u>407,851</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 2022	56,209	1,741	57,950
Additions	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2022	<u>56,209</u>	<u>1,741</u>	<u>57,950</u>
Balance at 1 January 2023	56,209	1,741	57,950
Additions	<u>-</u>	<u>-</u>	<u>-</u>
Balance as at December 2023	<u>56,209</u>	<u>1,741</u>	<u>57,950</u>
AMORTISATION			
Balance as at 1 January 2022	24,289	1,015	25,304
Charge for the year	<u>5,040</u>	<u>435</u>	<u>5,475</u>
Balance as at December 2022	<u>29,329</u>	<u>1,450</u>	<u>30,779</u>
Balance as at 1 January 2023	29,329	1,450	30,779
Charge for the year	<u>5,040</u>	<u>291</u>	<u>5,331</u>
Balance as at December 2023	<u>34,369</u>	<u>1,741</u>	<u>36,110</u>
Carrying amount			
At 1 January 2022	<u>31,920</u>	<u>726</u>	<u>32,646</u>
At 31 December 2022	<u>26,880</u>	<u>291</u>	<u>27,171</u>
At 31 December 2023	<u>21,840</u>	<u>-</u>	<u>21,840</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 2023</u>	<u>31 Dec 2022</u>
	NGN'000	NGN'000
Make-up gas	-	276,396
	<u>-</u>	<u>276,396</u>
Current portion of deferred cost	-	276,396
Non-current portion of deferred cost	-	-
	<u>-</u>	<u>276,396</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 2023</u>	<u>31 Dec 2022</u>
Opening balance	276,396	386,849
Additions during the year	2,669,557	2,153,781
Utilisations during the year	(266,981)	(108,093)
Write-off of irrecoverable deferred cost (Note 6)*	<u>(2,678,972)</u>	<u>(2,156,141)</u>
Closing balance	<u>-</u>	<u>276,396</u>

* The Company's take-or-pay contract with its gas supplier expired at year end. A new gas contract was signed subsequent to year end, establishing a supply arrangement based on availability and nominations. This arrangement operates on a willing buyer, willing seller basis, without any take-or-pay commitments, provisions, or extensions for the utilisation of existing make-up gas quantities. Consequently, the directors have written off the make-up gas balance as irrecoverable in line with the terms of the expired contract.

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

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	NGN'000	NGN'000
Opening balance	276,396	386,849
Closing balance	-	(276,396)
Write-off of irrecoverable deferred cost (Note 6)	<u>(2,678,972)</u>	<u>(2,156,141)</u>
	<u>(2,402,576)</u>	<u>(2,045,688)</u>

14. Trade and other receivables

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	NGN'000	NGN'000
Trade receivables, gross	9,143,457	7,298,315
Contract assets (Note 5(b))**	1,610,226	862,020
Impairment allowance (Note 25(a)(ii))	<u>(5,997,777)</u>	<u>(4,273,932)</u>
Trade receivables and contract assets, net	4,755,906	3,886,403
Other receivables***	<u>89,293</u>	<u>89,684</u>
	<u>4,845,199</u>	<u>3,976,087</u>

** 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. Contract assets are transferred to trade 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.

*** Included in other receivables balance as at year end is NGN 80 million due from the Akwa Ibom Investment Corporation (AKICORP) for the issuance of 80 million reserved shares of NGN 1.00 per share in 2021. (2022: NGN 80 million). See Note 17(a) 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 2023</u>	<u>31 Dec 2022</u>
	NGN'000	NGN'000
Opening balance	3,976,087	1,949,933
Closing balance	(4,845,199)	(3,976,087)
Impairment (loss)/ reversal (Note 25(a)(ii))	<u>(1,723,845)</u>	<u>1,233,656</u>
Amount recognised in statement of cash flows	<u>(2,592,957)</u>	<u>(792,498)</u>

15. Prepayments

Prepayments comprise:

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	NGN'000	NGN'000
Prepaid insurance	3,127	33,531
Advance to vendors	<u>-</u>	<u>18,619</u>
	<u>3,127</u>	<u>52,150</u>
Current portion of prepayment	<u>3,127</u>	<u>52,150</u>

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

	NGN'000	NGN'000
Opening balance	52,150	-
Closing balance	<u>(3,127)</u>	<u>(52,150)</u>
Amount regnised in statement of cash flows	<u>49,023</u>	<u>(52,150)</u>

16. Cash and cash equivalents

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	NGN'000	NGN'000
Bank balances	336,105	193,874
Cash in hand	<u>617</u>	<u>43</u>
	<u>336,722</u>	<u>193,917</u>

17. Capital and reserves

(a) Share capital comprises:

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	NGN'000	NGN'000
<i>Authorized and issued:</i>		
100,000,000 ordinary shares of NGN1.00 each	<u>100,000</u>	<u>100,000</u>
<i>Issued and fully paid:</i>		
20,000,000 ordinary shares of NGN1.00 each	20,000	20,000
<i>Issued but not paid:</i>		
80,000,000 ordinary shares of NGN1.00 each	<u>80,000</u>	<u>80,000</u>
100,000,000 ordinary shares of NGN1.00 each	<u>100,000</u>	<u>100,000</u>

Notes to the financial statements - (cont'd)

17. Capital and reserves

(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) On 19 October 2006, the Federal Government of Nigeria (FGN) entered into an agreement with the Government of Akwa Ibom State (AKSG) to support the completion of Phase One of the Company's power project, which includes the construction and operation of three gas turbine generators with a combined capacity of 191MW.

Under the terms of the agreement, the FGN committed to invest \$80 million in the project by subscribing for \$80 million redeemable preference shares in the Company at a subscription price of \$1.00 per share. The agreement required Ibom Power to amend its Articles of Association and authorise the issuance of 80 million preference shares of NGN 0.50 each.

In line with the agreement, the FGN remitted the \$80 million investment to AKSG on 16 February 2007. AKSG duly acknowledged receipt of the funds. However, the Company did not receive the invested funds. Nonetheless, on 1 March 2007, the Company issued 80 million redeemable preference shares of NGN 0.50 (fifty kobo) each to the FGN at \$1.00 per share, as stipulated in the agreement. The Company's parent company, AKICORP, was expected to acquire the 80 million preference shares at their face value within 12 months of receipt of the amount from the FGN.

As at 31 December 2023, the Company has not received any consideration in respect of the preference shares (2022: Nil). Accordingly, no redeemable preference shares have been recognised in the Company's financial statements as at year end. (2022: Nil).

(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 2023</u>	<u>31 Dec 2022</u>
	NGN'000	NGN'000
Balance at 1 January	(281,499)	(301,044)
Actuarial gain on remeasurement of defined benefit obligation (Note 18(a))	1,510	19,545
Related taxes (Note 10(e))	-	-
Balance at 31 December	<u>(279,989)</u>	<u>(281,499)</u>

18. Provision for employee benefits obligation

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	NGN'000	NGN'000
Post employment benefits liability (Note 18(a))	191,853	170,345
Liability for long service awards (Note 18(b))	30,467	39,016
Total employee benefits obligation	<u>222,320</u>	<u>209,361</u>
 Non-current portion	 222,320	 209,361
Current portion	-	-
	<u>222,320</u>	<u>209,361</u>

Notes to the financial statements - (cont'd)

18. Provision for employee benefit obligation- cont'd

(a) Movement in post employment benefit liability

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	NGN'000	NGN'000
Balance, beginning of year	170,345	185,094
Included in profit or loss:		
Current service cost	7,201	8,287
Interest cost	24,768	23,914
	<u>31,969</u>	<u>32,201</u>
Included in OCI:		
Actuarial (gain)/loss arising from:		
- Financial assumptions	8,149	(27,720)
- Experience adjustments	(9,658)	8,175
	<u>(1,509)</u>	<u>(19,545)</u>
Other:		
Benefits paid	(8,952)	(27,405)
Balance, end of year	<u>191,853</u>	<u>170,345</u>

Post employment 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 2023.

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 8.95 million (2022: NGN 27.41 million). As a result, the Company's defined benefit obligation increased by NGN 21.90 million (2022: decrease by NGN 14.75 million).

Actuarial assumptions

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

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
Discount rate (% p.a.)	19.58%	14.54
Inflation rate(% p.a.)	7.00%	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 2023</u>	<u>31 Dec 2023</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%

Notes to the financial statements - (cont'd)

18. Provision for employee benefits obligation- cont'd

(a) Movement in post employment benefit liability- cont'd

Sensitivity analysis

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

	<u>Increase</u>	<u>Decrease</u>
	<u>N'000</u>	<u>N'000</u>
Discount rate (2% movement)	(22,542)	28,248
Inflation rate (2% movement)	31,973	(25,933)
Future salary increase every 3 years (5% movement)	23,364	(20,352)

(b) Movement in liability for long service award

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	<u>N'000</u>	<u>N'000</u>
Balance, beginning of year	39,017	49,385
Included in profit or loss:		
Current service cost	2,305	2,839
Interest cost	5,680	6,381
Actuarial gain arising from experience adjustments and financial assumptions	<u>(16,534)</u>	<u>(10,038)</u>
	(8,549)	(818)
Other		
Benefits paid	-	(9,550)
Balance, end of year	<u><u>30,468</u></u>	<u><u>39,017</u></u>

Actuarial assumptions

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

	<u>31 Dec 2023</u>	<u>31 Dec 2023</u>
Discount rate (% p.a.)	19.58%	14.54
Inflation rate(% p.a.)	7.00%	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 2023</u>	<u>31 Dec 2023</u>
	<u>Rates</u>	<u>Rates</u>
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>
	<u>N'000</u>	<u>N'000</u>
Discount rate (2% movement)	(2,443)	2,839

Notes to the financial statements - (cont'd)

19. Loan and borrowings

Loans and borrowings comprise:

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	NGN'000	NGN'000
Secured bank loans:		
Access bank (formerly, Diamond bank) loan (Note 19(a)(i))	420,000	420,000
Africa Export Import Bank (Afrexim) loan (Note 19(a)(ii))	<u>7,020,577</u>	<u>3,407,004</u>
	<u>7,440,577</u>	<u>3,827,004</u>

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

For the year ended 31 December 2023	ACCESS BANK NGN'000	AFREXIM NGN'000	TOTAL NGN'000
<i>Balance, beginning of the year</i>	420,000	3,407,004	3,827,004
Default interest (Note 8)	-	189,152	189,152
Exchange difference (Note 8(a))	-	3,424,421	3,424,421
Repayment	<u>-</u>	<u>-</u>	<u>-</u>
<i>Balance, end of the year</i>	<u>420,000</u>	<u>7,020,577</u>	<u>7,440,577</u>

For the year ended 31 December 2022	ACCESS BANK NGN'000	AFREXIM NGN'000	TOTAL NGN'000
<i>Balance, beginning of the year</i>	510,000	3,000,296	3,510,296
Default interest (Note 8)	-	148,372	148,372
Exchange difference (Note 8(a))	-	258,336	258,336
Repayment	<u>(90,000)</u>	<u>-</u>	<u>(90,000)</u>
<i>Balance, end of the year</i>	<u>420,000</u>	<u>3,407,004</u>	<u>3,827,004</u>

(i) Access bank loan

This loan was obtained for the purpose of financing the completion of the Power Plant project to reach commercial operations. The original loan consisted of two facilities: a loan of NGN 1.92 billion obtained in 2007, with a tenure of 3 years at an interest rate of 15% per annum and a NGN 400 million loan obtained in 2009, also with a tenure of 3 years at an interest rate of 20% per annum. In 2017, both facilities were restructured into a single loan of NGN 2.32 billion at no interest rate. All accrued interest as at the restructuring date was waived and only the principal amount was to be repaid over a three-year period under an agreed payment structure.

As at year end, the loan has not been fully settled. The Company made no repayments during the year (2022: Nil).

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

The loan is secured by a joint charge with Afrexim Bank on the Company's Power plants.

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

(ii) Afrexim bank loan

This loan was obtained for the purpose of financing the completion of the Power Plant project to reach commercial operations. In 2017, the Company had an outstanding loan principal of US\$8.30 million and accrued interest of US\$ 6.70 million which was restructured into a single facility. As part of the restructuring agreement, 50% of the accrued interest as at the restructuring date was waived and the restructured amount of US\$ 11.65 million was to be repaid over a five-year period under an agreed payment schedule.

In line with the terms of the agreement, no interest accrues on the restructured facility provided all instalments are paid on or before their respective due dates. However, a default interest at a rate of 5% per annum applies on any unpaid instalment, beginning four weeks after the due date and continuing until the instalment is fully settled.

As at year end, the loan remained outstanding. Default interest accrued during the year on the outstanding balance amounted to NGN 186.16 million (2022: NGN 148.37 million). The Company made no repayments during the year (2022: Nil).

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

The loan is secured by a joint charge with Access bank on the Company's Power plants.

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

(a) Trade and other payables comprise:

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	<u>NGN'000</u>	<u>NGN'000</u>
Trade payables	22,687,083	15,537,822
Accrued expenses	7,136,159	3,619,821
Due to related party (Note 24(c)(ii))	<u>31,266,504</u>	<u>31,266,504</u>
	61,089,746	50,424,147
Statutory deductions	<u>712,316</u>	<u>575,310</u>
	<u>61,802,062</u>	<u>50,999,457</u>

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

	<u>NGN'000</u>	<u>NGN'000</u>
Opening balance	(50,999,457)	(46,680,397)
Closing balance	61,802,062	50,999,457
Default interest on trade payables (Note 8)*	(1,264,543)	(486,165)
Foreign exchange difference (Note 8)	<u>(3,246,405)</u>	<u>(244,726)</u>
	<u>6,291,657</u>	<u>3,588,169</u>

* This represent 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.

21. Right of use asset

Leases as lessee

The Company's lease arrangements include office spaces in Uyo, Akwa Ibom State, used for administrative activities; land in Ikot Abasi, where the Company's power plant is located; and land in Uyo leased from the Akwa Ibom State Government in 2020 for the development of its proposed head office.

Lease terms range from 2 to 50 years and the Company generally has the option to renew each lease at the end of the initial lease term. Lease payments are typically renegotiated at the start of a new term to reflect prevailing market conditions.

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 2023	30,168	28,127	58,295
Additions	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2023	<u>30,168</u>	<u>28,127</u>	<u>58,295</u>
Accumulated Depreciation:			
Balance at 1 January 2023	6,284	18,792	25,076
Charge for the year	<u>1,587</u>	<u>4,585</u>	<u>6,172</u>
Balance at 31 December 2023	<u>7,871</u>	<u>23,377</u>	<u>31,248</u>
Carrying amount at 31 December 2023	<u>22,297</u>	<u>4,750</u>	<u>27,047</u>

Notes to the financial statements - (cont'd)

21. Right of use asset - cont'd

	Leasehold Land	Building	Total
Cost:	N'000	N'000	N'000
Balance at 1 January 2022	30,168	28,127	58,295
Additions	-	-	-
Balance at 31 December 2022	<u>30,168</u>	<u>28,127</u>	<u>58,295</u>
Accumulated Depreciation:			
Balance at 1 January 2022	4,697	14,207	18,904
Charge for the year	<u>1,587</u>	<u>4,585</u>	<u>6,172</u>
Balance at 31 December 2022	<u>6,284</u>	<u>18,792</u>	<u>25,076</u>
Carrying amount at 31 December 2022	<u>23,884</u>	<u>9,335</u>	<u>33,219</u>

22. Lease liability

	Land and Building	Land and Building
	31 Dec 2023	31 Dec 2022
	N'000	N'000
Balance, beginning of the year	16,189	17,157
<i>Changes from financing cashflows</i>		
Payment of lease liability	<u>(5,304)</u>	<u>(2,304)</u>
Total changes from financing cashflows	<u>(5,304)</u>	<u>(2,304)</u>
Other changes - liability related		
Interest expense (See Note 8)	2,716	2,685
Gain on reassessment of lease liability	<u>-</u>	<u>(1,349)</u>
Total liability related to other changes	<u>2,716</u>	<u>1,336</u>
Balance as at 31 December	<u>13,601</u>	<u>16,189</u>
Lease liabilities are analysed as follows		
Current portion	8,107	4,391
Non-current portion	<u>5,494</u>	<u>11,798</u>
	<u>13,601</u>	<u>16,189</u>

23. Contingencies

Contingent liabilities

The Company faces a number of litigations, which have arisen in the ordinary course of carrying out its business activities. These ongoing cases include claims related to employee gratuity, death benefits, and damages for alleged breaches of contractual obligations. As at 31 December 2023, the potential financial exposure from these litigations amounts to NGN 45.21 million.

Based on the advice of external legal counsel, the directors are of the opinion that these claims are unlikely to succeed. Thus, the estimated claims have not been provided for in the financial statements.

Notes to the financial statements - (cont'd)

24. Related party transactions

(a) Parent and ultimate controlling party

The parent company of Ibom Power Company Limited is Akwa Ibom Investment Corporation (AKICORP) incorporated in Nigeria. As at year end, AKICORP owns 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.

Compensation of the Company's key management personnel includes salaries, director annual fees, sitting allowances and non-cash benefits. Key management personnel compensation comprise the following:

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	NGN'000	NGN'000
Directors' remuneration (Note 6)	<u>83,724</u>	<u>89,179</u>

(c) Related parties

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

			Transactions for the year	
Related Company	Nature of relationship	Nature of transaction	2023 NGN'000	2022 NGN'000
Akwa Ibom Investment Corporation (AKICORP)	Parent company	Purchase of 300KVA transformer and rehabilitation of power supply infrastructure at Ikot Abasi	-	193,551
Akwa Ibom Property Company Limited (APICO)	Fellow subsidiary	office rent	5,304	2,304

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

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	NGN'000	NGN'000
Due to related party - Akwa Ibom Investment Corporation	(31,266,504)	(31,266,504)
	<u>(31,266,504)</u>	<u>(31,266,504)</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 its sole customer (NBET) and related parties.

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

Impairment loss/(reversal of impairment) on trade receivables recognised in profit or loss were as follows.

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	NGN'000	NGN'000
Impairment loss/(reversal) on trade receivables and contract assets arising from contract with customer (Note 14(a))	<u>1,723,845</u>	<u>(1,233,656)</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 2023

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 2023.

31 December 2023 <i>In thousands of naira</i> <i>Trade receivable categories</i>	Weighted- average loss rate	Gross carrying amount	Loss allowance	Credit- impaired
Revenue invoices prior to PAG	0%	-	-	No
80% of revenue invoices covered by PAG	50%	6,977,191	3,509,466	No
20% of revenue invoices not covered by PAG	100%	<u>2,166,266</u>	<u>2,166,266</u>	Yes
Trade receivables (Note 14)	62%	9,143,457	5,675,732	
Contract assets (Note 14)	20%	<u>1,610,226</u>	<u>322,045</u>	No
		<u>10,753,683</u>	<u>5,997,777</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 the 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 2022.

31 December 2022 <i>In thousands of naira</i> <i>Trade receivable categories</i>	Weighted- average loss rate	Gross carrying amount	Loss allowance	Credit- impaired
Revenue invoices prior to PAG	0%	-	-	No
80% of revenue invoices covered by PAG	26%	4,332,675	1,135,883	No
20% of revenue invoices not covered by PAG	100%	<u>2,965,645</u>	<u>2,965,645</u>	Yes
Trade receivables (Note 14)	56%	7,298,320	4,101,528	
Contract assets (Note 14)	20%	<u>862,020</u>	<u>172,404</u>	No
		<u>8,160,340</u>	<u>4,273,932</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:

	Trade receivables	Total
	NGN'000	NGN'000
Balance on 1 January 2023	4,273,932	8,547,864
Impairment loss on trade and other receivables (Note 14(a))	<u>1,723,845</u>	<u>1,723,845</u>
Balance as at 31 December 2023	<u>5,997,777</u>	<u>10,271,709</u>

	Trade receivables	Total
	NGN'000	NGN'000
Balance on 1 January 2022	5,507,588	11,015,176
Impairment reversal on trade and other receivables (Note 14(a))	<u>(1,233,656)</u>	<u>(1,233,656)</u>
Balance as at 31 December 2022	<u>4,273,932</u>	<u>9,781,520</u>

Other receivables

Other receivables include NGN 80 million due from the issuance of 80 million ordinary shares at NGN 1.00 per share during the year (2022: NGN 80 million) and employee receivables of NGN 9.29 million (2022: NGN 9.68 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.

No impairment was recorded on other receivables in the current year, as the related party receivable resulting from the issuance of shares is payable on demand and sufficient payable to the related party exist to offset these receivables. Additionally employee receivables represent salary advances that will be deducted from future salaries (2022: 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 NGN0.62 million held as cash by the Company (2022: NGN0.04 million) are held by banks and financial institutions in Nigeria which are rated B/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 (2022: 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.

25. Financial instruments- cont'd

(iii) Liquidity risk- cont'd

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.

Exposure to liquidity risk

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

		Contractual cash flows						
		Carrying amount NGN'000	Total NGN'000	Payable on Demand NGN'000	Less than 1 year NGN'000	1 - 2 years NGN'000	2 - 5 years NGN'000	More than 5 years NGN'000
Non-derivative financial liabilities								
At 31 December 2023								
	Note							
Loan and borrowings	19	7,440,577	7,440,577	7,440,577	-	-	-	-
Lease liabilities	22	13,601	46,436	-	8,840	610	1,829	35,157
Trade and other payables ^a	20	<u>61,089,746</u>	<u>61,089,746</u>	<u>37,579,764</u>	<u>23,509,982</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>68,543,924</u>	<u>68,576,759</u>	<u>45,020,341</u>	<u>23,518,822</u>	<u>610</u>	<u>1,829</u>	<u>35,157</u>
At 31 December 2022								
Loan and borrowings	19	3,827,004	3,827,004	3,827,004	-	-	-	-
Lease liabilities	22	16,189	50,227	-	7,067	5,564	1,829	35,767
Trade and other payables ^a	20	<u>50,424,147</u>	<u>50,424,147</u>	<u>34,317,208</u>	<u>16,106,939</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>54,267,340</u>	<u>54,301,378</u>	<u>38,144,212</u>	<u>16,114,006</u>	<u>5,564</u>	<u>1,829</u>	<u>35,767</u>

^a 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.

Currency risk

The Company is exposed to currency risk on purchases, borrowings and certain settlement obligations that are denominated in a currency other than the functional currency, which is the Nigerian Naira (NGN). The currency in which these transactions primarily are denominated is the US Dollar (USD). 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.

Notes to the financial statements - (cont'd)

25. Financial instruments- cont'd

(iv) Market risk - cont'd

Currency risk - cont'd

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.

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 2023</u>			<u>31 Dec 2022</u>		
	USD	GBP	EUR	USD	GBP	EUR
Financial asset						
Cash and cash equivalents	28	1	3	20	1	3
Financial liability						
Loans and borrowings	(7,806)	-	-	(7,596)	-	-
Trade and other payables	(6,633)	-	-	(6,616)	-	-
Net statement of financial position exposure	<u>(14,411)</u>	<u>1</u>	<u>3</u>	<u>(14,192)</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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	NGN	NGN	NGN	NGN
USD	674.70	426.88	951.79	461.10
GBP	835.91	527.24	1,211.63	555.21
EUR	731.36	449.33	1,051.73	492.32

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 2023		
USD (10% movement)	(1,371,625)	1,371,625
GBP (10% movement)	121	(121)
EUR (10% movement)	316	(316)
At 31 December 2022		
USD (10% movement)	(654,393)	654,393
GBP (10% movement)	56	(56)
EUR (10% movement)	148	(148)

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. The Company is not exposed to interest rate risks as it has no loans with variable interest rates.

Notes to the financial statements - (cont'd)

25. Financial instruments- 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	Financial liabilities NGN'000	Total NGN'000
31 December 2023	Note			
Financial assets not measured at fair value				
Trade and other receivables	14	4,845,199	-	4,845,199
Cash and cash equivalents	16	336,722	-	336,722
		<u>5,181,921</u>	<u>-</u>	<u>5,181,921</u>
Financial liabilities not measured at fair value				
Loans and borrowings	19	-	(7,440,577)	(7,440,577)
Lease liabilities	19	-	(13,601)	(13,601)
Employee benefits obligation	19	-	(222,320)	(222,320)
Trade and other payables ^a	20	-	(61,089,746)	(61,089,746)
		<u>-</u>	<u>(68,766,244)</u>	<u>(68,766,244)</u>
31 December 2022				
Financial assets not measured at fair value				
Trade and other receivables	14	3,976,087	-	3,976,087
Cash and cash equivalents	16	193,917	-	193,917
		<u>4,170,004</u>	<u>-</u>	<u>4,170,004</u>
Financial liabilities not measured at fair value				
Loans and borrowings	19	-	(3,827,004)	(3,827,004)
Lease liabilities	19	-	(16,189)	(16,189)
Employee benefits obligation	19	-	(209,361)	(209,361)
Trade and other payables ^a	20	-	(50,424,147)	(50,424,147)
		<u>-</u>	<u>(54,476,701)</u>	<u>(54,476,701)</u>

^a 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:

	31 Dec 2023 NGN'000	31 Dec 2022 NGN'000
Total liabilities	70,386,307	55,914,421
Less: Cash and cash equivalents	<u>(336,722)</u>	<u>(193,917)</u>
Adjusted net debt	<u>70,049,585</u>	<u>55,720,504</u>
Total equity	<u>(55,429,266)</u>	<u>(41,431,278)</u>
Adjusted net debt to equity ratio	<u>(1.26)</u>	<u>(1.34)</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 NGN14.00 billion for the year ended 31 December 2023 (2022: NGN4.21 billion) and as at same date, the Company's current and total liabilities exceeded its current and total assets by NGN64.97 billion and NGN55.43 billion respectively (2022: NGN51.19 billion and NGN41.43 billion). A significant portion of the Company's liabilities amounting to NGN 31.27 billion, representing 44% of its total liabilities is due to Akwa Ibom Investment Corporation (AKICORP), its parent company, which forms part of trade and other payables as indicated in Note 24(c)(ii) of the financial statements.

AKICORP, its parent company, has confirmed that it is aware of the obligations of the Company and will not demand repayment of any of the outstanding amounts due to it until such a time when the Company is in a position to make repayment.

Subsequent to year end, due to the continued default on the Afrexim Bank loan as disclosed in Note 19(a)(ii), Afrexim Bank resumed legal proceedings against the Company at the High Court in London. On 15 January 2024, the Company signed a consent order agreeing to settle the outstanding loan balance of \$7.81 million (NGN7.02 billion) and legal costs of \$0.02 million (NGN16.22 million) within 14 days, with post-judgement interest accruing at 8% per annum on any unpaid portion of the judgement sum. On 15 November 2024, following the Company's failure to comply with the consent order, Afrexim Bank proceeded to register the consent order judgement given by the High Court in London with the Federal High Court in Abuja against the Company. On 10 March 2025, the Company submitted a repayment schedule to Afrexim bank, outlining a plan to repay the loan in quarterly instalments through to the end of March 2028. The plan is currently pending approval by Afrexim bank. However, as at June 2025, two tranches totalling \$2.05 million (NGN 3.20 billion) has been paid to Afrexim bank, through its ultimate parent company, the Akwa Ibom State Government, in line with the unapproved repayment plan. The Afrexim loan is secured by a joint charge with Access Bank over the Company's power plant.

These events and conditions indicate that a material uncertainty exists that cause doubt about the company's ability to continue as a going concern, and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors acknowledge these uncertainties and believe that the Company will be able to continue as a going concern in the foreseeable future and meet its obligations from operating cashflows based on the following events subsequent to year:

- On 3 May 2024, the company obtained approval from the Nigerian Electricity Regulatory Commission (NERC) for an upward review of its tariff rate under the interim power purchase agreement (PPA) with the Nigerian Bulk Electricity Trading Plc. (NBET), effective 1 April 2024. The directors believe that this will improve revenue and drive the Company towards profitability in the future.

- On 1 July 2024, a revised gas purchase agreement was signed with its gas supplier in which favourable terms were negotiated, including eliminating the minimum take-or-pay commitments. This revision is expected to enhance the company's working capital position and improve profitability.

Based on the foregoing, the directors have a reasonable expectation that the Company will continue 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.

Notes to the financial statements - (cont'd)

28. Events after the reporting date

i. African Export-Import (AFREXIM) Bank Case

As explained in Note 19(a)(ii), the Company obtained a loan from Afrexim bank but subsequently defaulted on repayment.

Subsequent to year end, due to the continued default on the loan, the bank resumed legal proceedings against the Company at the High Court of Justice, Business and Property Courts of England and Wales, King's Bench Division, London.

On 15 January 2024, the Company signed a consent order agreeing to settle the outstanding loan balance of \$7.81 million (NGN 7.02 billion) and legal costs of \$0.02 million (NGN 16.22 million) within 14 days, with post-judgement interest accruing at 8% per annum on any unpaid portion of the judgement sum.

On 15 November 2024, following the Company's failure to comply with the consent order, Afrexim Bank proceeded to register the consent judgement given by the High Court in London with the Federal High Court in Abuja against the Company.

On 10 March 2025, the Company submitted a repayment schedule to Afrexim bank, outlining a plan to repay the loan in quarterly instalments through to the end of March 2028. The plan is currently pending approval by Afrexim bank. However, as at June 2025, two tranches totalling \$2.05 million (NGN 3.20 billion) has been paid to Afrexim bank, through its ultimate parent company, the Akwa Ibom State Government, in line with the unapproved repayment plan.

As at the date of approval of the financial statements, there have been no further updates on the legal proceedings.

ii. Changes in key management personnel

Subsequent to year end, the Managing Director of Ibom Power Company Limited, Engr. Meyen Etukudo who served during the year ended 31 December 2023 was relieved of his position on 14 November 2024 by the Governor of Akwa Ibom State. This was communicated to the general public via a letter signed by the secretary to the government of Akwa Ibom State. The Honorable Commissioner for Power, Engr. Camillus Umoh, was appointed as Acting Managing Director until further notice.

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 2023</u>	%	<u>31 Dec 2022</u>	%
	NGN'000		NGN'000	
Revenue	9,067,499		5,255,706	
Brought in materials and services				
Local	<u>(12,950,508)</u>		<u>(6,675,481)</u>	
	<u>(3,883,009)</u>		<u>(1,419,775)</u>	
Finance income	163		1,349	
Other income	<u>921</u>		<u>337</u>	
	<u>(3,881,925)</u>	<u>100</u>	<u>(1,418,089)</u>	<u>100</u>
To Employee;				
-as salaries,wages and other staff costs	1,295,116	(33)	1,189,512	(84)
To provider of finance;				
-Finance cost and similar charges	8,125,725	(209)	1,144,197	(81)
To government as;				
- Taxes	45,337	(1)	26,280	(2)
Retained in the business:				
To maintain and replace;				
- Property, plant and equipment	646,064	(17)	407,851	(29)
- Intangible assets	5,331	-	5,040	-
To deplete reserve	<u>(13,999,498)</u>	<u>360</u>	<u>(4,190,969)</u>	<u>296</u>
	<u>(3,881,925)</u>	<u>100</u>	<u>(1,418,089)</u>	<u>100</u>

Financial summary

As at 31 December

Statement of profit or loss and other comprehensive income

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
	NGN'000	NGN'000	NGN'000	NGN'000	NGN'000
Revenue	9,067,499	5,255,706	1,719,565	4,880,618	6,593,733
Results from operating activities	(5,828,599)	(3,041,386)	(3,389,987)	(4,736,611)	497,724
(Loss)/profit before taxation	(13,954,161)	(4,184,234)	(4,225,667)	(5,771,155)	239,114
(Loss)/profit for the year	<u>(13,999,498)</u>	<u>(4,210,514)</u>	<u>(4,234,307)</u>	<u>(5,005,484)</u>	<u>22,734</u>

Statement of financial position

	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
	NGN'000	NGN'000	NGN'000	NGN'000	NGN'000
Employment of fund					
Property, plant and equipment	9,723,106	9,924,203	9,823,935	9,413,519	9,984,953
Right of use Asset	27,047	33,219	39,391	45,563	48,386
Deferred cost	-	-	275,348	386,013	531,730
Intangible assets	21,840	27,171	32,646	38,121	43,596
Net current liabilities	(64,973,445)	(51,194,712)	(47,165,851)	(42,723,674)	(37,868,007)
Non-current liabilities	<u>(227,814)</u>	<u>(221,159)</u>	<u>(245,778)</u>	<u>(309,974)</u>	<u>(1,214,613)</u>
	<u>(55,429,266)</u>	<u>(41,431,278)</u>	<u>(37,240,309)</u>	<u>(33,150,432)</u>	<u>(28,473,955)</u>
Funds employed					
Share capital	100,000	100,000	100,000	20,000	20,000
Accumulated deficit	(55,249,277)	(41,249,779)	(37,039,265)	(32,804,958)	(27,799,474)
Actuarial reserve	<u>(279,989)</u>	<u>(281,499)</u>	<u>(301,044)</u>	<u>(365,474)</u>	<u>(694,481)</u>
	<u>(55,429,266)</u>	<u>(41,431,278)</u>	<u>(37,240,309)</u>	<u>(33,150,432)</u>	<u>(28,473,955)</u>