

SAPLEPOWER PLC

**UnAudited Financial statements
for the year ended 31 December 2020**

SAPELEPOWER PLC
Financial Statements
for the year ended 31 December 2020

Table of contents	Page
General Information	3
Directors' Report	4
Statement of comprehensive income and retained earnings	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Accounting policies and explanatory notes to the financial statements	9 - 17

SAPELEPOWER PLC
Financial Statements
for the year ended 31 December 2020

General information

Country of incorporation	Nigeria
Reporting currency	Naira
Registered office	New Ogorode Road Sapele Delta State Nigeria
Business address	New Ogorode Road Sapele Delta State Nigeria
Bankers	United Bank for Africa Keystone Bank Guaranty Trust Bank Access Bank Polaris Bank
Auditors	kpmg Professional services
Company secretary	Olaniwun Ajayi LLP,
Company registration number	RC 638650

SAPELEPOWER PLC
Financial Statements
for the year ended 31 December 2020

DIRECTORS' REPORT

The Directors of SAPELEPOWER PLC present their Report together with the financial statements of the company for the year ended 31 December 2020.

Main business activities

The Company is a Public Limited Liability Company incorporated in Nigeria. The principal activity of the company is the generation and sale of Electric Power to the National Grid.

Directors Details

The following persons were directors of SAPELEPOWER PLC during or since the end of the financial year:

Prof. Oladapo Abraham Afolabi (Executive Chairman)

Anthony Onoh

Heather Onoh (Mrs)

Onoriode Odjegba

Liu Zhaolong

Robin Renee Sanders

Uwagbee Kennedy Uwaifiokun

Reginald Bayoko

Review of operations and financial results

The company's revenue increased by 10.4% to N8,455,713,454 during the financial year and the net profit decreased by 2.9% to N1,631,880,168. Net cash flow from operating activities decreased by 19.0% and the company's net assets decreased by 0.9% to N25,007,485,482.

Dividends

The company declared dividends amounting to N1,850,899,747 during the financial year (2019: N1,911,525,000).

Share capital

There have been no changes to the authorised or issued share capital during the year under review.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial year or since the end of the financial year.

Events arising since the end of the reporting period

The directors are not aware of any material fact or circumstance arising between the end of the financial year and the date of this report that would require adjustments to or disclosure in the financial statements.

Health, safety and welfare at work

The company places a high premium on the health, safety and welfare of its employees in their place of work. To this end, the company has various forms of insurance policies including Workmen's Compensation, to adequately secure and protect its employees. Workers are exposed to various safety courses to enhance safety awareness.

Statement of comprehensive income and retained earnings for the year ended 31 December 2020

	Notes	2020 N	2019 N
Revenue	2	8,455,713,454	7,662,341,403
Cost of sales		(5,348,044,084)	(4,379,226,097)
Gross profit		3,107,669,370	3,283,115,306
Other income	3	601,550,241	600,050,800
Operating expenses		(2,077,339,442)	(2,202,496,369)
Audit Fees		0	(558,950)
Printing and stationary exp.		(376,500)	(876,130)
Amortisation of intangible assets		0	0
Bank charges and fees		(2,598,959)	(1,437,433)
Own consumption		(877,174,517)	(859,945,793)
Medical Expenses		(2,052,769)	(2,630,748)
Consumables & Cleaning		(7,531,950)	(6,448,095)
Depreciation on property, plant & equipment		(580,563,273)	(580,563,273)
Entertainment		(521,950)	(3,045,650)
Insurance		(2,193,818)	(2,862,385)
Office Runing Expenses		(3,411,494)	(6,250,644)
Board Expenses		(5,717,828)	(12,000,892)
Transport and travelling Expenses		(13,545,042)	(62,223,265)
Professional & Legal Fees		(75,878,744)	(177,562,415)
Salaries & wages		(240,546,695)	(249,486,630)
Staff Training and Development(Staff Welfare)		(76,750)	(93,650)
Security services		(86,773,141)	(83,948,174)
Subscriptions & Memberships		(139,560)	0
Telephone and Postages		(410,490)	(2,835,987)
Repairs & Maintenance- vehicle		(20,379,457)	(46,613,585)
Hotel & accomodation Expenses		0	(1,076,735)
Admin/Electricity Cost		(157,446,505)	(102,035,934)
Other expenses		0	0
Profit / (Loss) before interest & tax		1,631,880,168	1,680,669,736
Finance costs	4	0	0
Profit / (Loss) before tax	5	1,631,880,168	1,680,669,736
Income tax expense	6	0	0
Profit / (Loss) for the year		1,631,880,168	1,680,669,736
Retained earnings at start of year		20,948,238,068	21,179,093,332
Dividends paid		(1,850,899,747)	(1,911,525,000)
Prior year adjustments		(7)	(0)
Retained earnings at end of year		20,729,218,482	20,948,238,068

Statement of financial position

at 31 December 2020

	Notes	2020 N	2019 N
ASSETS			
Non-current assets			
Property, plant & equipment	7	32,058,553,415	32,638,894,688
Intangible assets	8	155,532,811	155,532,811
Deferred tax asset	9	0	0
		<u>32,214,086,226</u>	<u>32,794,427,500</u>
Current assets			
Inventories	10	458,338,577	446,677,389
Trade and other receivables	11	13,516,698,822	13,235,756,785
Cash and cash equivalents	12	903,216,790	790,081,846
		<u>14,878,254,189</u>	<u>14,472,516,020</u>
Total assets		<u>47,092,340,415</u>	<u>47,266,943,520</u>
EQUITY & LIABILITIES			
Equity			
Share capital	13	5,000,000	5,000,000
Reserves	14	4,273,267,000	4,273,267,000
Retained earnings		20,729,218,482	20,948,238,068
		<u>25,007,485,482</u>	<u>25,226,505,068</u>
Non-current liabilities			
Long term liability	15	439,369,886	524,369,886
Deferred tax liability	9	2,532,933,847	2,532,933,847
		<u>2,972,303,733</u>	<u>3,057,303,733</u>
Current liabilities			
Trade payables	16	15,095,354,447	14,965,937,965
Provisions	17	2,678,129,794	2,678,129,794
Provision for taxation		1,339,066,959	1,339,066,959
		<u>19,112,551,200</u>	<u>18,983,134,718</u>
Total liabilities		<u>22,084,854,934</u>	<u>22,040,438,452</u>
Total equity & liabilities		<u>47,092,340,415</u>	<u>47,266,943,520</u>

Statement of changes in equity for the year ended 31 December 2020

	Share Capital N	Reserves N	Retained Earnings N	Total N
At 01 January 2019	5,000,000	4,273,267,000	21,179,093,332	25,457,360,332
Profit / (Loss) for the year	0	0	1,680,669,736	1,680,669,736
Movement in reserves	0	0	0	0
Dividends	0	0	(1,911,525,000)	(1,911,525,000)
Prior year adjustments			(0)	
Shares issued	0	0	0	0
At 31 December 2019	5,000,000	4,273,267,000	20,948,238,068	25,226,505,068
Profit / (Loss) for the year	0	0	1,631,880,168	1,631,880,168
Movement in reserves	0	0	0	0
Dividends	0	0	(1,850,899,747)	(1,850,899,747)
Shares issued	0	0	0	0
At 31 December 2020	5,000,000	4,273,267,000	20,729,218,489	25,007,485,489

Statement of cash flows

for the year ended 31 December 2020

	Notes	2020 N	2019 N
Cash flows from operating activities			
Profit / (Loss) for the year		1,631,880,168	1,680,669,736
- Finance costs		0	0
- Income taxes		0	0
- Interest received		(1,550,241)	(50,800)
- Dividends received		0	0
<i>Adjustments for non-cash income and expenses:</i>			
- Depreciation		580,563,273	580,563,473
- Amortisation		0	0
- (Fair value gains) / Impairment losses		0	0
- Increase / (Decrease) in provisions		0	0
- Increase / (Decrease) in reserves		0	0
- Prior year adjustments		(7)	(0)
<i>Cash flow included in investing activities:</i>			
- (Gains) / Losses on sale of equipment		0	0
<i>Changes in operating assets and liabilities:</i>			
- Decrease / (Increase) in trade and other receivables		(280,942,038)	(3,547,820,762)
- Decrease / (Increase) in inventories		(11,661,188)	(41,159,675)
- Increase / (Decrease) in trade and other payables		129,416,482	3,857,198,855
Cash generated from operations		<u>2,047,706,451</u>	<u>2,529,400,827</u>
Interest paid		0	0
Income tax paid/Credit		0	0
Net cash from operating activities		<u>2,047,706,451</u>	<u>2,529,400,827</u>
Cash flows from investing activities			
Proceeds from sale of property, plant & equipment		0	0
Purchases of property, plant & equipment		(222,000)	(1,242,250)
Purchases of intangible assets		0	0
Purchases of investments		0	0
Interest received		1,550,241	50,800
Dividends received		0	0
Net cash used in investing activities		<u>1,328,241</u>	<u>(1,191,450)</u>
Cash flows from financing activities			
Proceeds from issuance of shares		0	0
Proceeds from loans		0	0
Repayment of loans		(85,000,000)	0
Repayment of finance leases		0	0
Dividends paid		(1,850,899,747)	(1,911,525,000)
Net cash used in financing activities		<u>(1,935,899,747)</u>	<u>(1,911,525,000)</u>
Net increase / (decrease) in cash and cash equivalents		113,134,944	616,684,377
Cash and cash equivalents at beginning of year		790,081,846	173,397,470
Cash and cash equivalents at end of year	12	<u>903,216,790</u>	<u>790,081,846</u>

Accounting policies & explanatory notes to the financial statements for the year ended 31 December 2020

1. Basis of preparation and accounting policies

The company's financial statements have been prepared in accordance with the International Financial reporting standard (IFRS) as issued by the International Accounting Standards Board (IASB) and in compliance with the Financial Reporting Council of Nigeria Act No.6, 2011. Additional information required by national regulations is included where appropriate.

The financial statements comprise of the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes.

The financial statements have been prepared in accordance with the going concern principle under the historical cost convention.

Foreign currency transactions

Transactions in foreign currencies are recorded in Nigerian Naira at the rates of exchange prevailing at the date of the transaction. Monetary items denominated in foreign currencies are retranslated at the exchange rates applying at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Foreign currency differences are generally

Revenue recognition

Revenue is the amount derived from goods sold and services rendered in the normal course of business and it is measured at the fair value of consideration received or receivable net of sales related taxes. Revenue is recognized when it is probable that the economic benefits with the transaction will flow to the entity and the amount of Revenue can be measured reliably. The accounting policies for the major categories of revenue are as follows:

Sale of goods

Revenue from sale of goods is recognized when all the following conditions are satisfied:

- The company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest revenue/received

Interest income is recognized when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Income 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.

Accounting policies & explanatory notes to the financial statements for the year ended 31 December 2020 (continued)

Current tax comprises 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. Current tax also includes any tax arising from dividends.

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.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised on differences between the carrying amounts of assets & liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits.

Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered. The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (or tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. Land is not depreciated. The following rates are used for the depreciation of other property, plant and equipment:

Land	0.0%
Plant & equipment	0.0%
Furniture & fittings	0.0%
Office equipment	0.0%
Building	0.0%
Motor vehicles	0.0%

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.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and any accumulated impairment losses. They are amortised over their estimated useful lives using the straight-line method. The following rates are used for the amortisation of intangible assets:

Accounting policies & explanatory notes to the financial statements for the year ended 31 December 2020 (continued)

		Useful life
Decommissioning/Retirement cost	0.0%	
Power generation license	0.0%	15 years
Intangible Assets- Acct software	0.0%	5 years

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.

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.

Impairment of assets

At each reporting date, the company assesses whether there is any indication that any asset (property, plant and equipment and intangible assets) may be impaired. If there is an indication of possible impairment, the recoverable amount of the affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Similarly, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the company at the fair value of the leased property (or, if lower, the present value of the minimum lease payments) at the commencement of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and the reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the appropriate lease.

Accounting policies & explanatory notes to the financial statements for the year ended 31 December 2020 (continued)

Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the first-in, first-out (FIFO) method.

Trade and other receivables

Most sales are made on the basis of normal credit terms and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method.

Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably. Provisions are not recognised for future operating losses.

A contingent liability is a possible obligation that arises from past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It is not recognised when it is not likely that an outflow of resources will be required to settle the obligation or the amount cannot be reliably estimated.

Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability is not likely to occur.

Borrowing costs

Borrowings are recognized initially at fair value net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction cost) and redemption value is recognised in the income statement over the period of the borrowing using the effective interest rate method.

Bank loans and overdrafts

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the period in which the dividends are approved by the company's shareholders.

Accounting policies & explanatory notes to the financial statements for the year ended 31 December 2020 (continued)

2. Revenue

	2020	2019
	N	N
Sales-elec. Capacity charge	2,967,707,504	2,696,892,483
Sales-elec. Energy charge	5,488,005,950	4,965,448,920
	<u>8,455,713,454</u>	<u>7,662,341,403</u>

3. Other income

	2020	2019
	N	N
Interest received	1,550,241	50,800
Gain on disposal of property, plant & equipment	0	0
Miscellaneous income	600,000,000	600,000,000
	<u>601,550,241</u>	<u>600,050,800</u>

4. Finance costs

	2020	2019
	N	N
Interest on loans and overdraft	0	0
Interest on finance leases	0	0
	<u>0</u>	<u>0</u>

5. Profit before tax

The following items have been recognised as income / (expenses) in determining profit before tax:

	2020	2019
	N	N
Cost of inventories recognised as expense	(5,348,044,084)	(4,379,226,097)
Amortisation of intangible assets	0	0
Depreciation on property, plant & equipment	(580,563,273)	(580,563,273)
Foreign exchange (gains) / losses	0	0
Loss on disposal of property, plant & equipment	0	0
Impairment of property, plant & equipment	0	0

6. Income tax expense

	2020	2019
	N	N
Current taxation/Reversals	0	0
Deferred taxation (refer to note 9)	0	0
	<u>0</u>	<u>0</u>

Income tax is calculated at 0.0 per cent (2019: 30.0 per cent) of the estimated assessable profit for the year.

Tax rate reconciliation

Corporate tax rate	0.0	30.0
Exempt income	0.0	0.0
Disallowed charges	0.0	0.0
Assessed loss carried over from prior year	0.0	0.0
Prior year (over) / under estimation	0.0	0.0
Other	0.0	(30.0)
Effective tax rate	<u>0.0</u>	<u>0.0</u>

Accounting policies & explanatory notes to the financial statements for the year ended 31 December 2020 (continued)

7. Property, plant & equipment

Cost	At	Additions	Impairment & Disposals	At
	1 January 2020			31 December 2020
	N	N	N	N
Land	15,696,976,546	0	0	15,696,976,546
Plant & equipment	20,736,556,867	0	0	20,736,556,867
Furniture & fittings	80,880,882	56,000	0	80,936,882
Office equipment	2,623,238	166,000	0	2,789,238
Building	2,128,960,081	0	0	2,128,960,081
Motor vehicles	75,505,000	0	0	75,505,000
Total	38,721,502,612	222,000	0	38,721,724,612

Accumulated depreciation	At	Depreciation	Impairment & Disposals	At
	1 January 2020			31 December 2020
	N	N	N	N
Land & buildings	(0)	0	0	(0)
Plant & equipment	5,612,023,650	521,956,197	0	6,133,979,847
Furniture & fittings	39,654,831	928,525	0	40,583,356
Office equipment	0	0	0	0
Building	370,276,231	42,577,552	0	412,853,782
Motor vehicles	60,653,212	15,101,000	0	75,754,212
Total	6,082,607,924	580,563,273	0	6,663,171,197

Carrying amount	32,638,894,688			32,058,553,415
------------------------	-----------------------	--	--	-----------------------

Based on the director's assessment, the items of Property plant and equipment were not impaired.

Capital work-in-progress represents the costs incurred to date on the ongoing rehabilitation of the Company's steam turbine.

8. Intangible assets

Cost	At	Additions	Impairment & Disposals	At
	1 January 2020			31 December 2020
	N	N	N	N
Decommissioning/Retirement cost	163,728,045	0	0	163,728,045
Power generation license	26,283,178	0	0	26,283,178
Intangible Assets- Acct software	2,772,900	0	0	2,772,900
Total	192,784,123	0	0	192,784,123

8. Intangible assets (continued)

Accumulated amortisation	At	Amortisation	Impairment & Disposals	At
	1 January 2020			31 December 2020
	N	N	N	N
Accum depr-decommissioning cost	26,665,749	0	0	26,665,749
Amort.power generation license	9,199,112	0	0	9,199,112
Accum Amort- Intangible asset	1,386,450	0	0	1,386,450
Total	37,251,312	0	0	37,251,312

Carrying amount	155,532,811			155,532,811
------------------------	--------------------	--	--	--------------------

Accounting policies & explanatory notes to the financial statements for the year ended 31 December 2020 (continued)

	2020	2019
	N	N
Interest received	1,550,241	50,800

9. Deferred tax

The following are the deferred tax liabilities (assets) recognised by the company:

	At 1 January 2020	Charge (credit) for the year	At 31 December 2020
	N	N	N
Prepayments	0	0	0
Provisions	0	0	0
Leases	0	0	0
Other	2,532,933,847	0	2,532,933,847
	<u>2,532,933,847</u>	<u>0</u>	<u>2,532,933,847</u>

10. Inventories

	2020	2019
	N	N
Spare parts	203,231,935	203,231,935
General stores	254,845,338	243,184,150
Stationeries	261,304	261,304
	<u>458,338,577</u>	<u>446,677,389</u>

11. Trade and other receivables

	2020	2019
	N	N
Trade debtors	10,719,291,674	10,368,508,512
Loans & advances	(21,000)	(21,000)
Prepayments	677,109,220	416,545,640
Other debtors	2,120,318,928	2,387,414,890
Amounts due by related parties	0	63,308,743
	<u>13,516,698,822</u>	<u>13,235,756,785</u>

12. Cash and cash equivalents

	2020	2019
	N	N
Cash on hand	221,757	68,207
Cash at bank	902,995,033	790,013,639
	<u>903,216,790</u>	<u>790,081,846</u>
Bank overdraft	0	0
	<u>903,216,790</u>	<u>790,081,846</u>

13. Share capital

	2020	2019
	N	N
Issued share capital	5,000,000	5,000,000

The share capital balances comprise 0 ordinary shares (2019: 0) with a par value of No.00 fully paid, issued and outstanding. An additional 0 shares (2019: 0) are legally authorised but unissued.

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.

Accounting policies & explanatory notes to the financial statements for the year ended 31 December 2020 (continued)

14. Reserves

	2020	2019
	N	N
Reserves	4,273,267,000	4,273,267,000

This represents contributions from the Federal Government to support the Company to meet its objectives of improving electricity generation in the country, prior to privatisation and pre-completion receivables.

15. Long Term Liabilities

	2020	2019
	N	N
Non-current		
Due to related party- lui zhalong	211,875,599	211,875,599
Long Term Liabilities	<u>227,494,287</u>	<u>312,494,287</u>
	<u><u>439,369,886</u></u>	<u><u>524,369,886</u></u>

16. Trade and other payables

	2020	2019
	N	N
Trade creditors	13,838,009,357	13,313,307,187
Accrued expenses	1,257,345,090	1,440,755,179
Corporate Tax Control	0	0
Amounts due to related parties	0	211,875,599
	<u>15,095,354,447</u>	<u>14,965,937,965</u>

17. Provisions

	At 1 January 2020 N	Additions N	Charges & Reversals N	At 31 December 2020 N
Claims	0	0	0	0
Provision for Bad Debt	2,391,511,906	(2,391,511,906)	0	0
Provision for plant decommissionir	286,617,888	(286,617,888)	0	0
Other	0	2,678,129,794	0	2,678,129,794
	<u>2,678,129,794</u>	<u>0</u>	<u>0</u>	<u>2,678,129,794</u>

18. Events after the end of the reporting period

Events subsequent to the reporting date are reflected in the financial statements only to the extent that they relate directly to the financial statements and the effect is material.

19. Related party transactions

	2020	2019
	N	N
Amounts owed by related parties and included in trade receivables	0	63,308,743
Amounts owed to related parties and included in trade payables	0	211,875,599