Sapele Power Plc

Annual Report

31 December 2016

Contents

Corporate information

Registration Number: RC. 638650

Directors:	Anthony Onoh	(Chairman)
	Heather Onoh (Mrs)	
	Onoriode Odjegba	(Managing Director)
	Liu Zhaolong	
	Prof. Oladapo Abraham Afolabi	
	Robin Renee Sanders	
	Uwagbee Kennedy Uwaifiokun	
	Reginald Bayoko	
Registered office:	Sapele Power Complex Ogorode, Sapele Delta State	
Company secretary:	Olaniwun Ajayi LLP Plot L2, 401 Close Banana Island, Ikoyi Lagos State	
Solicitor:	Obla & Co Elagbaje Chambers Bank of Industry Building B wing 2nd Floor, Plot 256 Off Herbert Macaulay Way Central Business District Abuja	
	Ken E. Mozia Plot 87A, Okoro-Otun Avenue Off Ikpokpan Road, G.R.A Benin City, Edo State	
	J.Y. Odebala Top floor Orogun Villa 149, Yoruba Road Sapele Delta State Nigeria	
Independent auditor:	KPMG Professional Services KPMG Tower Bishop Aboyade Cole Street Victoria Island Lagos State	
Principal bankers:	United Bank of Africa Plc Guaranty Trust Bank Plc Keystone Bank Plc Access Bank Plc	

Results at a glance

	2016	2015	Change
	₦'000	₦'000	(%)
Revenue	7,055,066	5,028,691	40
Profit before taxation	429,165	1,360,301	(68)
(Loss) / profit after taxation	(10,334)	635,098	(102)
Retained earnings	20,217,880	21,641,303	(7)
Total assets	44,107,978	39,704,652	11
Share capital	5,000	5,000	-
Total equity	24,496,147	25,919,570	(5)

Directors' report

For the year ended 31 December 2016

The directors present their report on the affairs of Sapele Power Plc ("the Company"), together with the financial statements and auditor's report for the year ended 31 December 2016.

Legal form

The Company was incorporated as a public liability company on 8 November 2005.

Principal activities

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

Business review

On 20 February 2014, a private consortium led by a Nigerian Company, Eurafric Power Limited acquired 100% interest in the Company, thereby acquiring control of the Company. The acquisition of 100% interest in the Company was as a result of the privatization initiative of the power sector embarked on by the Federal Government of Nigeria.

The EPSRA (Act No. 6 of 2005) was established for the privatisation and transition of the Nigerian electricity market and as required by this Act, the Nigerian Electricity Regulatory Commission (NERC) was established in October 2005. NERC is Nigeria's independent regulatory agency for the Nigerian electricity industry comprising generation, transmission and distribution sectors and regulates the activities of the Company.

The Company, in accordance with its licence issued by NERC, continues to generate and provide electricity to the National Grid. The Company and other players in the Nigerian power sector operated under the Interim Rules issued by the regulatory body - NERC. However, the Transitional Stage Electricity Market (TEM) with its market rules was declared on 1 February 2015. The Bulk Power Purchasing Agreement (PPA) with the Nigerian Bulk Electricity Trading Plc (NBET) covering the terms upon which NBET is to engage in the bulk purchase and resale of electric capacity, electric energy and ancillary services with the Company, during the TEM was however not activated, as the conditions precedent were not met. As such, NERC issued a supplementary order from 1 February 2015 providing the framework to address the operational aspects of the TEM in the absence of effective PPAs.

The Sapele power plant currently has an installed capacity of 1020 mega-watts (MW). Revenue is realised from billings for electricity generated and delivered to the National Grid and is represented by the monthly settlement statements received from the Operator of the Nigerian Electricity Market (ONEM). During the year, the cumulative generated and shared electricity capacity to the grid was 0.38 million mega watts (MW) (2015: 0.59 million mega watts (MW)) and the total energy consumed by Electricity Distribution Companies (EDCs) was 355 million kilo-watt-hours (kWh) (2015: 540 million kilo-watt-hours (kWh)).

Operating results and dividends

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

	2016	2015
	₦'000	₦'000
Revenue	7,055,066	5,028,691
Profit before taxation	429,165	1,360,301
Taxation	(439,499)	(725,203)
(Loss) / profit after taxation	**(10,334)**	**635,098**

The Directors declared and paid an interim dividend of ₦141.31 per share (2015:₦168.35 per share) on the issued share capital of 10,000,000 ordinary shares of 50k each. This dividend is subject to witholding taxes. No final dividend has been recommended by the directors (2015: Nil).

Directors and their interests

The Directors who served during the year were as follows:

Name	**Appointed**
Anthony Onoh	
Liu Zhaolong	
Heather Onoh (Mrs)	19 November 2015
Onoriode Odjegba	19 November 2015
Prof. Oladapo Abraham Afolabi	19 November 2015
Robin Renee Sanders	19 November 2015
Uwagbee Kennedy Uwaifiokun	19 November 2015
Reginald Bayoko	19 November 2015

The directors do not have any interests to be disclosed under Section 275 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004.

In accordance with Section 277 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004, none of the directors has notified the Company of any declarable interests in contracts with the Company.

Shareholding structure

The Company's share holding structure is as follows:

	%	**31-Dec-16**	**%**	**31-Dec-15**
	Holding	No of shares @ 50k each	Holding	No of shares @ 50k each
Eurafric Power Limited	95	9,500,000	95	9,500,000
Liu Zhaolong	5	500,000	5	500,000
		10,000,000		10,000,000

During the year, by virtue of an ordinary resolution dated 9 June 2016, the Company increased its authorised share capital by 10 million ordinary shares of ₦0.50 each to 20 million ordinary shares of ₦0.50 each.

Sub-committees of the board

The Board established an audit committee along with an investment and risk management committee subsequent to year end (in 2017). The members of the investment and risk management committee are Oladapo Abraham Afolabi, Robin Renee Sanders, Cornelius Semteye, Heather Onoh and Amobi Unanwa. The members of the audit committee are Uwagbee Kennedy Uwaifiokun, Onoriode Odjegba and Liu Zhaolong.

Material agreements

The Company has the following material agreements:

1 **Deed of assignment of pre-completion receivables and liabilities**

The Company through the Bureau of Public Enterprises signed a deed of assignment of pre-completion receivables and liabilities with the Nigerian Electricity Liability Management Company Limited (NELMCO). As part of the privatization initiative and the restructuring of the Nigerian power sector, NELMCO was established to take over and manage the stranded assets and liabilities in the Power sector.

(a) Pre-completion receivables

Prior to the acquisition of the Company by the private consortium, it entered into a Deed of Assignment of Pre-completion receivables with NELMCO, where all its trade receivables as at 20 February 2014 were transferred to NELMCO. The assignment of trade receivables is without recourse.

(b) Pre-completion liabilities

The Deed of Assignment of Pre-completion liabilities transfers all liabilities and contingent liabilities of the Company as at 20 February 2014 to NELMCO, subject to certain terms and conditions which management believes do not limit the transfers.

On the basis of this agreement, management derecognized qualifying assets and liabilities in 2014.

2 Power purchase agreement

Sapele Power Plc entered into a 20-year Power Purchase Agreement (PPA) with the Nigerian Bulk Electricity Trading Plc (NBET) on 21 February 2013, to sell electricity power (capacity and energy) generated from its Power Plant in Sapele at an agreed upon price and contract capacity. NBET is wholly owned by the Federal Government of Nigeria (FGN) and was established as part of the ongoing Nigeria power sector reforms.

The agreement is not yet effective as at year end because all enforceable condition precedents are not yet satisfied by both parties.

Property, plant and equipment

Information relating to property, plant and equipment is disclosed in Note 12 to these financial statements.

Donations and charitable gifts

In accordance with Section 38(2) of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004, the Company did not make any donation or gift to any political party, political association or for any political purpose in the course of the year under review (2015: Nil).
Other donations made amounted to 0.9 million (2015: N3.71 million)

Employment and employees

a) Employment of physically challenged persons

The Company has no physically challenged employees. However, applications for employment by physically challenged persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants. In the event of members of staff becoming physically challenged, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. The training, career development and promotion of physically challenged persons should, as far as possible, be identical to those of other employees.

b) 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 addition, it operates on-site medical facilities and services for immediate attention to employees as may be necessary in the course of operations.

c) Employee consultation and training

The Company places considerable value on the involvement of its employees in major policy matters and maintains a practice of keeping 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.

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 of the Company. In accordance with Section 357(2) of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004, therefore, the auditors will be reappointed at the next annual general meeting of the Company without any resolution being passed.

BY THE ORDER OF THE BOARD

Lagos, Nigeria

08 June 2018

Olaniwun Ajayi LP
Company Secretary

OLANIWUN AJAYI LP

Statement of directors' responsibilities in relation to the financial statements for the year ended 31 December 2016

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 (IFRS) and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 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.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Anthony Onoh
Director
FRC/2017/IODN/00000016431

29 June 2018
Date

Odjegba Onoriode
Director
FRC/2016/NBA/00000015433

29 June 2018
Date

KPMG

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **Sapele Power Plc**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sapele Power Plc ("the Company"), which comprise the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 37.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (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.

Other Information

The Directors are responsible for the other information which comprises the corporate information, results at a glance, directors' report, statement of directors' responsibilities and other national disclosures, but does not include the financial statements and our audit report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors, regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and 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:

Ayodele A. Soyinka, FCA
FRC/2012/ICAN/00000000405
For: KPMG Professional Services
Chartered Accountants
29 June 2018
Lagos, Nigeria

Statement of financial position

As at

	Note	31 Dec 2016	31 Dec 2015
		₦'000	₦'000
ASSETS			
Property, plant and equipment	*12*	34,119,348	34,724,755
Non-current assets		**34,119,348**	**34,724,755**
Inventories	*13*	357,793	400,809
Trade and other receivables	*14*	9,221,968	4,175,165
Prepayments	*15*	5,228	42,445
Cash and cash equivalents	*16*	403,641	361,478
Current assets		**9,988,630**	**4,979,897**
Total assets		**44,107,978**	**39,704,652**
EQUITY			
Share capital	*17(a)*	5,000	5,000
Retained earnings		20,217,880	21,641,303
Other reserves	*17(c)*	4,273,267	4,273,267
Total equity		**24,496,147**	**25,919,570**
LIABILITIES			
Deferred tax liabilities	*11(d)*	9,071,992	9,084,521
Provisions	*20*	190,286	165,247
Non-current liabilities		**9,262,278**	**9,249,768**
Current tax liabilities	*11(c)*	1,268,712	816,684
Loans and borrowings	*18*	-	26,854
Trade and other payables	*19*	9,080,841	3,691,776
Total current liabilities		**10,349,553**	**4,535,314**
Total liabilities		**19,611,831**	**13,785,082**
Total equity and liabilities		**44,107,978**	**39,704,652**

These financial statements were approved by the Board of Directors on 29 June 2018 and signed on its behalf by:

______________________) Anthony Onoh (Chairman)
FRC/2017/IODN/00000016431

______________________) Odjegba Onoriode (Director)
FRC/2016/NBA/00000015433

Additionally certified by:

______________________) Valentine Ashinze, FCA (Chief Finanacial Officer)
FRC/2016/ICAN/00000013834

The notes on pages 14 to 37 are an integral part of these financial statements.

Statement of profit or loss and other comprehensive income

For the year ended 31 December

	Note	2016	2015
		₦'000	₦'000
Revenue	6	7,055,066	5,028,691
Direct cost	7	(5,980,330)	(2,892,330)
Gross profit		**1,074,736**	**2,136,361**
Other income	8	132,595	673
General and administrative expenses	7	(759,659)	(726,768)
Operating profit		**447,672**	**1,410,266**
Finance income		9,242	932
Finance costs		(27,749)	(50,897)
Net finance costs	9	**(18,507)**	**(49,965)**
Profit before taxation		**429,165**	**1,360,301**
Taxation	11(a)	(439,499)	(725,203)
(Loss) / profit for the year		**(10,334)**	**635,098**
Other comprehensive income		-	-
Total comprehensive income for the year		**(10,334)**	**635,098**

The notes on pages 14 to 37 are an integral part of these financial statements.

Statement of changes in equity

	Note	Share capital	Retained earnings	Other reserves	Total equity
		₦'000	₦'000	₦'000	₦'000
Balance as at 1 January 2015		5,000	22,689,721	4,273,267	26,967,988
Total comprehensive income					
Profit for the year		-	635,098	-	635,098
Other comprehensive income		-	-	-	-
Total comprehensive income		**-**	**635,098**	**-**	**635,098**
Transactions with owners of the Company					
Dividends		-	(1,683,516)	-	(1,683,516)
Total transactions with owners of the Company		**-**	**(1,683,516)**	**-**	**(1,683,516)**
Balance at 31 December 2015		**5,000**	**21,641,303**	**4,273,267**	**25,919,570**
Balance as at 1 January 2016		5,000	21,641,303	4,273,267	25,919,570
Total comprehensive income					
Loss for the year		-	(10,334)	-	(10,334)
Other comprehensive income		-	-	-	-
Total comprehensive income		**-**	**(10,334)**	**-**	**(10,334)**
Transactions with owners of the Company					
Dividends	*17 (b)*	-	(1,413,089)	-	(1,413,089)
Total transactions with owners of the Company		**-**	**(1,413,089)**	**-**	**(1,413,089)**
Balance at 31 December 2016		**5,000**	**20,217,880**	**4,273,267**	**24,496,147**

The notes on pages 14 to 37 are an integral part of these financial statements.

Statement of cash flows

For the year ended 31 December

	Notes	2016	2015
		₦'000	₦'000
Cash flows from operating activities			
(Loss) / profit for the year		(10,334)	635,098
Adjustments for:			
- depreciation	*12(a)*	947,988	928,848
- net finance costs	*9*	18,507	49,965
- tax expense	*11(a)*	439,499	725,203
		1,395,660	**2,339,114**
Changes in:			
- inventories		43,016	6,191
- trade and other receivables		(5,046,803)	(2,174,009)
- prepayments		37,217	(40,645)
- trade and other payables		5,310,560	2,175,659
Cash generated from operating activities		**1,739,650**	**2,306,310**
Cash flows from investing activities			
Interest received	*9*	9,242	932
Accquisition of property, plant and equipment	*12(a)*	(342,581)	(384,191)
Net cash used in investing activities		**(333,339)**	**(383,259)**
Cash flows from financing activities			
Interest paid		(2,710)	(29,152)
Proceeds from loans and borrowings		-	29,540
Repayment of borrowings		(26,854)	(59,795)
Dividends paid		(1,334,584)	(1,589,987)
Net cash used in financing activities		**(1,364,148)**	**(1,649,394)**
Net increase in cash and cash equivalents		42,163	273,657
Cash and cash equivalents at the beginning of the year		361,478	87,821
Cash and cash equivalents at the end of the year	*16*	**403,641**	**361,478**

The notes on pages 14 to 37 are an integral part of these financial statements.

Notes to the financial statements

1 Reporting entity

Sapele Power Plc ("the Company") was incorporated on 8 November 2005 as a public liability company. The Company is domiciled in Nigeria with its registered office in Sapele Power Complex, Ogorode, Delta State.

The Company operates in the power sector and its principal activity is the generation and sale of electric power to the National Grid.

On 20 February 2014, a private consortium led by Nigerian Company; Eurafric Power Limited acquired 100% interest in the Company thereby acquiring control of the Company. The acquisition of the 100% interest in the Company was as a result of the privatization initiative of the power sector embarked on by the Federal Government of Nigeria.

2 Basis of preparation

(a) Basis of accounting

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council (FRC) of Nigeria Act, 2011.

Details of the Company's accounting policies are included in Note 3. The financial statements were authorised for issue by the Board of Directors on 29 June 2018

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation 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 recognized propectively, that is, in the current period in which the estimates are revised and in any future period affected.

In particular, information about assumptions and estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

- Notes 20 – Recognition and measurement of provisions: key assumptions about the likelihood and magnitude of an outflow of resources.

Note 22(a) - Basis of non-recognition of impairment on financial assets

3 Significant accounting policies

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

(a) Foreign currency transactions

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

Notes to the financial statements

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 recognized in profit or loss.

(b) Financial instruments

i. Non-derivative financial assets and financial liabilities - recognition and derecognition

The Company initially recognizes loans and receivables on the date that they are originated. All other financial assets and financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and 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 offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

ii. Non-derivative financial assets - measurement

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Short term receivables that do not attract interest are measured at original invoice amount where the effect of discounting is not material.

iii. Non-derivative financial liabilities - measurement

A financial liabillity is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

The Company has the following non-derivative financial liabilities: loans and borrowings and trade and other payables.

Short term payables that do not attract interest are measured at original invoice amount where the effect of discounting is not material.

Notes to the financial statements

(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. The cost of certain items of property, plant and equipment at 1 January 2013, the Company's date of transition to IFRS, was determined with reference to its fair value at that date.

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 is recognised in profit or loss.

ii. Subsequent costs

Subsequent expenditure is capitalized 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 recognized 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 carrying amount of any replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized 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.

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

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

Leased assets are depreciated over the shorter of the lease term and their useful life unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case, the assets are depreciated over the useful life.

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	50 years
Plant and machinery	15 to 40 years
Fittings and equipment	10 years
Motor vehicles	5 years

Notes to the financial statements

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Land is not depreciated.

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.

(d) Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease.

At inception or on reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the Company's incremental borrowing rate.

ii. Leased assets

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and not recognized in the Company's statement of financial position.

iii. Lease payments

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(e) Impairment

i. Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be reliably estimated.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Notes to the financial statements

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. All individually significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Company uses historical information on the timing of recoveries and the amount of loss incurred and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset, where applicable, continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease and the decrease can be related objectively to an event occuring after the impairment was recognised, then the decrease in impairment loss is reversed through profit or loss.

ii. Non-financial assets

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

For the purpose of impairment testing, assets that cannot be tested individually 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 groups of assets (the "cash-generating unit, or CGU").

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

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the assets in the unit (group of units) on a pro rata basis.

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

Notes to the financial statements

(f) Provisions and contingent liabilities

i ***Provisions***

A provision is recognized 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 recognized as finance cost.

Decommissioning costs

Decommissioning costs will be incurred by the Company at the end of the operating life of the Company's steam turbines. Provision for decommissioning costs on steam turbine plant is based on estimates established by current legislation and industry practices. The estimates are reviewed periodically. Changes in the provision as a result of changes in the estimated future costs or discount rates are added to or deducted from the cost of the related item of PP&E in the period of change. The liability accretes for the effect of time value of money until it is expected to settle. The decommissioning cost is amortised over the life of the related asset. Actual decommissioning costs expenditures are recorded against the obligation when incurred. Any difference between the accrued liability and the actual expenditures incurred is recorded in profit or loss in the settlement period.

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.

(g) Revenue

The Company generally recognizes revenue upon delivery of goods to customers or purchasers, or upon completion of services rendered. Delivery is deemed complete when the risks and rewards associated with ownership have been transferred to the buyer as contractually agreed, compensation has been contractually established and collection of the resulting receivable is probable. Revenue is measured at the fair value of the consideration received or receivable and is recognised only when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount can be measured reliably.

Revenue is generated primarily from the sale of electricity to the National Grid and recognized when earned on the basis of a contractual arrangement with the customer. Revenue reflects the value of the volume supplied, including an estimated value of the volume supplied to the customer between the date of last meter reading and period-end. The Company currently generates its revenue from two major streams: capacity generation and energy shared. Capacity generation is the maximum electricity available for consumption at any given time which is measured in mega watts (MW) whilst energy shared is the actual electricity consumed which is measured in kilo-watt-hours (kWh).

Notes to the financial statements

In line with the applicable tariff framework, prices charged by the Company for electricity generation are regulated. However, the Company is allowed to recover excess costs incurred through future price increases charged on future deliveries. Similarly, where current regulated rates are determined to be excessive, the Company may be subject to a rate reduction in the future against future deliveries. The Company does not recognize an asset or liability, as the case may be, on account of under-recovery or over-recovery except where it is obligated to provide future services at a loss in which case a provision is recognised.

(h) Finance income and finance costs

Finance income comprises interest income on deposits. Finance income is recognized 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.

(i) Income and deferred tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent of items recognized directly in equity or in other comprehensive income.

i Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates statutorily enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years. The Company is subject to tax under the Companies Income Tax Act (CITA). 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. Tertiary education tax is assessed at 2% of assessable profit. Minimum tax is recognised when the taxable profit generates an income tax liability which is lesser than the minimum tax.

ii Deferred tax

Deferred tax is recognized 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 recognized for 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 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.

Notes to the financial statements

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.

(j) Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first out method and includes expenditures incurred in acquiring the inventories, and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Inventory values are adjusted for obsolete, slow moving and defective items.

(k) Share capital

The Company has only one class of shares, ordinary shares. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

When new shares are issued, they are recorded in share capital at their value. The excess of the issue price is recorded in the share premium reserve.

(l) 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 recognized 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. Employee contributions are voluntary and are funded through payroll deductions.

iii ***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.

(m) 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 is included in investing activities.

Notes to the financial statements

(n) Operating profit

Operating profit 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 excludes net finance costs and income taxes.

(o) 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.

4 New standards and interpretations not yet adopted

A number of new Standards, Amendments to Standards, and Interpretations are effective for annual periods beginning after 1 January 2016. The Company has not applied the following new or amended standards in preparing these financial statements.

Those which may be relevant to the Company are set out below. The Company does not plan to early adopt these standards. These will be adopted in the period that they become mandatory unless otherwise indicated:

Pronouncement	Nature of change	Latest effective date
Amendments to IAS 7 Disclosure Initiative	The amendments provide for disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. This inlcudes providing a reconciliation between the opening and closing balances arising from financing activities. The Company will adopt the amendments for the year ending 31 December 2017.	1 January 2017 Not yet adopted

Notes to the financial statements

Pronouncement	Nature of change	Latest effective date
Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses	The amendments provide additional guidance on the existence of deductible temporary differences, which depend solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments also provide additional guidance on the methods used to calculate future taxable profit to establish whether a deferred tax asset can be recognised. Guidance is provided where an entity may assume that it will recover an asset for more than its carrying amount, provided that there is sufficient evidence that it is probable that the entity will achieve this. Guidance is provided for deductible temporary differences related to unrealised losses are not assessed separately for recognition. These are assessed on a combined basis, unless a tax law restricts the use of losses to deductions against income of a specific type. The amendment is not expected to have any significant impact on the financial statements of the Company. The Company will adopt the amendments for the year ending 31 December 2017.	1 January 2017 Not yet adopted
IFRS 9 Financial Instruments	On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Company is yet to carry-out an assessment to determine the impact that the initial application of IFRS 9 could have on its business; however, the Company will adopt the standard for the year ending 31 December 2018.	1 January 2018 Not yet adopted

Notes to the financial statements

Pronouncement	Nature of change	Latest effective date
IFRS 15 Revenue from contracts with customers	This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. This new standard will most likely have a significant impact on the Company, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised. The Company is yet to carry-out an assessment to determine the impact that the initial application of IFRS 15 could have on its business; however, the Company will adopt the standard for the year ending 31 December 2018.	1 January 2018 Not yet adopted
IFRIC 22 Foreign currency transactions and advance consideration	The amendments provide guidance on the transaction date to be used in determining the exchange rate for translation of foreign currency transactions involving an advance payment or receipt. The amendments clarifies that the transaction date is the date on which the Company initially recognises the prepayment or deferred income arising from the advance consideration. For transactions involving multiple payments or receipts, each payment or receipt gives rise to a separate transaction date. The interpretation applies when a Company: • pays or receives consideration in a foreign currency; and • recognises a non-monetary asset or liability - eg. non-refundable advance consideration - before recognising the related item. The Company will adopt the amendments for the year ending 31 December 2018.	1 January 2018 Not yet adopted

Notes to the financial statements

Pronouncement	Nature of change	Latest effective date
IFRS 16 Leases	IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases–Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 eliminates the classification of leases as operating leases or finance leases as required by IAS 17 and introduces a single lessee accounting model. Applying that model, a lessee is required to recognise: a) assets and liabilities for all leases with the term of more than 12 months, unless the underlying asset is of low value; and b) depreciation of lease assets separately from interest on lease liabilities in the profit or loss. For the lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Company is yet to carry out an assessment to determine the impact that the initial application of IFRS 16 will have on its business; however, the Company will adopt the standard for the year ending 31 December 2019.	1 January 2018 Not yet adopted

5 Measurement of fair values

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

When measuring the fair value of an asset or a liability, the CFO uses observable 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 technique as follows:

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

If the input used to measure the fair value of an asset or a liability might be categorised in different levels of fair value hierarchy, then the fair measurement must be 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 the fair values is included in the following Note 22 - Financial Instruments

Notes to the financial statements

6 Revenue

Revenue comprise amounts derived from generation and supply of electricity to the National Grid.

	31 Dec 2016	31 Dec 2015
	₦'000	₦'000
Capacity generated	2,442,398	2,285,298
Energy shared	4,612,668	2,743,393
	7,055,066	5,028,691

7 Expenses

	31 Dec 2016	31 Dec 2015
	₦'000	₦'000
Natural gas and fuel cost	4,909,267	1,872,215
Salaries and wages (Note 10(b)(i))	85,329	95,668
Depreciation	869,242	861,094
Operation and maintenance costs	89,558	34,773
Other direct costs	26,934	28,580
Direct costs	**5,980,330**	**2,892,330**
Own consumption	317,988	252,639
Salaries and wages (Note 10(b)(i))	195,617	174,105
Staff welfare (Note 10(b)(i))	6,333	3,292
Medical expenses	2,119	2,434
Hotel expenses	405	1,179
Transport and travels	21,270	45,552
Entertainment	1,975	468
Bank charges and fees	2,639	529
Security services	55,066	50,214
Professional fees	46,412	84,068
Auditor's remuneration	12,000	12,000
Communication	527	2,230
Office expenses	13,519	23,034
Vehicle repairs and maintenance	4,143	3,556
Depreciation	78,746	67,754
Donations	900	3,714
General and administrative expenses	**759,659**	**726,768**
Total direct costs, general and administrative expenses	**6,739,989**	**3,619,098**

8 Other income

	31 Dec 2016	31 Dec 2015
	₦'000	₦'000
Rental income	132,595	673
Miscellaneous income	-	-
	132,595	**673**

Notes to the financial statements

9 Finance income and finance costs

	31 Dec 2016	31 Dec 2015
	₦'000	₦'000
Finance income		
Interest income	9,242	932

	31 Dec 2016	31 Dec 2015
	₦'000	₦'000
Finance costs		
Fees on unused letter of credit (Note 8(a))	-	(24,005)
Interest on intercompany loan (Note 21(c))	-	(4,079)
Interest on vehicle loan (Note 18(a))	(2,710)	(1,068)
Unwinding of discounts (Note 20)	(25,039)	(21,745)
	(27,749)	**(50,897)**
Net finance costs	**(18,507)**	**(49,965)**

(a) **Fees on unused letter of credit**

In 2015, the Company obtained a Stand By Letter Of Credit (LC) from Keystone Bank in favour of its gas supplier to finance the purchase of gas for the supply of electricity. Facility management fees and LC commission were charged by Keystone Bank for the LC. The LC was however not utilized by the Company during the period stipulated in the offer letter as the terms of the LC did not meet the gas supplier's internal requirements.

10 (Loss)/ profit before taxation

(a) (Loss) / profit before taxation is stated after charging:

	31 Dec 2016	31 Dec 2015
	₦'000	₦'000
Depreciation (Note 12)	947,988	928,848
Auditor's remuneration	12,000	12,000
Staff costs (Note 10(b)(i))	287,279	273,065

(b) Staff costs and directors' remuneration:

(i) Staff costs during the year amounted to:

	31 Dec 2016	31 Dec 2015
	₦'000	₦'000
Salaries and wages	255,496	245,337
Employer's pension contribution	25,450	24,436
Welfare costs	6,333	3,292
	287,279	**273,065**

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

	31 Dec 2016	31 Dec 2015
	Number	Number
Management staff	4	4
Senior staff	23	24
Junior staff	84	83
	111	**111**

Notes to the financial statements

(iii) The directors of the Company did not receive any remuneration as Directors during the year (2015: Nil).

(iv) 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:

			31 Dec 2016	31 Dec 2015
			Number	Number
Below ₦1,000,000			46	46
₦1,000,001	-	₦1,500,000	3	4
₦1,500,001	-	₦2,000,000	3	6
₦2,000,001	-	₦2,500,000	31	29
₦2,500,001	-	₦3,000,000	2	1
₦3,000,000	-	₦3,500,000	7	8
₦3,500,001	-	₦4,000,000	3	2
₦4,000,001	-	₦4,500,000	6	5
Above ₦4,500,000			10	10
			111	**111**

11 Taxation

(a) Income tax expense

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

	31 Dec 2016	31 Dec 2015
	₦'000	₦'000
Current tax expense		
Company income tax	423,927	505,055
Tertiary education tax	28,101	46,302
	452,028	551,357
Deferred tax expense		
Origination and reversal of temporary differences	(12,529)	173,846
	439,499	725,203

(b) Reconciliation of effective tax rates

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

		31 Dec 2016		31 Dec 2015
	%	₦'000	%	₦'000
Profit before income tax		429,165		1,360,301
Income tax using the statutory tax rate	32	137,333	32	435,296
Income tax arising from dividend declared	66	283,561	20	273,779
Effect of:				
Non-deductible expenses	-	920	-	1,338
Impact of TET on depreciation	4	18,959	1	18,577
Tax incentives	-	(1,274)	-	(1,064)
Changes in estimate related to prior year	-	-	-	(2,723)
Total income tax expense	**102**	**439,499**	**53**	**725,203**

Notes to the financial statements

(c) **Movement in current tax liability**

	31 Dec 2016	31 Dec 2015
	₦'000	₦'000
Opening balance:	816,684	265,327
Charge for the year:		
- income tax	423,927	505,055
- tertiary education tax	28,101	46,302
Closing balance	**1,268,712**	**816,684**

(d) **Recognised deferred tax assets and liabilities**

Deferred tax assets/(liabilities) are attributable to the following:

	Assets		Liabilities		Net	
	2016	2015	2016	2015	2016	2015
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Property, plant and equipment	-	-	(9,179,735)	(9,182,328)	(9,179,735)	(9,182,328)
Provisions	20,508	10,572	-	-	20,508	10,572
Inventories	87,235	87,235	-	-	87,235	87,235
	107,743	97,807	(9,179,735)	(9,182,328)	(9,071,992)	(9,084,521)

Movement in temporary differences is as follows:

	1 January 2015	Recognised in profit and loss 2015	31 December 2015	Recognised in profit and loss 2016	31 December 2016
	₦'000	₦'000	₦'000	₦'000	₦'000
Property, plant and equipment	(8,998,734)	(183,594)	(9,182,328)	2,593	(9,179,735)
Provisions	824	9,748	10,572	9,936	20,508
Inventories	87,235	-	87,235	-	87,235
	(8,910,675)	(173,846)	(9,084,521)	12,529	(9,071,992)

Notes to the financial statements

12 Property, plant and equipment

(a) The movement on these accounts during the year was as follows:

	Land	Buildings	Plant & Machineries	Fittings and equipment	Motor Vehicles	Capital work in progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
COST:							
Balance at 1 January 2015	14,162,710	2,117,906	20,663,839	36,312	16,080	-	36,996,847
Additions	-	6,798	35,472	4,795	42,725	294,401	384,191
Revision	-	-	136,133	-	-	-	136,133
Balance as at 31 December 2015	**14,162,710**	**2,124,704**	**20,835,444**	**41,107**	**58,805**	**294,401**	**37,517,171**
Balance at 1 January 2016	14,162,710	2,124,704	20,835,444	41,107	58,805	294,401	37,517,171
Additions	-	723	42,469	1,826	200	297,363	342,581
Balance as at 31 December 2016	**14,162,710**	**2,125,427**	**20,877,913**	**42,933**	**59,005**	**591,764**	**37,859,752**
DEPRECIATION:							
Balance at 1 January 2015	-	108,610	1,720,722	18,156	16,080	-	1,863,568
Charge for the year	-	54,421	861,094	9,776	3,557	-	928,848
Balance as at 31 December 2015	-	**163,031**	**2,581,816**	**27,932**	**19,637**	-	**2,792,416**
Balance at 1 January 2016	-	163,031	2,581,816	27,932	19,637	-	2,792,416
Charge for the year	-	54,434	869,242	10,013	14,299	-	947,988
Balance as at 31 December 2016	-	**217,465**	**3,451,058**	**37,945**	**33,936**	-	**3,740,404**
CARRYING AMOUNTS:							
At 1 January 2015	**14,162,710**	**2,009,296**	**18,943,117**	**18,156**	-	-	**35,133,279**
At 31 December 2015	**14,162,710**	**1,961,673**	**18,253,628**	**13,175**	**39,168**	**294,401**	**34,724,755**
At 31 December 2016	**14,162,710**	**1,907,962**	**17,426,855**	**4,988**	**25,069**	**591,764**	**34,119,348**

(b) The Company had no capital commitments as at year end (2015:Nil).

(c) In the opinion of the Directors, the Company's Property, plant and equipment are not impaired (2015: Nil).

(d) Work in progress represents the cost incurred on the rehabilitation of the plant and machinery.

Notes to the financial statements

13 Inventories

	31 Dec 2016	31 Dec 2015
	₦'000	₦'000
Consumable spare parts	137,430	180,050
Other consumables	220,363	220,759
	357,793	400,809

Inventories recognized as expense include consumable spare parts and other consumables used in maintenance during the year. They are included in operation and maintenance costs in costs of sales and amounted to N89.5m (2015:N6.2m).

No inventory was written off during the year (2015:Nil).

No inventories have been pledged as collateral.

14 Trade and other receivables

	31 Dec 2016	31 Dec 2015
	₦'000	₦'000
Trade receivables	8,250,418	3,756,950
Due from related party - Eurafric Power Limited	752,098	418,215
Due from related party - Eurafric Oil and Coastal Limited	112,597	-
Other receivables	106,855	-
	9,221,968	4,175,165

Information on the Company's exposure to credit risk is included in Note 22.

15 Prepayments

Prepayments comprise:

	31 Dec 2016	31 Dec 2015
	₦'000	₦'000
Rentals	158	300
Insurance	1,564	-
Advance to vendors	3,506	42,145
	5,228	42,445

16 Cash and cash equivalents

	31 Dec 2016	31 Dec 2015
	₦'000	₦'000
Bank balances	403,602	361,465
Cash in hand	39	13
	403,641	361,478

Information on the Company's exposure to credit risk is included in Note 22.

17 Capital and reserves

(a) Share capital comprises:

	31 Dec 2016	31 Dec 2015
Authorized:	₦'000	₦'000
20,000,000 ordinary shares of 50k each (2015: 10,000,000 ordinary shares of 50k each)	10,000	5,000
Issued, called-up and fully paid:		
10,000,000 ordinary shares of 50k each	5,000	5,000

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.

Notes to the financial statements

(b) Dividends

The following dividends were declared by the Company for the year: ₦141.31 per qualifying ordinary share (2015:₦168.35)

	31 Dec 2016	31 Dec 2015
	₦'000	₦'000
Opening balance	133,371	39,842
Dividend declared	1,413,089	1,683,516
Payments	(1,334,584)	(1,589,987)
Dividend payable	211,876	133,371

(c) Other reserves

Other reserves comprise:

	31 Dec 2016	31 Dec 2015
	₦'000	₦'000
Federal government funding (Note 17(c)(i))	3,763,369	3,763,369
Pre-completion receivables and liabilities (Note 22)	509,898	509,898
	4,273,267	**4,273,267**

(i) Federal government funding

This represents contributions from the Federal Government to support the Company to meet its objectives of improving electricity generation in the country. The amount has been recognised in other reserves as it is viewed as contribution from a shareholder.

18 Loans and borrowings

Loans and borrowings comprise:

	31 Dec 2016	31 Dec 2015
	₦'000	₦'000
Vehicle finance facility (See Note 18(a))	-	26,854
	-	**26,854**

(a) Bank loan

In 2015, the Company obtained a secured loan of ₦29.54 million for the purpose of financing the purchase of motor vehicles at an interest rate of 22% per annum. The tenor of the loan was 1 year with a moratorium of 1 month on principal. Amount drawn down on the loan was ₦29.54 million. This amount, with the Company's equity contribution of ₦12.96 million was used in 2015 on purchase of motor vehicles amounting to ₦ 42.5 million.

Interest accrued on the loan during the year end was ₦2.71 million (2015: ₦1.07 million).

The Company made full repayments during the year amounting to ₦26.85 million of the principal and ₦ 2.7 million of the accrued interest amount.

Information on the Company's exposure to liquidity and market risk is included in Note 22.

19 Trade and other payables

Trade and other payables comprise:

	31 Dec 2016	31 Dec 2015
	₦'000	₦'000
Trade payables	7,844,123	2,771,064
Other payables	15,399	16,094
Dividend payable	211,876	133,371
Accrued expenses	231,105	160,015
Payable to NELMCO (Note 19(a))	316,724	316,724
	8,619,227	**3,397,268**
Statutory deductions	461,614	294,508
	9,080,841	**3,691,776**

(a) **Payable to NELMCO**

Payable to NELMCO represents certain pre-completion receivables collected on behalf of NELMCO net of commission income.

Information on the Company's exposure to liquidity risk is included in Note 22.

Notes to the financial statements

20 Provisions

Provision for decommissioning costs represents the Company's obligation to de-commission its Steam turbines. This estimate is based on evaluation performed by the Company.

The movement in this account is as follows:

	31 Dec 2016	31 Dec 2015
	₦'000	₦'000
Balance, beginning of year	165,247	7,370
Revision during the year	-	136,132
Accretion for the year (Note 9)	25,039	21,745
Balance, end of year	**190,286**	**165,247**

21 Related party transactions

(a) Parent and ultimate controlling party

In 2014, 95% of the Company's shares were acquired by Eurafric Power Limited (EPL) from BPE and MOFI. As a result, the parent company and the ultimate controlling entity is Eurafric Power Limited. EPL also obtained bank loans which were secured on a share charge over hundred percent (100%) of the equity share capital of the Company.

In 2015, the Company granted a financing facility to EPL. Total amount available under the facility is 167.31 million. Drawdowns by EPL during the year was 96.22 million (2014: 71.08 million). The facility bears no interest, is unsecured, payable on demand and has been classified as a current asset in these financial statements.

(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. The directors are considered the key management personnel of the Company. No remuneration was paid to these personnel by the Company during the year (2015:Nil).

(c) Other related party transactions

(a) Eurafric Oil and Coastal Limited

In 2015, the Company had a short term working capital financing facility obtained from Eurafric Oil and Coastal Services Ltd. It attracted interest at 5% per month. Interest incurred in 2015 was N4.08 million and the Company made full repayments in 2015 amounting to N61.19 million comprising of the principal and accrued interest amount.

During the year, the Company granted a financing facility to Eurafric Oil and Coastal Limited. ₦ million was drawndown by Eurafric Oil and Coastal Limited and repayments of ₦15 million were made. This facility bears no interest, is unsecured, payable on demand and has been classified as a current asset in these financial statements.

22 Financial instruments

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.

Notes to the financial statements

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 it's 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.

(a) **Credit risk**

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

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

	Note	31 Dec 2016	31 Dec 2015
		₦'000	₦'000
Trade and other receivables	*14*	9,221,968	4,175,165
Bank balances	*16*	403,602	361,465
		9,625,570	**4,536,630**

Trade and other receivables

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 Company is closely monitoring the economic environment in the industry and is taking actions to limit its exposure to its sole customer. The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

As at year end, the aging of trade and other receivables that were not impaired was as follows:

	31 Dec 2016	31 Dec 2015
	₦'000	₦'000
Past due 0-30 days	617,521	62,937
Past due 31-60 days	507,080	-
Past due 61-180 days	2,111,684	880,742
Past due 181 days and above	5,014,134	2,813,271
	8,250,419	3,756,950

Due from related parties

The Company has transactions with its parent and other related parties. Payment terms are usually not established for transactions and amounts receivable from related parties are not impaired except the member is facing bankruptcy. In the directors view, all amounts are collectible. No impairment was recorded with respect to amounts due from related parties in the current year (2015: Nil).

Notes to the financial statements

Impairment

The Company had not recorded any impairment losses on its financial assets as the directors are of the opinion that full recovery of the outstanding balance would be made by virtue of the Federal Government's interest and policies for the power sector in Nigeria.

The directors have applied judgement in the Company's assessment of the recoverability of its trade and other receivables which are past due but not impaired. These receivables are due from the Federal Government of Nigeria and due to the strategic nature and sentivity of the power sector to the development of the nation, the directors are confident that the amounts would be recovered.
Based on the assessment of the directors, these trade and other receivables are fully recoverable and accordingly no impairment has been recorded.

Cash and cash equivalents

The Company held cash and cash equivalents of ₦403.64 million as at year end (2015:₦361.48 million), which represents its maximum credit exposure on these assets. The cash and cash equivalents (with the exception of ₦38,655 held as cash by the Company (2015: ₦13,000) are held by banks and financial institutions in Nigeria.

(b) **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 which can be utilised to meet its liquidity requirements. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

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	**Total**	**3 months or less**	**3 - 12 months**	**Above one year**
		₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Non-derivative financial liabilities						
At 31 December 2016	*Note*					
Loan and borrowings	*18*	-	-	-	-	-
Trade and other payables	*19*	8,619,227	8,619,227	8,619,227	-	-
		8,619,227	**8,619,227**	**8,619,227**	**-**	**-**
At 31 December 2015						
Loan and borrowings	*18*	26,854	29,564	9,383	20,181	-
Trade and other payables	*19*	3,397,268	3,397,268	3,397,268	-	-
		3,424,122	**3,426,832**	**3,406,651**	**20,181**	**-**

Notes to the financial statements

(c) **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

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. The Company is not exposed to currency risk because sales and purchases are not denominated in a currency other than the functional currency of the Company, the Naira. All material transactions primarily are denominated in Naira (₦).

Interest rate risk profile

In managing interest rate risk, the Company aims to reduce the impact of short-term fluctuations in earnings.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	Carrying amount	
	31 Dec 2016	**31 Dec 2015**
	₦'000	₦'000
Fixed-rate instruments		
Financial liabilities	-	26,854

Fair value sensitivity analysis for fixed rate instruments.

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

(d) **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 2016	**31 Dec 2015**
	₦'000	₦'000
Total liabilities	19,611,831	13,785,082
Less: Cash and cash equivalents	(403,641)	(361,478)
Adjusted net debt	19,208,190	13,423,604
Total equity	24,496,147	25,919,570
Adjusted net debt to equity ratio	0.78	0.52

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

(e) **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.

		Loans and receivables	Other financial liabilities	Total
31 December 2016	*Note*	₦'000	₦'000	₦'000
Financial assets not measured at fair value				
Trade and other receivables	*14*	9,221,968	-	9,221,968
Cash and cash equivalents	*16*	403,641	-	403,641
		9,625,609	**-**	**9,625,609**
Financial liabilities not measured at fair value				
Loans and borrowings	*18*	-	-	-
Trade and other payables	*19*	-	(8,619,227)	(8,619,227)
		-	**(8,619,227)**	**(8,619,227)**
31 December 2015				
Financial assets not measured at fair value				
Trade & other receivables	*14*	4,175,165	-	4,175,165
Cash and cash equivalents	*16*	361,478	-	361,478
		4,536,643	**-**	**4,536,643**
Financial liabilities not measured at fair value				
Loans and borrowings	*18*	-	(26,854)	(26,854)
Trade and other payables	*19*	-	(3,397,268)	(3,397,268)
		-	**(3,424,122)**	**(3,424,122)**

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.

23 Events after the reporting date

There are no events after the reporting period which could have had a material effect on the financial position of the Company as at 31 December 2016 and on the profit for the year ended on that date which has not been adequately provided for.

Other national disclosures

Value added statement

For the year ended 31 december

	2016	%	2015	%
	₦'000		₦'000	
Revenue	7,055,066		5,028,691	
Bought in materials and services:				
- Local	(5,504,722)		(2,417,185)	
	1,550,344		**2,611,506**	
Finance income	9,242		932	
Other income	132,595		673	
Value added	**1,692,181**	**100**	**2,613,111**	**100**
To employees:				
- as salaries, wages and other staff costs	287,279	17	273,065	10
To providers of finance:				
- Finance cost and similar charges	27,749	2	50,897	2
To government as:				
- taxes	439,499	26	725,203	28
Retained in the business:				
To maintain and replace:				
- property plant and equipment	947,988	56	928,848	36
To pay interim dividends	1,413,089	84	1,683,516	64
To deplete reserve	(1,423,423)	(85)	(1,048,418)	(40)
Value added	**1,692,181**	**100**	**2,613,111**	**100**

Financial summary

Statement of profit or loss and other comprehensive income

	31 Dec 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013
	₦'000	₦'000	₦'000	₦'000
Revenue	7,055,066	5,028,691	4,163,778	3,712,143
Results from operating activities	447,672	1,410,266	631,238	(712,033)
(Loss) / profit before taxation	429,165	1,360,301	626,548	(705,460)
(Loss) / profit for the year	(10,334)	635,098	387,700	(463,224)

Statement of financial position

	31 Dec 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013	31 Dec 2012
Employment of funds		₦'000	₦'000	₦'000	₦'000
Property, plant and equipment	34,119,348	34,724,755	35,133,279	36,065,063	36,996,847
Net current assets/(liabilities)	(360,923)	444,583	752,754	(254,280)	(439,467)
Non-current liabilities	(9,262,278)	(9,249,768)	(8,918,045)	(8,943,554)	(9,427,410)
	24,496,147	**25,919,570**	**26,967,988**	**26,867,229**	**27,129,970**
Funds Employed					
Share capital	5,000	5,000	5,000	5,000	5,000
Retained earnings	20,217,880	21,641,303	22,689,721	23,098,860	23,562,084
Other reserves	4,273,267	4,273,267	4,273,267	3,763,369	3,562,886
	24,496,147	**25,919,570**	**26,967,988**	**26,867,229**	**27,129,970**

The financial information presented above reflects historical summaries based on International Financial Reporting Standards. Information related to prior periods has not been presented as it is based on a different financial reporting framework (Nigerian GAAP) and is therefore not directly comparable.