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EGBIN POWER PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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Corporate information

Directors	Kola Adesina	(Nigerian)	Chairman (Till 4 December 2018)
	Tope Shonubi	(Nigerian)	Chairman (Effective 4 December 2018)
	Tonye Cole	(Nigerian)	Director (Resigned 30 August 2018)
	Ade Odunsi	(Nigerian)	Director
	Alex Okoh	(Nigerian)	Director
	Dr George Oluwande	(Nigerian)	Technical Adviser to the Board (Resigned December 2018)

Registered Office
Egbin Power Station
Egbin Town,
Ikorodu,
Lagos State, Nigeria

Bankers
Zenith Bank Plc
Plot 84, Ajose Adeogun Street, Victoria Island, Lagos

Fidelity Bank Plc
Awolowo road Ikoyi, Lagos

United Bank For Africa Plc
57, Marina Lagos.

FCMB Plc
42, Ademola Adetokunbo Street, Victoria Island, Lagos

Sterling Bank Plc
20, Marina Lagos, 15th Floor Sterling Tower

Access Bank Plc
Oyin Jolayemi, Victoria Island, Lagos

Eco Bank Limited
Plot 21, Ahmadu Bello Way, Lagos

Union Bank of Nigeria Plc
36, Marina, Lagos

Wema Bank Plc
54, Marina Lagos Island, Lagos

FSDH Merchant Bank Ltd
1/5 Odunlami St, Lagos Island, Lagos

Solicitors
Udo Udoma & Belo-Osagie
10th/13th Floor, St. Nicholas House, CMS, Lagos Island, Lagos

Consolex Legal
62, Awolowo Road, Ikoyi, Lagos.

Auditors
Deloitte & Touche
Chartered Accountants
Civic Towers
Plot GA 1, Ozumba Mbadiwe Avenue
Victoria Island, Lagos

Company Secretary
Ejiro Gray

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2018.

Principal Activity
EGBIN Power Plc is a company incorporated and domiciled in Nigeria with its registered office and principal place of business at Egbin Power Station Complex, Egbin, Ikorodu, Lagos. Following the conclusion of the Government's privatization exercise in November 2013, the Federal Government of Nigeria handed over the Company to the core investor, a Joint Venture between Sahara Power Group (SPG) and Korea Electric Power Corporation ("KEPCO") known as KEPCO Energy Resource Limited ("KERL").

The principal activity of the Company remains the generation and sale of energy ("Power"). The Company is the largest power generating station in Nigeria with an installed capacity of 1320MW. It is a gas fired plant with six 220MW independent boiler turbine units. Power generated is sent to the National grid by three main transmission lines mainly: Ikeja West (330KV); Ajah (330KV); and Ikorodu (132KV) lines.

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

	2018 N'000	2017 N'000	2018 US$'000	2017 US$'000
Revenue	91,713,176	76,746,317	264,314	236,623
Profit/(Loss) before taxation	3,658,647	(9,533,664)	10,544	(29,390)
Taxation	(881,382)	1,773,165	(14,602)	5,467
Profit/(Loss) for the year	2,777,265	(7,760,499)	(4,058)	(23,923)

Dividend
No dividend was paid or proposed during the year (2017: Nil).

Property, Plant and Equipment
Information relating to changes in property, plant and equipment of the Company is disclosed in Note 12 to the financial statements.

Shareholding Structure
The shareholding structure of the Company is as follows:

	2018		2017	
Names	**No of shares**	**%**	**No of shares**	**%**
KEPCO Energy Resource Limited	17,500,000	70	17,500,000	70
Bureau of Public Enterprises	6,000,000	24	6,000,000	24
Ministry of Finance Incorporated	1,500,000	6	1,500,000	6
	25,000,000	**100**	**25,000,000**	**100**

	2018 N'000	2017 N'000
Authorised		
100,000,000 ordinary shares of N1 each (2017: 100,000,000 ordinary shares of N1 each)	**100,000**	**100,000**
Issued		
25,000,000 ordinary shares of N1 each (2017: 25,000,000 ordinary shares of N1 each)	**25,000**	**25,000**

Directors' report (cont'd)

Directors and their interests

Kola Adesina	(Nigerian)	Chairman (Till 4 December 2018)
Tope Shonubi	(Nigerian)	Chairman (Effective 4 December 2018)
Tonye Cole	(Nigerian)	Non - Executive Director (Resigned 30 August 2018)
Ade Odunsi	(Nigerian)	Non - Executive Director
Alex Okoh	(Nigerian)	Non - Executive Director
Dr George Oluwande	(Nigerian)	Director and Technical Adviser (Resigned 4 December 2018)

In accordance with Section 277 of the Companies and Allied Matters Act of Nigeria, other than as noted above, none of the other Directors has notified the Company of their direct or indirect interest in contracts or proposed contracts with the Company during the year.

Charitable donations
The Company made donations amounting to **N3,300,131** to charitable institutions and organizations during the year (2017: N2,162,499).

Events after the reporting date
There are no other significant events after the reporting period which could have had a material effect on the state of affairs of the Company as at 31 December 2018 and the net results for the year ended, which have not been adequately provided for or disclosed in these financial statements.

Employee Health, Safety and Welfare
"The Company places a high premium on health, safety and welfare of its employees in their places of work. To this end, the company has various forms of insurance policies, including Combined all risk, Group personal accident, and Group life assurance, to adequately secure and protect its employees.

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 various factors affecting the performance of the Company. This is achieved through meetings with the employees.

There is great emphasis on staff development and training through carefully planned training courses and seminars to update the special skills and job requirements of the staff.

The Company does not have any policies that will hinder the employment or retention of physically challenged persons.

Auditors
In accordance with Section 357 (2) of Companies and Allied Matters Act of Nigeria, Messrs Deloitte & Touche have indicated their interest to continue in office as External auditors of the Company.

On behalf of the Board

Company Secretary
Ejiro Gray

Statement of Directors' Responsibilities
For the preparation and approval of the Financial Statements

The Directors of **Egbin Power Plc** ("The Company") are responsible for the preparation of financial statements that give a true and fair view of the financial position of the Company as at 31 December 2018, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, and the Financial Reporting Council of Nigeria Act, 2011.

In preparing the financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company and Company's financial position and financial performance; and
- making an assessment of the Company's ability to continue as a going concern."

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Company;
- maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- preventing and detecting fraud and other irregularities.

Going concern:
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.

The financial statements of the Company for the year ended 31 December 2018 were approved by Directors on 5 AUGUST , 2019

Temitope Shonubi	**Ade Odunsi**
Director	**Director**
FRC/2018/IODN/00000018969	**FRC/2013/ICAN/00000005046**

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Report of the Independent Auditors

To the members of Egbin Power Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Egbin Power Plc** which comprise the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of **Egbin Power Plc** as at 31 December 2018 and the financial performance and statement of cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act Cap C20 LFN 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 requirements of the Institute of Chartered Accountants of Nigeria Professional Code of Conduct and Guide for Accountants (ICAN Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). 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. The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, if 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.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

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Key Audit Matter	How the matter was addressed in the audit
Trade receivables' expected credit loss assessment	
The Company has a trade receivable balance of N104.4 billion as disclosed in note 15 to the financial statements. Significant portion of these receivables were owed by Government agencies: Market Operator and Nigerian Bulk Electricity Trading Plc (NBET). In 2017 government introduced a payment guarantee, which took effect in January 2017. Under this arrangement, Federal Government guaranteed the payment of 80% of invoices issued to NBET. This leaves the balance of 20% together with other receivables doubtful of recovery. Under International Financial Reporting Standard (IFRS) 9, the Company is required to recognize allowance for expected credit losses on its financial assets. Expected credit loss determination is subject to management's judgement and estimate which is based on the age of the receivables and historical loss rate. This area is significant to our audit because of the subjectivity of the assessment process and the significance of the amount involved.	In evaluating the valuation and recoverability of the trade receivables, our audit approach included, among others, the following procedures: • Reviewed the basis of the receivables recorded during the year to ascertain the valuation at year end. • Obtained and reviewed receivable balances per customer. • Reviewed and challenged management judgements and approach on making provisions and checked for reasonableness in line with the provisions of IFRS 9. • Obtained and reviewed ageing of the receivables. • Reviewed the calculation of the expected credit loss (ECL), loss given default (LGD) and the exposure at default. Based on the audit procedures performed, we considered the impairment loss allowance made for outstanding receivables adequate.

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 International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004, 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.

Auditors' Responsibilities for the Audit of 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.

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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee and the 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.

We also provide the audit committee and directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee and the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the benefits derivable by the public from such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Sixth Schedule of Companies and Allied Matters Act CAP C20 LFN 2004 we expressly state that:

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

Olufemi Abegunde, FCA - FRC/2013/ICAN/00000004507
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
5 AUGUST **2019**

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
36/ICAN
0847675

Statement of profit or loss and other comprehensive income

	Note	2018 N'000	2017 N'000	2018 US$'000	2017 US$'000
Revenue	5	91,713,176	76,746,317	264,314	236,623
Cost of sales	6	(85,733,434)	(78,314,616)	(247,080)	(241,457)
Gross profit/(loss)		**5,979,742**	**(1,568,299)**	**17,234**	**(4,834)**
Administrative expenses	8	(25,748,143)	(32,267,651)	(74,206)	(99,486)
Operating loss		**(19,768,401)**	**(33,835,950)**	**(56,972)**	**(104,320)**
Finance income	7.1	22,820,988	25,274,701	65,769	77,927
Finance cost	7.3	(680,296)	(576,627)	(1,961)	(1,777)
Other gains and (losses)	7.4	1,286,356	(395,788)	3,708	(1,220)
Profit/(Loss) before taxation		**3,658,647**	**(9,533,664)**	**10,544**	**(29,390)**
Taxation	11	(881,382)	1,773,165	(14,602)	5,467
Profit/(Loss) for the year		**2,777,265**	**(7,760,499)**	**(4,058)**	**(23,923)**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Decommissioning obligation	22	717,968	-	2,069	-
Items that may be reclassified subsequently to profit or loss					
Translation difference		-	-	(29,583)	(55,860)
Total comprehensive income/(loss) for the year		**3,495,233**	**(7,760,499)**	**(31,572)**	**(79,783)**
Earnings/(loss) per share - Basic (Naira/ US$)	27	**111.09**	**(310.42)**	**(0.16)**	**(0.96)**

The explanatory notes on pages 8 to 44 form an integral part of these financial statements.

Statement of financial position
As at 31 December 2018

	Note	2018 N'000	2017 N'000	2018 US$'000	2017 US$'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	289,502,105	300,297,714	806,884	906,805
Intangible assets	13	5,460	12,155	15	37
Other assets	16	-	619	-	2
Total non-current assets		289,507,565	300,310,488	806,899	906,844
Current assets					
Inventories	14	21,759	18,259	60	55
Trade and other receivables	15	78,742,253	100,517,052	219,467	303,530
Other assets	16	2,867,104	1,674,556	7,991	5,057
Restricted cash	17	4,114,834	4,390,739	11,469	13,261
Cash and cash equivalents	18	26,389,555	14,708,085	73,552	44,413
Total current assets		112,135,505	121,308,691	312,539	366,316
TOTAL ASSETS		**401,643,070**	**421,619,179**	**1,119,438**	**1,273,160**
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	26	25,000	25,000	111	111
Retained earnings		(5,154,475)	13,839,676	79,828	151,011
Other reserves		192,225,080	191,507,112	1,021,207	1,019,138
Cumulative translation adjustment		-	-	(579,684)	(550,101)
Total equity		**187,095,605**	**205,371,788**	**521,462**	**620,159**
Non-current liabilities					
Deferred tax liabilities	11.2	80,730,471	77,235,431	225,008	233,227
Provisions for overhauls and maintenance	20	44,424,301	35,817,676	123,817	108,159
Provision for decommissioning obligation	22	5,069,712	5,167,727	14,130	15,605
Total non-current liabilities		130,224,484	118,220,834	362,955	356,991
Current liabilities					
Trade and other payables	19	81,997,002	92,824,855	228,538	280,302
Current tax liabilities	11.2	2,325,979	5,201,702	6,483	15,708
Total current liabilities		84,322,981	98,026,557	235,021	296,010
TOTAL LIABILITIES		**214,547,465**	**216,247,391**	**597,976**	**653,001**
TOTAL EQUITY AND LIABILITIES		**401,643,070**	**421,619,179**	**1,119,438**	**1,273,160**

The financial statements were approved by the Board of Directors of the Company on 5 AUGUST , 2019.
They were signed on its behalf by:

Paul Harriman
Acting Chief Executive Officer*

Seqinah Akinwunmi
Head, Finance
FRC/2018/ICAN/0000001875

Temitope Shonubi
Chairman
FRC/2018/IODN/00000018969

Ade Odunsi
Director
FRC/2013/ICAN/00000005046

The explanatory notes on pages 8 to 44 form an integral part of these financial statements.

*Waiver obtained from Financial Reporting Council of Nigeria.

Statement of changes in equity

	Note	Share Capital N'000	Retained Earnings N'000	Other Reserves N'000	Total Equity N'000
At 1 January 2017		**25,000**	**21,600,175**	**191,507,112**	**213,132,287**
Loss for the year		-	(7,760,499)	-	(7,760,499)
At 31 December 2017		**25,000**	**13,839,676**	**191,507,112**	**205,371,788**
Adjustment on initial application of IFRS 9	15.2	-	(21,771,416)	-	(21,771,416)
Profit for the year		-	2,777,265	-	2,777,265
Other comprehensive income for the year		-	-	717,968	717,968
At 31 December 2018		**25,000**	**(5,154,475)**	**192,225,080**	**187,095,605**

	Share Capital US$'000	Retained Earnings US$'000	Other Reserves US$'000	Cumulative translation adjustment US$'000	Total Equity US$'000
At 1 January 2017	**111**	**174,934**	**1,019,138**	**(494,241)**	**699,942**
Loss for the year	-	(23,923)	-	-	(23,923)
Translation difference	-	-	-	(55,860)	(55,860)
At 31 December 2017	**111**	**151,011**	**1,019,138**	**(550,101)**	**620,159**
Adjustment on initial application of IFRS 9	-	(67,125)	-	-	(67,125)
Profit for the year	-	(4,058)	-	-	(4,058)
Other comprehensive income for the year	-	-	2,069	-	2,069
Translation difference	-	-	-	(29,583)	(29,583)
At 31 December 2018	**111**	**79,828**	**1,021,207**	**(579,684)**	**521,462**

The explanatory notes on pages 8 to 44 form an integral part of these financial statements.

Statement of cash flows

	Notes	2018 N'000	2017 N'000	2018 US$'000	2017 US$'000
Cash flows from operating activities					
Net profit /(loss) from operations		2,777,265	(7,760,499)	(4,058)	(23,923)
Adjustments for:					
Depreciation on generation assets	6	12,005,657	9,011,126	34,600	27,783
Depreciation on non generation assets	8	677,446	694,828	1,952	2,142
Provisions for doubtful debts		21,896,133	29,362,096	63,165	90,529
Bad debt written off		(163)	(3,242)	(0)	(10)
Accretion expense	7.3	619,953	530,781	1,787	1,636
Gain on assets disposal	7.4	(1,750)	-	(5)	-
Interest on fixed deposit	7.1	(2,189,882)	(1,125,012)	(6,311)	(3,469)
Deferred tax	11	3,495,040	(2,901,598)	10,073	(8,946)
Translation effect on generation assets	12	-	-	63,990	75,375
Translation effect on non generation assets	12	-	-	4,747	5,524
Translation effect on intangible assets	13	-	-	3	3
Translation effect on decommissioning obligation	22	-	-	(1,193)	(1,259)
Translation effect on taxation	11.2	-	-	(31,316)	(22,173)
Translation effect on trade and other receivables		-	-	(23,435)	(10,063)
Cumulative translation adjustment		-	-	(28,698)	(55,860)
		36,502,434	**35,568,979**	**89,359**	**101,212**
Movements in working capital					
Increase in trade and other receivables		(21,892,585)	(52,934,725)	(23,606)	(131,306)
Increase in other assets		(1,191,929)	(389,240)	(2,932)	(834)
Decrease/(Increase) in restricted cash		275,905	(510,237)	1,792	(515)
(Increase)/Decrease in inventories		(3,500)	2,541	(5)	13
(Decrease)/Increase in trade and other payables		(2,221,225)	33,843,686	(36,105)	77,137
(Decrease)/Increase in taxation		(2,613,658)	1,128,433	4,529	3,479
Total adjustments and movements		**8,855,442**	**16,709,437**	**33,032**	**49,186**
Income taxes paid		(262,064)	(111,851)	(730)	(345)
Net cash generated from operating activities		**11,370,643**	**8,837,086**	**28,244**	**24,918**
Cash flows from investing activities					
Purchase of property, plant & equipment	12	(1,880,805)	(2,193,584)	(5,421)	(6,763)
Interest income on fixed deposits	7.1	2,189,882	1,125,012	6,311	3,469
Proceeds from disposal of fixed assets		1,750	-	5	-
Net cash generated from/(used in) investing activities		**310,827**	**(1,068,572)**	**895**	**(3,294)**
Cash flows from financing activities					
		-	-	-	-
Net cash (used in) financing activities		-	-	-	-
Net increase in cash and cash equivalents		11,681,470	7,768,514	29,139	21,624
Cash and cash equivalents at beginning of the year	18	14,708,085	6,939,571	44,413	22,789
Cash and cash equivalents at end of the year		**26,389,555**	**14,708,085**	**73,552**	**44,413**

The explanatory notes on pages 8 to 44 form an integral part of these financial statements.

Notes to the financial statements

1.0 The Company

Egbin Power Plc ("the Company") was one of the unbundled companies from the defunct Power Holdings Company of Nigeria (PHCN). The Company was in the generating sector of the PHCN which was a state-owned Electric Power Company. During the Federal Government's privatisation program, the Company was sold to KEPCO Energy Resource Limited (KERL) in 2007 as part of the privatization of the electric power sector. The sale was authorized by the Bureau of Public Enterprises (BPE). Effective from 1st November 2013 (referred to as the handover date), the Federal Government of Nigeria (FGN) handed over the Company and other unbundled assets to their new owners. The Company entered into an operation and maintenance agreement with KEPCO in November 2013 to provide operation and maintenance services on its plant. The contract was terminated in December 2017.

1.1 Shareholding structure

The shareholding structure of the Company is as follows:

	N'000	%
KERL		
17,500,000 ordinary shares of N1 each	17,500	70
BPE		
6,000,000 ordinary shares of N1 each	6,000	24
Ministry of Finance Incorporated		
1,500,000 ordinary shares of N1 each	1,500	6
Total issued ordinary shares	**25,000**	**100**

1.2 Principal activities

The Company's principal activity is to generate power and to sell to the Nigerian Bulk Electricity Trading Plc (NBET). The Company has installed capacity of 1,320 megawatts and utilizes thermal plant to generate electricity.

1.3 Financial period

These financial statements cover the financial year from 1 January 2018 to 31 December 2018, with comparative figures for the financial year ended 31 December 2017.

1.4 Composition of financial statements

The financial statements are drawn up in Nigerian Naira (N), the functional currency of Egbin Power Plc, in accordance with IFRS accounting presentation. The Directors also present its financial statements in Dollar (US$) to aid international comparison and acceptability on its transactions. The financial statements comprise:

(i) Statement of profit or loss and other comprehensive income
(ii) Statement of financial position
(iii) Statement of changes in equity
(iv) Statement of cash flows
(v) Notes to the financial statements

Additional information provided by management includes:

(i) Statement of value added
(ii) Five-year financial summary

1.5 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board, Companies and Allied Matters Act (CAMA), and Financial Reporting Council of Nigeria (FRCN) Act No. 6 2011.

Notes to the financial statements

2. Application of new and revised International Financial Reporting Standards (IFRSs)

The following new standards and amendments to the existing standards issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current year.

2.1 Amendments to IFRSs that are mandatorily effective for annual periods beginning on or after 1 January 2018

The following new standards and amendments to the existing standards issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current year.

The following new standards became mandatorily effective in the current year.

- IFRS 9 'Financial Instruments'.
- IFRS 15 ""Revenue from Contracts with Customers"".

IFRS 9 'Financial Instruments': In the current year, the Egbin has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. However, Egbin has elected to restate comparatives in respect of the classification and measurement of financial instruments. Additionally, Egbin adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that were applied to the disclosures for 2018 and to the comparative period. IFRS 9 introduced new requirements for:

1) The classification and measurement of financial assets and financial liabilities,
2) Impairment of financial assets, and
3) General hedge accounting.

Details of these new requirements as well as their impact on Egbin's financial statements are described below. Egbin has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

(a) Classification and measurement of financial assets.
The date of initial application (i.e. the date on which Egbin has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 January 2018. Accordingly, Egbin has applied the requirements of IFRS 9 to instruments that continue to be recognised as at 1 January 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. Comparative amounts in relation to instruments that continue to be recognised as at 1 January 2018 have been restated where appropriate.

Initial Measurement –All financial Asset & Liability classified through profit or loss is measured at fair value of consideration given or received, any other is measured at fair value plus transaction cost. All receivables without significant financing component are initially measured at their transaction price in line with IFRS 9.

Subsequent measurement: All financial instrument measured at fair value shall subsequently be measured at fair value on the date of re-measurement and any other financial instrument shall be measured using amortised cost using effective interest method.

Accounting for changes in subsequent measurement, all the financial instrument that have been fair valued through profit or loss initially will be treated in such manner except for non-derivative liability. Foreign exchanges are treated under other comprehensive income

(b) Impairment of financial assets:
IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires Egbin to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Notes to the financial statements

2.1 Amendments to IFRSs that are mandatorily effective for annual periods beginning on or after 1 January 2018 (cont'd)

Specifically, IFRS 9 requires Egbin to recognise a loss allowance for expected credit losses on:

1) Trade receivables and contract assets;
2) Financial guarantee contracts to which the impairment requirements of IFRS 9 apply. In particular, IFRS 9 requires Egbin to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit impaired financial asset), Egbin is required to measure the loss allowance for that financial instrument at an amount equal to 12 months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

   The reconciliation between the ending provision for impairment in accordance with IAS 39 and the provision in accordance with IAS 37 (for the financial guarantee contracts) to the opening loss allowance determined in accordance with IFRS 9 for the above financial instruments on 1 January 2018 is disclosed in their respective notes.

3) Cash & Cash Equivalent. Egbin maintains Time & Call deposit with banks and the balances are tested for impairment using ECL by considering their Moody rating with the probability of default (PD) and forward looking macro-coefficient to derive the Micro adjusted probability of defaults and the Loss given default (LCD) on similar financial instrument.

   For the purpose of assessing the changes to credit risk since initial recognition of financial instruments that remain recognised on the date of initial application of IFRS 9 (i.e. 1 January 2018), the directors have compared the credit risk of the respective financial instruments on the date of their initial recognition to their credit risk as at 1 January 2018. The result of the assessment is as follows:

Items existing as 01/01/2018 that are subject to the impairment provisions of IFRS 9	Credit risk attributes at 01/01/2018	Cumulative additional loss allowance recognised on 01/01/2018:	Cumulative additional loss allowance recognised on 01/01/2018:
		N'000	US$'000
Trade and other receivables	The Company applies the general approach and recognises lifetime ECL for these assets	21,310,501	59,395
Cash and bank balances	The Company assessed the bank balances using their rating and related probability of default on similar financial instrument	460,915	7,730

The consequential amendments to IFRS 7 have also resulted in more extensive disclosures about the Egbin's exposure to credit risk in the financial statements.

Notes to the financial statements

2.1 Amendments to IFRSs that are mandatorily effective for annual periods beginning on or after 1 January 2018 (cont'd)

(c) General hedge accounting.
IFRS 9, improves the decision-usefulness of the financial statements by better aligning hedge accounting with the risk management activities of an entity. IFRS 9 addresses many of the issues in IAS 39 that have frustrated corporate treasurers. In doing so, it makes some fundamental changes to the current requirements, by removing or amending some of the key prohibitions and rules within IAS 39. Overall, we believe that, by placing greater emphasis on an entity's risk management practices, the publication of the third phase of IFRS 9 is an improvement for hedge accounting. It will provide more flexibility, and it might allow companies to apply hedge accounting where previously they would not have been able to. As a result, this is an opportunity for corporate treasurers and boards to review their current hedging strategies and accounting, and to consider whether they continue to be optimal in view of the new accounting regime.

Impact of application of IFRS 15 Revenue from Contracts with Customers
IFRS 15 combined the IAS 18 (Revenue) & IAS 11 (Construction Contract), this was developed with a combined effort of IASB & FASB (USA standard setter). This is applicable from 1 January 2018 with earlier adoption been permitted but Egbin power Plc. has elected to adopt the standard on the 1 January 2018. IFRS 15 did not cover Royalty, interest and dividend, which is currently covered by IAS 39. This standard is limited to contract with customers and did not segregate sale of good/ services and construction contract instead it defines transaction based on performance obligation satisfied over time or at a point in time.

Egbin disaggregated revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors, this determination is based on specific and/or industry, trend-specific factors that would be most meaningful including customer's capacity and capability (which also include collectability) is considered in revenue recognition.

Apart from providing more extensive disclosures for the Company's revenue transactions, the application of IFRS 15 has not had a significant impact on the financial position and/or financial performance of the Company.

Notes to the financial statements

2.1 Amendments to IFRSs that are mandatorily effective for annual periods beginning on or after 1 January 2018 (cont'd)

The following amendments to IFRSs became mandatorily effective in the current year. The amendments generally require full retrospective application (i.e. comparative amounts have to be restated), with some amendments requiring prospective application.

- Amendments to IFRS 2 ""Share Based Payment"";
- Amendments to IAS 40 ""Investment Property"";
- Amendments to IFRS 1, 12 and IAS 28 included in Annual Improvements to IFRS Standards 2014-2016 Cycle."

Standard	Subject of amendment	Details
IFRS 2 Share based Payment	Amendments to Classification and Measurement of Share based Payment Transactions	Amends IFRS 2 Share-based Payment to clarify the standard in relation to the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled.
IAS 40 Investment Property	Transfers of Investment Property (Amendments to IAS 40)	Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.
IFRS 1, 12 and IAS 28	Annual Improvements to IFRS Standards 2014–2016 Cycle	IFRS 1 - Deletes the short-term exemptions in paragraphs E3–E7 of IFRS 1, because they have now served their intended purpose IFRS 12 - Clarifies the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations IAS 28 - Clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition

The application of these other standards has had no material impact on the disclosure or the amounts recognised in the Company's financial statements.

Notes to the financial statements

2.2 Accounting standards and interpretations issued but not yet effective

The following revisions to accounting standards and pronouncements that may be applicable to Egbin were issued but are not yet effective. Where IFRSs and IFRIC Interpretations listed below permit early adoption, Egbin has elected not to apply them in the preparation of these financial statements.

Pronouncement	Nature of Change	Required to be implemented for periods beginning on or after
IFRS 16 Leases	IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It will supersede the following lease Standard and Interpretations upon its effective date: - IAS 17 Leases; - IFRIS 4 Determining whether an Arrangement contains a Lease; - SIC-15 Operating Leases – Incentives; - SIC-27 Evaluating the substance of Transactions Involving the Legal Form The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.	Annual periods beginning on or after 1 January 2019.
IFRS 17 Insurance Contracts	IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. [IFRS 17:1] The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.	IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021.
Amendments to IFRS 9 (Prepayment Features with Negative Compensation)	Amends the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.	Annual periods beginning on or after 1 January 2019
Amendments to IAS 28 (Long-term Interests in Associates and Joint Ventures)	Clarifies that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.	Annual periods beginning on or after 1 January 2019

Notes to the financial statements

2.2 Accounting standards and interpretations issued but not yet effective

Pronouncement	Nature of Change	Required to be implemented for periods beginning on or after
Annual Improvements to IFRS Standards 2015–2017 Cycle: Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs	IFRS 3 and IFRS 11 - The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business. IAS 12 - The amendments clarify that the requirements in the former paragraph 52B (to recognise the income tax consequences of dividends where the transactions or events that generated distributable profits are recognised) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits. IAS 23 - The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.	Annual periods beginning on or after 1 January 2019
Amendments to IAS 19 Employee Benefits: Plan Amendment, Curtailment or Settlement	The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income. The paragraphs that relate to measuring the current service cost and the net interest on the net defined benefit liability (asset) have also been amended.	The amendments to IAS 19 must be applied to annual periods beginning on or after 1 January 2019, but they can be applied earlier if an entity elects to do so.
IFRIC 23: Uncertainty over Income Tax Treatments	IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires an entity to: • determine whether uncertain tax positions are assessed separately or as a group; and • assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings: – If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings. – If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.	Annual periods beginning on or after 1 January 2019

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

Notes to the financial statements

3. Basis of preparation and measurements

Basis of preparation of the accounts

These financial statements have been prepared in accordance with International Accounting Standards ("IAS"), International Financial Reporting Standards ("IFRSs") and International Financial Reporting Interpretations Committee ("IFRIC") Interpretations (collectively referred to as IFRS), the Companies and Allied Matters Act (CAMA), and the Financial Reporting Council of Nigeria (FRC) Act as at 31 December 2018.

The financial statements have been prepared on a historical cost basis except for the fixed assets account balance which has been recognized on a revaluation model basis. The historical cost is generally based on the fair value of the consideration given in exchange for the assets while the revaluation model refers to the replacement costs of the property, plant and equipment.

Accounting policies

The financial statements have been prepared in accordance with the Company's accounting policies approved by the Board of Directors of the Company.

A. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable, excluding Value Added Tax (VAT). Revenue is made from power generated in the year from the company's generating plants, the agreed capacity tariff, and the value acknowledged by the Nigerian Bulk Electricity Trading Plc (NBET); units are based on energy volumes that are actually received by NBET. The Company also recognises additional revenue based on a compensating fee received from the System Operator (NCC) in respect of spinning reserves. This arises in situations when the Company has been requested to step down its supply of power to the National grid in order to prevent damage to the national grid. The entity recognises revenue as performance obligations are satisfied at a point in time.

Egbin assesses the collectability of Revenue in recognition that sales should only be recognised when the collectability is certain.

B. Property, plant and equipment

1. Generation assets

The Company's generation assets are stated at replacement cost using the revaluation model less accumulated depreciation and impairment losses and are generally depreciated using the unit of production method based on the machine usage hours over the estimated operating capacity of the assets. Generation assets include the operating assets which the Company uses in carrying out its normal course of business; generating power to NBET. These assets include the generating plants, turbines, plant spares, and the plant's buildings.

Spare parts and replacement materials of significant importance to the generation assets and whose useful lives are greater than one year (either utilised or not) are classified as part of generation assets in line with IAS 16 – Property, Plants and Equipment and depreciated accordingly with similar assets.

2. Non-generation assets

The Company's non-generation assets are stated at fair value using the revaluation model less accumulated depreciation and accumulated impairment losses. Depreciation is on a straight line method over the estimated useful lives of the assets. Non-generation assets include land, administrative office building, furniture and fittings, motor vehicles, etc. Land is not depreciated.

3. Basis of preparation and measurements (cont'd)

Accounting policies (cont'd)

B. Property, plant and equipment

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The main depreciation rate and basis used by the Company for its assets are as set out below:

Asset Class	Rate/Useful life (yrs)	Basis
Generation assets		
Plant and machineries	Unit of production method based on machine usage hours	Capacity Utilisation
Generation buildings (Plant)	30	Estimated Useful life
Non-generation assets		
Land	Nil	N/A
Buildings	30	Estimated Useful life
Equipment	Computer (4), Communication (4), Software (4), Miscellaneous (10)	Estimated Useful life
Furniture and fittings	5	Estimated Useful life
Motor Vehicles	4	Estimated Useful life
Work-in-Progress	Nil	N/A
ARO (Asset Retirement Obligation)		
Plant and machineries	Unit of production method based on machine usage hours	Capacity Utilisation
Generation buildings (Plant)	Straight line based on estimated decommissioning cost	Estimated Useful life

C. Impairment of property, plant and equipment

The carrying amounts of the Company's long-term assets are reviewed at each reporting date to determine whether there is any indication of impairment. If an indication of impairment exists, then the asset's recoverable amount is estimated. Generation assets are assessed for impairment when they are reclassified from construction in progress to property, plant and equipment (PP&E), and if facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount through the statement of profit or loss and other comprehensive income.

For the purpose of impairment testing, assets are grouped 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 recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell ("FVLCTS").

Value in use is determined by estimating the present value of the pre-tax future net cash flows expected to be derived from the continued use of the asset. FVLCTS is based on available market information, where applicable. The Company generally estimates fair value less costs to sell using a discounted cash flow model which has a significant number of assumptions. The model uses expected cash flows from capacity of electricity generation forecast, energy unit sales price in force and other operational cost parameters. The discount rate applied to the cash flows is also subject to management's judgment and will affect the recoverable amount calculated. The Company monitors internal and external indicators of impairment relating to its generation and non-generation assets.

Notes to the financial statements

3. Basis of preparation and measurement (cont'd)

Accounting policies (cont'd)

D. Financial instruments
Financial assets
Initial recognition and measurement
Financial assets within the scope of IFRS 9 Financial Instruments: are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available for sale financial assets, as derivatives or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus (in the case of investments not at fair value through profit or loss) directly attributable transaction costs. The Company's financial assets include cash and short-term deposits, trade and other receivables and loans.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IFRS 9. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in finance income or finance costs (as appropriate) in statement of profit or loss. Financial assets designated upon initial recognition at fair value through profit or loss are designated at the initial recognition date and only if the criteria set out in IFRS 9 are satisfied. The Company evaluates its financial assets as held for trading, other than derivatives, to determine whether the intention to sell them in the near term is still appropriate. When, in rare circumstances, the Company is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Company may elect to reclassify these financial assets. The reclassification to loans and receivables, available for sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation, these instruments cannot be reclassified after initial recognition. Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Cash and cash equivalents
Cash and cash equivalents in the statement of financial position comprise cash at banks and at hand and short term deposits with an original maturity of three months or less, but exclude any restricted cash which is not available for use by the Company and therefore is not considered highly liquid. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Notes to the financial statements

3. Basis of preparation and measurement (cont'd)

Accounting policies (cont'd)

D. Financial instruments
Financial assets
Initial recognition and measurement
Financial assets within the scope of IFRS 9 Financial Instruments: are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available for sale financial assets, as derivatives or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus (in the case of investments not at fair value through profit or loss) directly attributable transaction costs. The Company's financial assets include cash and short-term deposits, trade and other receivables and loans.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IFRS 9. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in finance income or finance costs (as appropriate) in statement of profit or loss. Financial assets designated upon initial recognition at fair value through profit or loss are designated at the initial recognition date and only if the criteria set out in IFRS 9 are satisfied. The Company evaluates its financial assets as held for trading, other than derivatives, to determine whether the intention to sell them in the near term is still appropriate. When, in rare circumstances, the Company is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Company may elect to reclassify these financial assets. The reclassification to loans and receivables, available for sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation, these instruments cannot be reclassified after initial recognition. Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Cash and cash equivalents
Cash and cash equivalents in the statement of financial position comprise cash at banks and at hand and short term deposits with an original maturity of three months or less, but exclude any restricted cash which is not available for use by the Company and therefore is not considered highly liquid. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Notes to the financial statements

3. Basis of preparation and measurement (cont'd)

Accounting policies (cont'd)

D. Financial instruments (cont'd)

De-recognition
A financial asset (or, where an applicable part of a financial asset or part of a group of similar financial assets) is de-recognised when:

- The right to receive cash flows from the asset has expired.
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and either

  (a) the Company has transferred substantially all the risks and rewards of the asset, or
  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset."

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets
The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial re-organisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost
For financial assets carried at amortised cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

3. Basis of preparation and measurement (cont'd)

Accounting policies (cont'd)

D. Financial instruments (cont'd)

Financial assets carried at amortised cost (cont'd)
If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in statement of profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in statement of profit or loss.

Financial liabilities
Initial recognition and measurement
Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. The Company's financial liabilities include trade and other payables, bank overdrafts and loans and borrowings.

Subsequent measurement
The measurement of financial liabilities depends on their classification as described below. Financial liabilities at fair value through profit or loss. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss should be designated at the initial recognition date and only if the criteria set out in IAS 39 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Interest-bearing loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised, as well as through the EIR method amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are integral part of the EIR. The EIR amortisation is included in finance cost in statement of profit or loss.

Notes to the financial statements

3. Basis of preparation and measurement (cont'd)

Accounting policies (cont'd)

D. Financial instruments (cont'd)

Derecognition
A financial liability is derecognised when the associated obligation is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in statement of profit or loss.

Offsetting financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments
The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include: using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

Creditors and accruals
Creditors and accruals are the financial obligations due to third parties and are falling due within one year. The outstanding balances are not interest bearing and are stated at their nominal value.

Finance income and expense
Finance expense comprises interest expense on borrowings, accretion on decommissioning liabilities, evaluation of derivative financial liabilities and impairment losses recognized on financial assets. Finance income comprises interest earned on cash and cash equivalents, short-term investments, trade receivables and financial instruments through profit or loss.

Retirement benefit costs
The Company maintains a defined contribution pension scheme in accordance with the new Pension Reform Act, 2014. The contribution by the employer and employee is 10% and 8% respectively of the employees' monthly basic salary, transport and housing allowances. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered services entitling them to the contributions.

Short-term employee benefits
Short-term employee benefits are rewards such as wages, salaries, paid annual leave, and bonuses (if payable within twelve months of the end of the period) and non-monetary benefits (such as medical care, housing, cars, etc.)

Medical Insurance Scheme
The Company subscribes to a medical insurance plan on behalf of its employees, paying a gross premium to a health management organization based on the level of the employee. This premium is treated as a prepayment and charged to staff costs on a monthly basis.

Notes to the financial statements

3. Basis of preparation and measurement (cont'd)

Accounting policies (cont'd)

D. Financial instruments (cont'd)

Non-current assets held for sale
Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Operating Leases
Rental payable under operating lease are charged to income on a straight line basis over the term of the relevant lease.

E. Inventories
Inventories are stated at the lower of cost and net realizable value. Inventories represent small parts, other consumables and gas fuel, the majority of which is consumed by our projects in provision of their services within one financial year. Cost comprises; direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventory to their present location and condition.

Specific identification entails assigning cost of inventory items that are not ordinarily interchangeable, and of goods or services produced and segregated for specific projects. The method is appropriate when items of inventory are produced for specific projects or when other items of inventory held could not be substituted for those items.

Cost is determined by the First In First Out (FIFO) method.

Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Estimates are based on the most reliable evidence available and take into consideration fluctuations in price or cost directly relating to events occurring after the reporting period to the extent that such events confirm conditions existing at the end of the reporting period.

F. Provisions
General
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of comprehensive income.

Notes to the financial statements

3. Basis of preparation and measurement (cont'd)

Accounting policies (cont'd)

F. Provisions (cont'd)

Decommissioning liability
The Company recognizes a decommissioning liability when it has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. The obligation generally arises when the asset is installed or the ground/environment is disturbed at the field location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related base/power stations and generating plants to the extent that it was incurred by the development/construction of the station. Any decommissioning obligations that arise through the production of electricity are expensed as incurred. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property, plant and equipment. Any reduction in the decommissioning liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to statement of comprehensive income. If the change in estimate results in an increase in the decommissioning liability and, therefore, an addition to the carrying value of the asset, the Company considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment in accordance with IAS 36. If the revised power and utilities' assets net of decommissioning provisions exceed the recoverable value, that portion of the increase is charged directly to expense. Over time, the discounted liability is increased for the change in present value based on the discount rate that reflects current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in statement of profit or loss as a finance cost. The Company recognises neither the deferred tax asset regarding the temporary difference on the decommissioning liability nor the corresponding deferred tax liability regarding the temporary difference on a decommissioning asset.

G. Foreign currencies
The functional currency of the Company is the Nigerian Naira ("NGN"), which represents the currency of the primary economic environment in which the Company operates. Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Assets and liabilities denominated in foreign currencies at the statement of financial position date are reported at the foreign exchange rate prevailing at that date. Any gains or losses arising from changes in exchange rates subsequent to the date of transaction are included as an exchange gain or loss in the statement of comprehensive income.

The Company also presents its financial statements in US Dollars ("US$") in order to make its financial statements comparable in the international markets. Exchange differences arising from the translation from NGN functional currency to US$ presentation currency are classified as a cumulative translation adjustment and recorded against equity in the statement of financial position. The company has adopted the Nigerian Interbank foreign exchange fixing rates and Central Bank of Nigeria's published rates respectively (closing and average) for its presentation currency as follows:

2018: Closing rate - N358.79; Average rate - N346.99
2017: Closing rate - N331.16; Average rate - N324.34"

3. Basis of preparation and measurement (cont'd)

Accounting policies (cont'd)

H. Taxation

1. Company income tax

Income tax expense is the aggregate of the charge to the statement of comprehensive income in respect of current income tax, education tax and deferred tax.

Current income tax is the amount of income tax payable on the taxable profit of the year determined in accordance with the Company Income Tax ACT, CAP C21 LFN 2004 (as amended). Education tax is assessed at 2% of the assessable profit in line with Tertiary Education Trust fund Act CAP 2011.

2. Deferred tax

In general, deferred tax is recognized in respect of temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined on a non-discounted basis using tax rates and laws enacted or substantively enacted by the reporting date and expected to apply when the deferred tax asset or liability is settled. This is determined throught the liability method.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are presented as non-current assets or liabilities respectively.

I. Intangible assets

1. Licences

Licences are shown at historical cost. Licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method over a period of licence to allocate the cost of licences over their estimated useful life.

2. Computer software

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Amortisation is calculated using the straight-line method over a period of rights obtained to allocate the cost of computer software. If software is integral to the functionality of related property, plant and equipment (PPE), then it is capitalised as part of the PPE. Costs that are directly associated with the development of identifiable and unique software products controlled by the company, and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets and amortised as above. Costs include employee costs incurred as a result of developing software, borrowing costs if relevant and an appropriate portion of relevant overheads. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Notes to the financial statements

3. Basis of preparation and measurement (cont'd)

Accounting policies (cont'd)

J. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available for a short term out of money borrowed specifically to finance a project, the income generated from the temporary investment of amounts is also capitalised and deducted from the total capitalised borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the period.

All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

Financial Risk Management Policy

The company's financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the company's working capital needs. The company has loans, trade and other receivables, and cash and short-term deposits that arise directly from its operations. During the year ended 31 December 2017, the company has been exposed to energy market risk, credit risk, foreign currency exchange risk, and treasury risk.

(a) Energy market risk

The company is exposed to market risk associated with fluctuations in the market price of electricity within the framework of the Multi Year Tariff Order (MYTO) and confirmation by the market operator and generation gas compounded by volumetric loss risk of power generated caused by unplanned changes in the load, output of its portfolio of generation assets, capacity of transmitting companies and demand by customer. The risk management policies are implemented at the business level with the oversight of the Company's board, technical partner, and management teams. The company uses a number of risk measurement procedures and techniques to ensure that risk is kept within pre-approved limits. This risk is mitigated by compensation payment for capacity and load shedding by the Market Operator if reduction in generation is at their instance.

(b) Credit risk

The company is exposed to both settlement risk defined as the risk of a counterparty failing to pay for energy and/or services which have been delivered. Credit risk is mitigated by active engagement and reconciliation of energy supplied to the market operator and promotion of compliance with the MYTO agreement. Credit risk is an activity managed by the Directors with all relevant stakeholders to ensure reduced impact on provisioning policy. The allowance for doubtful debts is analysed at each reporting date and this is estimated by management taking into account future cash flows, prior experience, ageing analysis and an assessment of the current economic climate within which the company operates. The maximum exposure to credit risk in respect of trade receivables is the carrying value of the trade receivables at the reporting date. The carrying value of trade receivables is stated net of the allowance for recoverability provision.

Notes to the financial statements

3. Basis of preparation and measurement (cont'd)

Accounting policies (cont'd)

(c) Treasury risk

Treasury risk is comprised of liquidity and market risk. The company's cash management and short-term financing activity.

(i) Treasury liquidity risk

Liquidity risk, the risk that the company will have insufficient funds to meet its liabilities. This is met or mitigated through active assessment of funding requirements by the finance operation team and decision by the board. The Company adopts a mix of funding arrangements to limit its exposures but enhance operations through loans and related parties, financial institutions and when required long term debt to finance core expansion projects.

(ii) Treasury market risk

Market risk is the risk of loss that results from changes in market rates (foreign exchange rates and interest rates). The Company is exposed to foreign currency fluctuation primarily between the Naira and US$ due to continuing devaluation weakening of the Naira which is the functional currency. Exchange risk exposures are mitigated where possible through local purchases or denomination of capital expenses in Naira where feasible.

(iii) Interest Rate Risk

The Company's interest rate exposures is subject to the commercial fluctuations in the financial market in which the loan is being sourced. Exposures are limited by funding foreign currency purchases with foreign currency loans and local purchases with local finance. Also, the Company adequately and routinely assesses its working capital and excess funds are utilised for other long term funding obligations.

Notes to the financial statements

4. Critical accounting judgements and key sources of estimation uncertainty

In determining and applying accounting policies, judgment is often required in respect of items where the choice of specific policy to be followed could materially affect the reported amounts of revenues, expenses, assets and liabilities of the company should it later be determined that a different choice would be more appropriate. In addition, in preparing the accounts in conformity with IFRS, the company is required to make estimates and assumptions that impact on the reported amounts of revenues, expenses, assets, and liabilities of the company. Actual results may differ from these estimates. These are discussed in more details below. These critical accounting judgments and key sources of estimation uncertainty should be read in conjunction with the full statement of Accounting Policies at Note 1.

(a) Revenue

Billed revenue comprises of capacity and energy charges generated and valued based on the Multi-Year Tariff Order (MYTO) structure and recognised in the Statement of profit or loss and Statement of financial position as Revenue and Trade Receivables respectively, based on the value of capacity and energy charge NBET received, subject to both parties' reconciled amounts.

(b) Impairment of trade receivables

Trade receivables are stated net of allowance for impairment of doubtful debts and adjustments on the confirmed revenue arising from capacity charge and generated energy units. The company estimates its provision for impairment taking into account future cash flows, based on prior experience, ageing analysis and an assessment of the current economic environment within which the company operates, liquidity matters amongst the market participants and related government polices and plans. These estimates and assumptions may involve a significant degree of judgment.

(c) Impairment of property, plant and equipment

Impairment of Property, plant and equipment is conducted at every reporting period in line with the provisions of IAS 36. However, in certain circumstances if there are impairment indicators, Property, plant and equipment are required to be reviewed for impairment. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of the expected future cash flows of the relevant Cash Generating Unit ("CGU"), or disposal value if higher. The discount rate applied is based on the company's weighted average cost of capital with appropriate adjustments for the risks associated with the CGU. Estimates of cash flows involve a significant degree of judgment as matters relating to gas supply, grid capacity, and load capacity factor which relate to the existing operating turbines and projected plans are used in developing these estimates. The tariff on Capacity and Energy are also susceptible to changes in variable elements of the MYTO 2.0 model. The Directors estimates and assumptions are based on reasonable and operational plan of the Company and existing or planned government policies.

(d) Contingencies

Appropriate recognition and disclosure of contingent liabilities is made regarding litigation, tax matters, and environmental issues, among others. Accounting for contingencies requires significant judgment by management regarding the estimated probabilities and ranges of exposure to potential loss. The evaluation of these contingencies is performed by specialists either externally contracted or internal personnel. The Company's assessment of its exposure to contingencies could change as new developments occur or more information becomes available. The outcome of the contingencies could vary significantly and could materially impact the Company's results and financial position. The Company has used its best judgment in applying IAS 37 'Provisions, Contingent liabilities and Contingent assets' to these matters during the year.

(e) Decommissioning and environmental liability

The company periodically revises the estimates made concerning the costs to be incurred in the decommissioning of the company's power generating plants and its constructive obligation to restore the station sites over the course of their operational lives.

Notes to the financial statements

5 Revenue

	2018 N'000	2017 N'000	2018 US$'000	2017 US$'000
Sale of electricity (Note 5.1)	91,686,313	76,678,549	264,236	236,414
Ancillary services (Note 5.2)	18,000	59,030	52	182
Other electricity bills (Note 5.3)	8,863	8,738	26	27
	91,713,176	**76,746,317**	**264,314**	**236,623**

5.1 The revenue recorded represents the total value of the energy received and capacity certified by the Market Operator/Nigeria Bulk Electricity Trader for energy generated by Egbin Power Plc. as recorded on the monthly settlement statements for the year between both parties.

5.2 The revenue earned from ancillary services represents the invoices for spinning reserves and blackstart services rendered to National Control Centre (NCC) Oshogbo. The spinning reserve is the unused capacity set aside on an agreement with systems operator which can be activated on decision of the system operator (NCC) to either increase or reduce supply of power to the grid, while blackstart is charge for the Company's ability to jumpstart the grid in the event of grid collapse.

5.3 Other electricity bills represents billings to third parties for usage of portion of energy imported by the Company from the National Grid.

6 Cost of sales

	2018 N'000	2017 N'000	2018 US$'000	2017 US$'000
Operations, maintenance and implementation service fees (Note 6.1)	22,725,173	28,571,232	65,493	88,090
Gas consumed	46,530,240	36,260,069	134,099	111,796
Depreciation on generation assets	12,005,657	9,011,126	34,599	27,783
Salaries and benefits	1,629,828	1,718,635	4,697	5,299
Regulatory charges (Note 6.2)	898,969	756,482	2,591	2,332
Other staff welfare	155,962	124,201	449	383
Other plant maintenance cost	1,787,605	1,872,871	5,152	5,774
	85,733,434	**78,314,616**	**247,080**	**241,457**

6.1 This relates to Operations and Maintenance (O&M) service cost to Korea Electric Power Corporation (KEPCO); a related party appointed as Technical Partner to operate and maintain the plant over a period of five years from November 2013. It also includes the Operations and Implementation (O&I) cost to Lithia Consultants Limited, for financial and technical monitoring of all O&M services, other O&M costs outside the KEPCO contract, facilities maintenance, and other ancillary support services. The fees were charged in line with the O&M/O&I contracts between the Company and KEPCO/Lithia. The contract with KEPCO was terminated in December 2017.

6.2 Amount represents regulatory charges due to the Nigerian Electricity Regulatory Commission under the provisions of the NERC (License and Operations fee) Regulations, 2010, and is calculated as 1.5% of licensee's charges/kWh over a period.

7 Finance income/cost

7.1 Finance income

	2018 N'000	2017 N'000	2018 US$'000	2017 US$'000
Interest income (Note 7.2)	20,631,106	24,149,689	59,458	74,458
Interest on short term deposits	2,189,882	1,125,012	6,311	3,469
	22,820,988	**25,274,701**	**65,769**	**77,927**

Notes to the financial statements

7.2 The interest income represents amount receivable by the Company on outstanding invoice amounts yet to be paid by the Market Operator/Nigerian Bulk Electricity Trading Company. This interest is in line with the supplementary order on the commencement of the transitional stage electricity market (TEM) issued by NERC, and is charged at NIBOR + 10%.

7.3 Finance cost

	2018 N'000	2017 N'000	2018 US$'000	2017 US$'000
Accretion expense (Note 22)	619,953	530,781	1,787	1,636
Letters of credit charges	60,343	45,846	174	141
	680,296	**576,627**	**1,961**	**1,777**

7.4 Other gains and losses

	2018 N'000	2017 N'000	2018 US$'000	2017 US$'000
School income - Powerfield	209,880	199,761	605	616
Net foreign exchange gains/(losses)	1,073,080	(607,785)	3,093	(1,874)
Other income	1,646	12,236	5	38
Gain on fixed asset disposal	1,750	-	5	-
	1,286,356	**(395,788)**	**3,708**	**(1,220)**

8 Administrative expenses

	2018 N'000	2017 N'000	2018 US$'000	2017 US$'000
Provisions for doubtful debts	22,549,047	29,362,096	64,985	90,529
Depreciation on non-generation assets (Note 12)	677,446	694,828	1,953	2,142
Salaries and benefits	624,116	629,143	1,799	1,940
Repairs and maintenance	820,255	568,299	2,364	1,752
Motor running expenses	231,068	192,140	665	592
Safety & security	147,245	165,372	424	510
Other staff welfare	101,890	95,068	294	293
Other professional fees (Note 9.2)	66,452	91,726	192	283
Community expenses/CSR	157,405	69,295	454	214
Travelling and transportation	60,951	54,258	176	167
Bank charges	41,603	49,236	120	152
Office & IT consumables	54,636	48,682	157	150
Audit fees (Note 9.1)	55,000	55,000	159	170
Directors fees and expenses	45,831	35,070	132	108
Entertainment and advertisement	29,810	32,212	86	99
Insurance	14,511	20,853	42	64
Regulatory expenses	9,044	52,318	26	161
Business development expenses	18,097	-	52	-
Other expenses	43,736	52,055	126	160
	25,748,143	**32,267,651**	**74,206**	**99,486**

9 Professional fees

	2018 N'000	2017 N'000	2018 US$'000	2017 US$'000
9.1 Audit fees	55,000	55,000	159	170

9.2 Other professional fees

	2018 N'000	2017 N'000	2018 US$'000	2017 US$'000
- Consultancy fees	16,452	50,826	47	157
- Legal services	50,000	40,900	145	126
	66,452	**91,726**	**192**	**283**

Notes to the financial statements

10	Profit/ (Loss) before tax	2018 N'000	2017 N'000	2018 US$'000	2017 US$'000
	This is stated after charging:				
	Auditor's remuneration	55,000	55,000	159	170
	Depreciation and amortization	12,683,103	9,705,954	36,552	29,925
	Other gains and losses	1,286,356	(395,788)	3,708	(1,220)

11	Income tax expense	2018 N'000	2017 N'000	2018 US$'000	2017 US$'000
	Per profit or loss				
	Prior year tax write back	(4,185,118)			
	Income tax	1,141,912	1,128,433	3,291	3,479
	Education tax	429,548	-	1,238	-
		(2,613,658)	1,128,433	4,529	3,479
	Deferred tax (Note 11.2)	3,495,040	(2,901,598)	10,073	(8,946)
		881,382	**(1,773,165)**	**14,602**	**(5,467)**

11.1 The prior year tax write back represents income tax charge for financial years 2014 to 2016 written back in the year following the receipt of pioneer status certificate from Nigerian Investment Promotion Commission for the period 2014 to 2016.

"Corporation tax is calculated at 30% (2017: 30%) of the estimated taxable profit for the year. The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act CAP C21, LFN 2014 as amended.

The charge for Education tax of 2% (2017: 2%) is based on the provisions of the Education Tax Act, CAP E4, LFN, 2004."

11.2	Current and deferred tax liabilities	2018 N'000	2017 N'000	2018 US$'000	2017 US$'000
	Current tax				
	At 1 January	5,201,702	4,185,119	15,708	13,744
	Prior year tax write back	(4,185,118)	-	-	-
	Tax charged for the year	1,571,460	1,128,434	4,529	3,479
	Payments during the year	(262,065)	(111,851)	(730)	(345)
	Translation effects	-	-	(13,024)	(1,170)
	At 31 December	**2,325,979**	**5,201,702**	**6,483**	**15,708**
	Deferred tax				
	At 1 January	77,235,431	80,137,029	233,227	263,176
	Recognised in statement of profit or loss	3,495,040	(2,901,598)	10,073	(8,946)
	Translation effects	-	-	(18,292)	(21,003)
	At 31 December	**80,730,471**	**77,235,431**	**225,008**	**233,227**

Notes to the financial statements

12 Property, Plant and Equipment

	GENERATION ASSETS			NON - GENERATION ASSETS					CAPITAL WORK IN PROGRESS	
	Plant and machinery N'000	Buildings (Plant) N'000	ARO Asset cost N'000	Equipment (Non plant) N'000	Furniture & fittings N'000	Motor vehicles N'000	Freehold land N'000	Buildings (Non plant) N'000	Capital Work in Progress N'000	Total N'000
Cost or valuation										
At 1 January 2017	563,338,381	64,660,861	3,159,414	414,537	182,294	62,035	6,735,000	15,153,200	213,302	653,919,024
Additions	-	-	-	62,337	22,280	-	-	17,954	2,088,461	2,191,032
Transfers	994,408	-	-	27,883	-	-	-	57,588	(1,079,879)	-
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 December 2017	**564,332,789**	**64,660,861**	**3,159,414**	**504,757**	**204,574**	**62,035**	**6,735,000**	**15,228,742**	**1,221,884**	**656,110,056**
At 1 January 2018	564,332,789	64,660,861	3,159,414	504,757	204,574	62,035	6,735,000	15,228,742	1,221,884	**656,110,056**
Additions	29,611	46,608	-	82,626	24,136	41,166	-	167,795	1,488,858	1,880,800
Transfers	2,568,948	-	-	(381,686)	-	-	-		(2,187,262)	-
Disposals	-	-	-	-	-	-	-	(12,449)	-	(12,449)
At 31 December 2018	**566,931,348**	**64,707,469**	**3,159,414**	**205,697**	**228,710**	**103,201**	**6,735,000**	**15,384,088**	**523,480**	**657,978,407**
Accumulated depreciation										
At 1 January 2017	304,267,744	39,463,915	408,980	20,546	45,859	43,253	-	1,863,199	-	346,113,496
Charge for the year	7,612,160	1,293,229	105,737	50,581	39,096	10,113	-	587,930	-	9,698,846
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 December 2017	**311,879,904**	**40,757,144**	**514,717**	**71,127**	**84,955**	**53,366**	**-**	**2,451,129**	**-**	**355,812,342**
At 1 January 2018	311,879,904	40,757,144	514,717	71,127	84,955	53,366	-	2,451,129	-	355,812,342
Charge for the year	10,568,929	1,293,709	143,019	19,618	42,616	14,243	-	594,274	-	12,676,409
Transfers	36,502			(36,502)						-
Disposals	-	-	-	-	-	-	-	(12,449)	-	(12,449)
At 31 December 2018	**322,485,335**	**42,050,853**	**657,736**	**54,243**	**127,571**	**67,609**	**-**	**3,032,954**	**-**	**368,476,302**
Carrying amount										
At 31 December 2018	**244,446,013**	**22,656,615**	**2,501,678**	**151,454**	**101,139**	**35,592**	**6,735,000**	**12,351,134**	**523,480**	**289,502,105**
At 31 December 2017	**252,452,885**	**23,903,717**	**2,644,697**	**433,630**	**119,619**	**8,669**	**6,735,000**	**12,777,613**	**1,221,884**	**300,297,714**

Notes to the financial statements

12 Property, plant and equipment

	GENERATION ASSETS			NON - GENERATION ASSETS					CAPITAL WORK IN PROGRESS	
	Plant and machinery	Buildings (Plant)	ARO Asset cost	Equipment (Non plant)	Furniture & fittings	Motor vehicles	Freehold land	Buildings (Non plant)	Capital Work in Progress	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cost or valuation										
At 1 January 2017	1,850,044	212,351	10,376	1,361	599	204	22,118	49,764	700	2,147,517
Additions	-	-	-	192	69	-	-	55	6,439	6,755
Reclassification	3,066	-	-	86	-	-	-	178	(3,329)	1
Disposals	-	-	-	-	-	-	-	-	-	-
Translation effects	(149,001)	(17,095)	(836)	(115)	(50)	(17)	(1,780)	(4,011)	(120)	(173,025)
At 31 December 2017	**1,704,109**	**195,256**	**9,540**	**1,524**	**618**	**187**	**20,338**	**45,986**	**3,690**	**1,981,248**
At 1 January 2018	1,704,109	195,256	9,540	1,524	618	187	20,338	45,986	3,690	1,981,248
Additions	85	134	-	238	70	119	-	484	4,291	5,421
Reclassification	7,404	-	-	(1,100)	-	-	-	-	(6,304)	-
Disposals	-	-	-	-	-	-	-	(36)	-	(36)
Translation effects	(131,478)	(15,041)	(734)	(89)	(51)	(18)	(1,567)	(3,556)	(218)	(152,752)
At 31 December 2018	**1,580,120**	**180,349**	**8,806**	**573**	**637**	**288**	**18,771**	**42,878**	**1,459**	**1,833,881**
Accumulated depreciation and impairment										
At 1 January 2017	999,237	129,602	1,343	67	151	142	-	6,119	-	1,136,661
Charge for the year	23,470	3,987	326	156	121	31	-	1,813	-	29,904
Disposals	-	-	-	-	-	-	-	-	-	-
Translation effects	(80,927)	(10,515)	(115)	(8)	(15)	(12)	-	(530)	-	(92,122)
At 31 December 2017	**941,780**	**123,074**	**1,554**	**215**	**257**	**161**	**-**	**7,402**	**-**	**1,074,443**
At 1 January 2018	941,780	123,074	1,554	215	257	161	-	7,402	-	1,074,443
Charge for the year	30,459	3,728	412	57	123	41	-	1,713	-	36,533
Reclassification	105	-	-	(105)	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	(36)	-	(36)
Translation effects	(73,530)	(9,600)	(133)	(16)	(24)	(14)	-	(626)	-	(83,943)
At 31 December 2018	**898,814**	**117,202**	**1,833**	**151**	**356**	**188**	**-**	**8,453**	**-**	**1,026,997**
Carrying amount										
At 31 December 2018	**681,306**	**63,147**	**6,973**	**422**	**281**	**100**	**18,771**	**34,425**	**1,459**	**806,884**
At 31 December 2017	**762,329**	**72,182**	**7,986**	**1,309**	**361**	**26**	**20,338**	**38,584**	**3,690**	**906,805**

Notes to the financial statements

12.1 The Directors at the reporting date have considered possible impairment triggers in respect of the operations of the Company based on industry events. Based on its assessment, no impairment provision has resulted based on the assumptions and estimates adopted on the expected cash flows from installed capacity, power generation load factor, weighted average cost of capital and technical loss ratio. The Directors believe that the estimates and assumptions made are appropriate and reasonable and based on best available information for both planning and operational purposes. The Directors acknowledge that sensitivity fluctuations may exist in the future based on macro-economic indices and Company specific factors due to the continuing restructuring and regulations in the power industry, but expects that any fluctuation which may impact on the carrying amount of the generating assets will be accounted for prospectively, if any exists in the applicable reporting period.

13 Intangible assets

	Software 31 Dec 2018 N'000	Software 31 Dec 2017 N'000
Cost or valuation		
At 1 January	**29,165**	**26,613**
Additions	-	2,552
At 31 December	**29,165**	**29,165**
Accumulated depreciation and impairment		
At 1 January	17,010	9,903
Charge for the year	6,695	7,107
At 31 December	**23,705**	**17,010**
Carrying amount		
At 31 December	**5,460**	**12,155**

	Software 31 Dec 2017 US$'000	Software 31 Dec 2017 US$'000
Cost or valuation		
At 1 January	**88**	**87**
Additions	-	8
Translation effect	(7)	(7)
At 31 December	**81**	**88**
Accumulated depreciation and impairment		
At 1 January	**51**	**33**
Charge for the year	19	22
Translation effect	(4)	**(4)**
At 31 December	**66**	**51**
Carrying amount		
At 31 December	**15**	**37**

14 Inventories

	31 Dec 2018 N'000	31 Dec 2017 N'000	31 Dec 2018 US$'000	31 Dec 2017 US$'000
Premium motor spirit	4,011	245	11	1
Automotive gas oil	17,748	18,014	49	54
	21,759	**18,259**	**60**	**55**

15 **Trade and other receivables**	**31 Dec 2018 N'000**	**31 Dec 2017 N'000**	**31 Dec 2018 US$'000**	**31 Dec 2017 US$'000**
Trade receivables (Note 15.1)	104,425,404	105,472,075	291,049	318,493
Amounts due from related parties (Note 21.1)	16,533,291	12,475,139	46,081	37,671
Interest and other receivables	61,787,424	41,116,486	172,211	124,159
AES/ CYREX receivables (Note 15.3)	-	1,789,832	-	5,405
BPE receivables (Note 15.4)	12,527	12,527	35	38
Unpaid share capital	20,000	20,000	56	60
	182,778,646	**160,886,059**	**509,432**	**485,826**
Expected credit loss (Note 15.2)	(104,036,393)	(60,369,007)	(289,965)	(182,296)
Net trade and other receivables	**78,742,253**	**100,517,052**	**219,467**	**303,530**

15.1 The average credit days on sales of electricity is 45 days. No interest is charged on trade receivables for the first 45 days from the date of the invoice. Thereafter, interest is charged at 10% per annum (plus 3 months Nibor rate) on the outstanding balance. Allowances for doubtful debts are recognised against trade receivables above 45 days based on estimated recoverable amounts determined by reference to past default experience of the counterparty, analysis of the counterparty's current financial position, and time value of money.

15.2 Amount represents total expected credit losses based on Directors' assessment of receivables, which are doubtful of recovery, due to age of debts.

Movement in the allowance for doubtful debts	**31 Dec 2018 N'000**	**31 Dec 2017 N'000**	**31 Dec 2018 US$'000**	**31 Dec 2017 US$'000**
Balance as at 1 January	60,369,007	31,010,153	182,296	93,641
Adjustment on initial application of IFRS 9	21,310,501	-	59,395	-
Impairment losses recognised	22,356,885	31,151,599	62,312	94,069
Amounts written off as uncollectible	-	(2,913)	-	(9)
Impairment losses reversed	-	(1,789,832)	-	(5,405)
Translation effect	-	-	(14,038)	-
Balance as at 31 December	**104,036,393**	**60,369,007**	**289,965**	**182,296**

Age of impaired receivables	**31 Dec 2018 N'000**	**31 Dec 2017 N'000**	**31 Dec 2018 US$'000**	**31 Dec 2017 US$'000**
0 days past due	95,940	-	267	-
1 - 30 days past due	-	1,887,139	-	5,699
31 - 60 days past due	130,344	2,192,310	363	6,620
60-90 days past due	87,951	2,434,778	245	7,352
Later than 90 days past due	1,523,495	18,714,560	4,246	56,512
Above 365 days	102,198,663	35,140,220	284,844	106,113
Total	**104,036,393**	**60,369,007**	**289,965**	**182,296**

Notes to the financial statements

15 Trade and other receivables (cont'd)

The following tables detail the risk profile of trade receivables based on the Company's provision matrix. As the Company's historical credit loss experience shows significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is further distinguished between the Company's different customer base.

2018
Sovereign Receivables

	Customer Group 1	Customer Group 2	Customer Group 3	
Exposure at default (N'000)	4,664,859	68,426,492	30,056,621	103,147,972
External Credit Rating	B2	B2	B2	
PD	100%	100%	1.4%	
Loss Given Default	0.46	0.46	0.46	
ECL (N'000)	2,147,118	31,495,004	196,446	33,838,568

Customer Group 1

	0 days past due	1 - 30 days past due	31 - 60 days past due	61 - 90 days past due	Later than 90 days past due	Portion outside of MYTO tariff above 365 days (100% provision)	Total
Balances outstanding at reporting date (N'000)	1,003,487	-	962,932	898,995	7,226,245	6,416,178	16,507,837
Expected credit loss rate	5.73%	5.73%	5.73%	6.56%	12.091%	100%	
Expected credit loss allowance (N'000)	57,503	-	55,179	58,960	873,718	6,416,178	7,461,539

Customer Group 2

	0 days past due	1 - 30 days past due	31 - 60 days past due	61 - 90 days past due	Later than 90 days past due	Portion outside of MYTO tariff above 365 days (100% provision)	Total
Balances outstanding at reporting date (N'000)	-	-	-	-	595,921	681,538	1,277,459
Expected credit loss rate	14.7%	14.7%	16.6%	44.6%	100.0%	100.0%	
Expected credit loss allowance (N'000)	-	-	-	-	595,921	681,538	1,277,459

Customer Group 3

	0 days past due	1 - 30 days past due	31 - 60 days past due	61 - 90 days past due	Later than 90 days past due	Disputed balances	Total
Balances outstanding at reporting date (N'000)	-	-	-	-	-	61,458,827	61,458,827
Expected credit loss rate	0.000%	0.000%	0.000%	0.000%	0.000%	100.000%	
Expected credit loss allowance (N'000)	-	-	-	-	-	61,458,827	61,458,827

Notes to the financial statements

15 Trade and other receivables (cont'd)

2017
Sovereign Receivables

2017				
	Customer Group 1	**Customer Group 2**	**Customer Group 3**	
Exposure at default (N'000)	10,557,202	60,420,026	34,494,847	105,472,075
External Credit Rating	B2	B2	B2	
PD	100%	100%	1.4%	
Loss Given Default	0.46	0.46	0.46	
ECL (N'000)	4,859,216	27,809,827	225,455	32,894,499

Customer Group 1

	0 days past due	**1 - 30 days past due**	**31 - 60 days past due**	**61 - 90 days past due**	**Later than 90 days past due**	**Portion outside of MYTO tariff above 365 days (100% provision)**	**Total**
Balances outstanding at reporting date (N'000)	586,582	-	571,454	516,006	4,407,904	4,972,547	11,054,493
Expected credit loss rate	17.268%	17.268%	17.268%	20.873%	27.691%	100%	
Expected credit loss allowance (N'000)	101,293	-	98,681	107,706	1,220,613	4,972,547	6,500,840

Customer Group 2

	0 days past due	**1 - 30 days past due**	**31 - 60 days past due**	**61 - 90 days past due**	**Later than 90 days past due**	**Portion outside of MYTO tariff above 365 days (100% provision)**	**Total**
Balances outstanding at reporting date (N'000)	-	-	-	-	715,893	681,538	1,397,431
Expected credit loss rate	14.662%	14.662%	16.615%	44.622%	100.000%	100.000%	
Expected credit loss allowance (N'000)	-	-	-	-	715,893	681,538	1,397,431

Customer Group 3

	0 days past due	**1 - 30 days past due**	**31 - 60 days past due**	**61 - 90 days past due**	**Later than 90 days past due**	**Disputed balances**	**Total**
Balances outstanding at reporting date (N'000)	-	-	-	-	-	40,886,738	40,886,738
Expected credit loss rate	0.000%	0.000%	0.000%	0.000%	0.000%	100.000%	
Expected credit loss allowance (N'000)	-	-	-	-	-	40,886,738	40,886,738

15.3 Amount represents receivables due from CYREX [formerly known as AES Barge Nigeria Limited (AES)] in respect of rebilled invoices on gas supplied to it by Nigerian Gas Company (NGC), but which NGC billed the Company directly due to its gas pipeline infrastructure, and which the Company has settled.

15.4 This amount relates to expected refunds from Bureau of Public Enterprises (BPE), of salaries paid to legacy staff by the Company for the period of November 2013 to April 2014.

Notes to the financial statements

		31 Dec 2018 N'000	31 Dec 2017 N'000	31 Dec 2018 US$'000	31 Dec 2017 US$'000
16	**Other assets**				
	Advances	2,655,315	1,499,323	7,401	4,528
	Prepayments	211,789	175,852	590	531
		2,867,104	**1,675,175**	**7,991**	**5,059**
	Current	2,867,104	1,674,556	7,991	5,057
	Non-current	-	619	-	2
		2,867,104	**1,675,175**	**7,991**	**5,059**
17	**Restricted cash**				
	Cash cover for bank guarantees (Note 17.1)	4,114,834	4,005,341	11,469	12,095
	Deliverable forward contracts (Note 17.2)	-	385,398	-	1,166
		4,114,834	**4,390,739**	**11,469**	**13,261**

17.1 This relates to cash cover for bank guarantees in respect of letter of credit items.

17.2 Deliverable forward contracts represents cash swap arrangements with the Central Bank of Nigeria for the settlement of Operations and Maintenance obligations, at a predetermined future date.

		31 Dec 2018 N'000	31 Dec 2017 N'000	31 Dec 2018 US$'000	31 Dec 2017 US$'000
18	**Cash and cash equivalents**				
	Investment in fixed deposit (Note 18.1)	26,277,800	13,218,411	73,240	39,915
	Cash in bank	758,678	1,482,400	2,115	4,476
	Cash at hand	5,991	7,274	17	22
	Provision on Bank (Fixed) Deposits (Note 18.2)	(652,914)	-	(1,820)	-
		26,389,555	**14,708,085**	**73,552**	**44,413**

18.1 Investment in fixed deposit represents short-term deposits kept by the Company in Nigerian commercial banks with maturity of 3 months or lower at fixed interest rates, and therefore yielding interest over the period of deposit.

18.2 Expected loss provision on bank (fixed) deposits

Grouping	External Credit Rating (Moody)	Macro Adjusted Probability of Default	Loss Given Default	Exposure at default N'000	Expected credit loss N'000
Restricted cash	B1	2.585%	62%	4,114,834	66,406
Investment in Fixed deposit	B1	2.585%	62%	8,564,173	138,209
Investment in Fixed deposit	B2	3.853%	62%	18,183,491	437,284
Investment in Fixed deposit	B3	6.386%	62%	276,320	11,015
				27,023,984	586,508
				31,138,818	**652,914**

Notes to the financial statements

19 Trade and other payables

	31 Dec 2018 N'000	31 Dec 2017 N'000	31 Dec 2018 US$'000	31 Dec 2017 US$'000
Amounts due to related parties (Note 21.4)	6,413,564	56,182,490	17,876	169,654
Trade creditors	56,924,952	56,922,408	158,658	171,888
O&M Provisions	52,804,191	-	147,173	-
Accruals and other creditors	10,278,596	15,537,633	28,648	46,919
	126,421,303	**128,642,531**	**352,355**	**388,461**
Current	81,997,002	92,824,855	228,538	280,302
Non-current	44,424,301	35,817,676	123,817	108,159
	126,421,303	**128,642,531**	**352,355**	**388,461**

20 Provisions for overhauls and maintenance

O&M Provisions	**52,804,191**	**50,247,510**	**147,173**	**151,732**
Current	8,379,890	14,429,834	23,356	43,573
Non-current	44,424,301	35,817,676	123,817	108,159
	52,804,191	**50,247,510**	**147,173**	**151,732**

Amount represents provisions made by the company for plant overhauls and maintenance. In the prior year, the balance was due to Korean Electric Power Company an affiliated company with whom the Company signed a Technical Service Agreement for provision of technical and support services (Note 21.4). The contract was however terminated as at 31 December 2017.

21 Related party transactions

21.1 Amounts due from related companies

	31 Dec 2018 N'000	31 Dec 2017 N'000	31 Dec 2018 US$'000	31 Dec 2017 US$'000
Ikeja Electric (Note 21.2)	16,507,837	12,451,925	46,010	37,601
Sahara Energy Resources Limited (Note 21.3)	25,454	23,214	71	70
	16,533,291	**12,475,139**	**46,081**	**37,671**

21.2 Amount represents receivables due from Ikeja Electric, a related entity in respect of electricity sales under the bilateral arrangement (Unit 6). Total transactions with this affiliate during the year amounted to N12.18 billion (2017: N11.52 billion), while total payments amounted to N6.73 billion (2017: N5.54 billion). An outstanding amount of N16.51 billion was due from this affiliate as at year end (2017: N12.45 billion).

21.3 Amount represents money due from Sahara Energy Resources Limited on cash swap transactions. Total transactions with this affiliate during the period amounted to N128.73 million (2017: N121.04), while total payments made on our behalf amounted to N126.49 million (2017: N92.72). An outstanding amount of N25.45 billion was due from this affiliate as at year end (2017: N23.21).

21.4 Amounts due to related companies

	31 Dec 2018 N'000	31 Dec 2017 N'000	31 Dec 2018 US$'000	31 Dec 2017 US$'000
Korean Electric Power Company (Note 20 & 21.5)	-	50,247,510	-	151,732
Sahara Group Limited (Note 21.6)	6,302,726	5,824,142	17,567	17,587
KEPCO Energy Resources Limited (Note 21.7)	102,231	102,231	285	309
Sahara Power Limited (Note 21.8)	8,607	8,607	24	26
	6,413,564	**56,182,490**	**17,876**	**169,654**
Current	6,413,564	20,364,814	17,876	61,495
Non-Current	-	35,817,676	-	108,159
	6,413,564	**56,182,490**	**17,876**	**169,654**

Notes to the financial statements

21 Related party transactions (cont'd)

21.5 This affiliated company provided technical and logistics support services to the Company under the terms of a Technical Service Agreement signed between the parties. Total payments during the year amounted to $17.63 million (N6.32 billion). No amount was outstanding against the company as at year end since the contract has been terminated (2017 $151.73 million (N50.25 billion)).

21.6 This affiliated company provides professional and administrative support services to the Company. There were no transactions with this affiliate during the year. Total amount due to this affiliate as at year end was N6.30 billion (2017: N5.82 billion). Difference is due to exchange loss.

21 Related party transactions

21.7 This affiliated company owns 70% in the entity. There were no transactions with this affiliated company during the course of the year, while an outstanding amount of N102.23 million was due to the affiliate as at year end (2017: N102.23 million).

21.8 This affiliated company provides administrative support services to the Company. There was no transactions with this affiliate during the year. An outstanding amount of N8.61 million was due to this affiliate as at year end (2017: N8.61 million).

22 Provision for decommissioning obligation

	31 Dec 2018 N'000	31 Dec 2017 N'000	31 Dec 2018 US$'000	31 Dec 2017 US$'000
At 1 January	5,167,727	4,636,946	15,605	15,228
Revision in estimate	(717,968)	-	(2,069)	-
Accretion cost for the year	619,953	530,781	1,787	1,636
Translation effect	-	-	(1,193)	(1,259)
				-
	5,069,712	**5,167,727**	**14,130**	**15,605**

Decommissioning provision represents the present value of estimated future decommissioning costs relating to the generation assets, which are expected to be incurred up to year 2028, based on its operating life. This provision has been created based on the management's best estimates as at reporting date. Assumptions based on the current economic environment have been made which management believes are a reasonable basis upon which to estimate the future liability. The estimate for the decommissioning liability was based on 30% of the 10-year net book value of the generation assets, expected scrap value of the steel components factoring the Federal Government of Nigeria (FGN) 10-year tenor bond at the rate of 15.24% (2017: 16.8%) per annum. The assumptions and judgements made in regard to this estimate are subject to annual assessment by management and adjustments if any are to be recognised. Management recognises that actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the generation assets cease to produce on economically viable basis.

23 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from prior year. The capital structure of the Company consists of cash and cash equivalents as disclosed in Note 18, and the reserves in the statement of changes in equity.

Notes to the financial statements

23 Capital risk management (cont'd)

The Company is not subject to any externally imposed capital requirements.

Gearing ratio The gearing ratio is as follows:	**31 Dec 2018** **N'000**	**31 Dec 2017** **N'000**	**31 Dec 2018** **US$'000**	**31 Dec 2017** **US$'000**
Debt	-	-	-	-
Cash and cash equivalents	(26,389,555)	(14,708,085)	(73,552)	(44,413)
Net debt	-	-	-	-
Equity	**187,095,605**	**205,371,788**	**521,462**	**620,159**
Net debt to equity ratio	-	-	-	-

Debt is defined as all forms of borrowing excluding derivatives and financial guarantee contracts.

Equity comprises capital of the Company that is managed as capital.

24 Financial instruments

24.1 Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the basis for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

24.2 Categories of financial instruments

The following table summarizes the Company's financial instruments:

	31 Dec 2018 **N'000**	**31 Dec 2017** **N'000**	**31 Dec 2018** **US$'000**	**31 Dec 2017** **US$'000**
24.2.1 Financial assets (Loans and receivables)				
Trade and other receivables	78,471,707	100,378,832	218,712	303,113
Cash and cash equivalents	26,389,555	14,708,085	73,552	44,413
	104,861,262	**115,086,917**	**292,264**	**347,526**

	31 Dec 2018 **N'000**	**31 Dec 2017** **N'000**	**31 Dec 2018** **US$'000**	**31 Dec 2017** **US$'000**
24.2.2 Financial liabilities				
Financial liabilities at amortised cost				
Trade and other payables	**113,202,372**	**122,899,205**	**315,512**	**371,117**

24.2.3 Fair value of financial instruments

In the opinion of the Directors, the carrying amounts of financial instruments as stated above approximate their fair values.

25 Financial risk management

25.1 Financial risk management objectives

The Company monitors and manages financial risks relating to its operations through internal risk reports, which analyse exposures by degree and magnitude of risks. These risks include foreign exchange risk, credit risk, liquidity risk and cash flow interest rate risk.

Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Company's activities. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

25.2 Sensitivity analysis

The Company enters into transactions denominated in foreign currencies related to its financing and its day-to-day operations. As a result, movements in foreign exchange rates can affect the statement of financial position.

The Company's exposures to foreign currency risk arise mainly from US Dollar. The Company makes payments in US Dollar for certain operating costs. Currently, Naira inflows are insufficient to make payments leading to Naira exposure against the US$. The Company converts Naira into US$ in order to make the necessary payments.

The following table details the Company's sensitivity to a 5% change in the Naira against the US$, with all other variables held constant. The Directors believe that a 5% movement in either direction is reasonably possible at the reporting date. A positive number below indicates an increase in profit and equity where the Naira strengthens against the US$. For a weakening of Naira against the US$, there would be an equal and opposite impact on the profit and the balances below would be negative.

25.2 Sensitivity analysis (cont'd)

	2018 N'000	2017 N'000
Profit/(loss)		
Nigerian Naira strengthens by 5% against the US Dollar	(138,863)	388,025
Profit/(loss)		
Nigerian Naira weakens by 5% against the US Dollar	138,863	(388,025)

25.3 Credit risk management

The credit risk on liquid funds and non-derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies, and related companies, while the trade receivables have been adjusted for those considered doubtful.

The carrying amount of financial assets represents the Company's maximum exposure, which at the reporting date, was as follows:

	31 Dec 2018 N'000	31 Dec 2017 N'000	31 Dec 2018 US$'000	31 Dec 2017 US$'000
Cash and cash equivalents	26,389,555	14,708,085	73,552	44,413
Trade and other receivables	78,471,707	100,378,832	218,712	303,113
	104,861,262	**115,086,917**	**292,264**	**347,526**

25.4 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built a liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company maintains adequate liquid reserves, by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

25 Financial risk management (cont'd)

The Company closely monitors and manages its liquidity risk. Cash forecasts are regularly produced and sensitivity analysis run for different scenarios including but not limited to changes in energy tariff, capacity availability and load factor from the generation assets. On this basis, the Company's forecasts, taking into account reasonably possible changes as described above, shows that the company has sufficient financial headroom.

The Company's cash reserves are held in Nigeria. All of the Company's cash and cash equivalents are currently held within reputable and well-known commercial institutions.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities. The amounts are based on undiscounted cash flows and on the earliest date on which the Company can be required to pay.

	31 Dec 2018 N'000	31 Dec 2017 N'000	31 Dec 2018 US$'000	31 Dec 2017 US$'000
30 days	4,153,692	7,738,692	11,577	23,368
60 days	8,923,551	5,853,114	24,871	17,675
90 days	11,352,920	5,479,373	31,642	16.546
90+ days	88,772,210	103,828,025	247,421	313,528
	113,202,373	**122,899,204**	**315,512**	**371,117**

25.5 Financial risk management policy

The Company's financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's working capital needs alongside other working capital items such as trade and other receivables, and cash and short-term deposits that arise directly from its operations. During the year ended 31 December 2018, the Company has been exposed to energy market risk, credit risk, foreign currency exchange risk, and treasury risk.

(a) Energy market risk

The Company is exposed to market risk associated with fluctuations in the market price of electricity within the framework of the Multi Year Tariff Order (MYTO) and confirmation by the market operator. This is compounded by energy loss risk of power generated caused by unplanned changes in the load, output of its generation assets, capacity of transmitting companies, and demand by customer. The risk management policies are implemented at the business level with the oversight of the Company's board, technical partner, and management teams. The Company uses a number of risk measurement procedures and techniques to ensure that risk is kept within pre-approved limits. This risk is mitigated by compensation payment for capacity and load shedding by the System Operator if reduction in generation is at their instance.

(b) Credit risk

The Company is exposed to settlement risk defined as the risk of a counterparty failing to pay for energy and/or services which have been delivered. Credit risk is mitigated by active engagement and reconciliation of energy supplied to the Nigerian Bulk Electricity Trading Plc and promotion of compliance with the Power Purchase Agreement ("PPA"). Credit risk is an activity managed by the Directors with all relevant stakeholders to ensure reduced impact on provisioning policy. The allowance for doubtful debts is analysed at each reporting date and this is estimated by management taking into account future cash flows, prior experience, ageing analysis and an assessment of the current economic climate within which the Company operates. The maximum exposure to credit risk in respect of trade receivables is the carrying value of the trade receivables at the reporting date. The carrying value of trade receivables is stated net of the allowance for doubtful recoverability.

25.5 Financial risk management policy (cont'd)

(c) Treasury risk
Treasury risk is comprised of liquidity and market risk.

(i) Treasury liquidity risk
Liquidity risk, the risk that the Company will have insufficient funds to meet its liabilities. This is met or mitigated through active assessment of funding requirements by the finance operation team and decision by the board. The Company adopts a mix of funding arrangements to limit its exposures but enhance operations through loans from related parties, financial institutions and when required, long term debt to finance core expansion projects.

(ii) Treasury market risk
Market risk is the risk of loss that results from changes in market rates (foreign exchange rates and interest rates). The Company is exposed to foreign currency fluctuation primarily between the Naira and US$ due to continuing devaluation/weakening of the Naira which is the functional currency. Exchange risk exposures are mitigated where possible through forward contracts, fixed exchange rate with suppliers, through local purchases or denomination of capital expenses in Naira where feasible.

(iii) Interest Rate Risk
The Company's interest rate exposures is subject to the commercial fluctuations in the financial market in which the loan is being sourced. Exposures are limited by funding foreign currency purchases with foreign currency loans and local purchases with local finance. Also, the Company routinely assesses its working capital and excess funds are utilised for other long term funding obligations.

26 Share capital

	31 Dec 2018 N'000	31 Dec 2017 N'000	31 Dec 2018 US$'000	31 Dec 2017 US$'000
Authorised				
100,000,000 ordinary shares of N1 each; converted at the historic exchange rates of N304.75/US$1 (2016: 90 million units at N1 per share), N199/US$1 (2015: 5 million units at N1 per share), N134.02/US$1 (2013: 10 million units at 0.50k per share)	100,000	100,000	357	357
Issued				
25,000,000 ordinary shares of N1 each converted at the historic exchange rates of N304.75/US$1 (2016: 15 million units at N1 per share), N199/US$1 (2015: 5 million units at N1 per share), N134.02/US$1 (2013: 10 million units at 0.50k per share)	25,000	25,000	111	111
Shareholders - Units	**Unit**	**Unit**	**Unit**	**Unit**
KEPCO Energy Resources Limited	17,500,000	17,500,000	17,500,000	17,500,000
Bureau of Public Enterprises	6,000,000	6,000,000	6,000,000	6,000,000
Ministry of Finance Incorporated	1,500,000	1,500,000	1,500,000	1,500,000
	25,000,000	25,000,000	25,000,000	25,000,000
Shareholders - % interest	**%**	**%**	**%**	**%**
KEPCO Energy Resources Limited	70	70	70	70
Bureau of Public Enterprises	24	24	24	24
Ministry of Finance Incorporated	6	6	6	6
	100	100	100	100

27 Basic Earnings/(Loss) per share

	2018 N'000	2017 N'000	2018 US$'000	2017 US$'000
Earnings (Loss) for the purpose of basic loss per share is based on net loss attributable to equity holders of the Company.	2,777,265	(7,760,499)	(4,058)	(23,923)
Number of shares	**2018 Number '000**	**2017 Number '000**	**2018 Number '000**	**2017 Number '000**
Number of ranking ordinary shares for the purpose of basic loss per share (weighted).	25,000	25,000	25,000	25,000
	2018 N'000	**2017 N'000**	**2018 US$'000**	**2017 US$'000**
Weighted earnings (loss) per share (Naira/US$) - Basic	111.09	(310.42)	(0.16)	(0.96)

Notes to the financial statements

28 Information regarding Directors and employees

28.1 Directors

	2018 N'000	2017 N'000	2018 US$'000	2017 US$'000
Directors' emoluments comprise:				
Fees	29,330	26,860	85	83
Expenses	16,501	8,210	48	25
	45,831	**35,070**	**133**	**108**

The emoluments of the highest paid Director were N4.8 million (2017: N4.8 million)

The number of Directors including the Chairman whose emoluments were within the bands stated below were:

	2018 Number	2017 Number
Up to NGN 4,000,000	4	4
NGN 4,000,001 to N 5,000,000	2	2
	6	**6**

The Directors have no interests in contracts executed by the Company during the year ended 31 December 2018.

28.2 Employees

Total number of employees as at year-end:

	2018 Number	2017 Number
Management	45	44
Senior	236	241
Junior	188	188
	469	**473**

Aggregate staff costs:	2018 N'000	2017 N'000	2018 US$'000	2017 US$'000
Salaries and wages	2,253,944	2,347,778	6,496	7,239
Other staff welfare	257,852	219,269	743	676
	2,511,796	**2,567,047**	**7,239**	**7,915**

The number of paid employees with gross emoluments within the bands stated below were:

	2018 N'000	2017 N'000
Below N1,000,000	16	16
N1,000,000 - N2,000,000	97	97
N2,000,001 - N5,000,000	221	221
N5,000,001 - N10,000,000	103	108
Above N10,000,000	32	31
	469	**473**

Notes to the financial statements

29 Contingent liabilities

There is a pending litigation and claims amounting to N520bn as at 31 December 2018. The suit was instituted against the Company by members of the host community over the land on which the Company's power station is located. However, the Directors on the representation and advise of the legal advisers are of the view and confident that the Company will suffer no material losses as the suit is likely to be decided in their favour.

As part of prerequisites for handing over the Company to new owners, Nigerian Electricity Regulatory Commission (NERC) mandated all Generating Companies to engage a technical partner to operate and maintain the plants for effectiveness. In this vein, the Company engaged Korea Electric Power Corporation (KEPCO) to operate and maintain the plant and Lithia Consultants Limited to ensure implementation of the former's agreement with the Company. Historically, the related costs incurred on these services since handover date have always been allowed for tax computation. There is a contingent liability in respect of Company Income tax for the related periods amounting cumulatively to N30.011 billion should the amount be disallowed by the tax authorities on grounds of non-registration of the agreement with the National Office for Technology Acquisition and Promotion (NOTAP) in line with the Act of its establishment.

30 Financial commitments

There were no capital commitments contracted by the Company or approved by the Board which had not been provided for as at the reporting date (2017: Nil)

31 Subsequent events

There were no other significant events after the reporting date that could have a material effect on the state of affairs of the Company as at 31 December 2018, or on the profit for the year which have not been adequately provided for or disclosed in these financial statements.

32 Comparative figures

Certain prior year comparatives have been adjusted to properly reflect current year presentation format.

33 Financial Reporting Council (FRC) of Nigeria Waiver

On July 19 2019, the Company obtained a waiver from the FRC which allows its Acting CEO, Mr Paul Harriman to sign its 2018 audited financial statements while it regularizes its FRC registration in accordance with Section 8 (1f) of the FRC Act No.6 2011.

Other national disclosures
Value added statement

	2018 N'000	%	2017 N'000	%	2018 US$'000	%	2017 US$'000	%
Revenue	91,713,176	470	76,746,317	2,314	264,314	470	236,623	2,314
Bought in materials and services								
- Imported	(22,725,173)	(116)	(28,571,232)	(861)	(65,493)	(116)	(88,090)	(861)
- Local	(49,454,161)	(254)	(44,859,121)	(1,353)	(142,525)	(254)	(138,304)	(1,353)
Value added	**19,533,842**	**100**	**3,315,964**	**100**	**56,296**	**100**	**10,229**	**100**
Distributed as follows:								
To pay employees								
Staff cost	2,511,796	13	2,567,047	77	7,239	13	7,915	77
To pay Government								
Taxation	(2,613,658)	(13)	1,128,433	34	4,529	8	3,479	34
To pay providers of finance								
Interest expense	60,343	-	45,846	1	174	-	141	1
Maintenance of assets and future expansion								
Depreciation and amortisation	12,683,103	65	9,705,954	294	36,552	65	29,925	293
Accretion expense	619,953	3	530,781	16	1,787	3	1,636	16
Deferred taxation	3,495,040	18	(2,901,598)	(88)	10,073	18	(8,946)	(87)
Profit/(Loss) for the year	2,777,265	14	(7,760,499)	(234)	(4,058)	(7)	(23,923)	(234)
Value (eroded)/added	**19,533,842**	**100**	**3,315,964**	**100**	**56,296**	**100**	**10,229**	**100**

Value added represents the additional wealth which the company was able to create through its own efforts and those of its employees. This statement shows the allocation of that wealth among employees, providers of capital, government, and the proportion retained for the future creation of more wealth.

Other national disclosures

5-year financial summary (naira)

	31 Dec 2018 N'000	31 Dec 2017 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2014 N'000
Statement of financial position					
Assets employed					
Property, plant and equipment	289,502,105	300,297,714	307,805,528	201,638,690	209,246,844
Intangible assets	5,460	12,155	16,710	7,217	-
Other assets	-	619	39	-	-
Net current assets	27,812,524	23,282,134	(9,916,015)	7,549,094	362,394
Deferred tax	(80,730,471)	(77,235,431)	(80,137,029)	(57,761,979)	(59,600,100)
Other long-term liabilities	(49,494,013)	(40,985,403)	(4,636,946)	(2,948,918)	(2,605,051)
Net assets	**187,095,605**	**205,371,788**	**213,132,287**	**148,484,104**	**147,404,087**
Capital and reserves					
Share capital	25,000	25,000	25,000	5,000	5,000
Retained earnings	(5,154,475)	13,839,676	21,600,175	40,291,180	39,211,163
Other reserves	192,225,080	191,507,112	191,507,112	108,187,924	108,187,924
Total equity	**187,095,605**	**205,371,788**	**213,132,287**	**148,484,104**	**147,404,087**
Statement of profit or loss and other comprehensive income	**2018**	**2017**	**2016**	**2015**	**2014**
Revenue	91,713,176	76,746,317	78,242,055	43,451,220	58,036,439
Profit/(Loss) before taxation	3,658,647	(9,533,664)	(19,850,784)	1,841,224	18,777,495
Taxation	(881,382)	1,773,165	11,608,879	(761,207)	(5,941,048)
Profit/(Loss) for the year	2,777,265	(7,760,499)	(8,241,905)	1,080,017	12,836,447
Other comprehensive income	717,968	-	83,319,187	-	88,395,860
Total comprehensive income for the year	**3,495,233**	**(7,760,499)**	**75,077,282**	**1,080,017**	**101,232,307**
Weighted earnings/(loss) per share - Basic	111.09	(310.42)	(715.67)	108.00	1,283.64
Net assets per share	7,483.82	8,214.87	18,506.86	14,848.41	14,740.41

Notes

Weighted (loss)/earnings per share is based on the (loss)/earnings for the year and it is computed on the basis of the weighted number of ordinary shares in issue as at the end of the respective statement of financial position date.

Net assets per share is based on the net assets and the weighted number of ordinary shares in issue as at the end of the respective statement of financial position date.

Other national disclosures
5-year financial summary (USD)

	31 Dec 2018 US$'000	31 Dec 2017 US$'000	31 Dec 2016 US$'000	31 Dec 2015 US$'000	31 Dec 2014 US$'000
Statement of financial position					
Assets employed					
Property, plant and equipment	806,884	906,806	1,010,856	1,203,812	1,348,240
Intangible assets	15	37	54	43	-
Other assets	-	2	-	-	-
Net current assets	77,518	70,306	(32,564)	45,071	2,335
Deferred tax	(225,008)	(233,227)	(263,176)	(344,848)	(384,021)
Other long-term liabilities	(137,947)	(123,764)	(15,228)	(17,605)	(16,785)
Net assets	**521,462**	**620,159**	**699,942**	**886,473**	**949,769**
Capital and reserves					
Share capital	111	111	111	37	37
Retained earnings	79,828	151,011	174,934	259,396	252,493
Other reserves	1,021,207	1,019,138	1,019,138	696,742	696,742
Cumulative translation adjustment	(579,684)	(550,101)	(494,241)	(69,702)	497
Total equity	**521,462**	**620,159**	**699,942**	**886,473**	**949,769**
Statement of profit or loss and other comprehensive income	**2018**	**2017**	**2016**	**2015**	**2014**
Revenue	264,314	236,623	302,750	277,733	373,826
Profit/(Loss) before taxation	10,544	(29,390)	(76,813)	11,768	120,951
Taxation	(14,602)	5,467	44,919	(4,865)	(38,268)
(Loss)/profit for the year	(4,058)	(23,923)	(31,894)	6,903	82,683
Other comprehensive (loss)/income	(27,514)	(55,860)	38,466	(69,566)	569,722
Total comprehensive (loss)/income for the year	**(31,572)**	**(79,783)**	**6,572**	**(62,663)**	**652,405**
Weighted (loss)/earnings per share - Basic	(0.16)	(0.96)	(2.77)	0.69	8.27
Net assets per share	52.15	62.02	69.99	88.65	94.98