

NIGERIAN RAILWAY CORPORATION
Financial Statements
For the year ended 31 December 2024

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Corporate Information

Key Management Personnel

Dr. Kayode Opeifa	Managing Director/Chief Executive Officer
Mrs. Margaret Ikefe	Director of Finance and Accounts
Engr. Jerry Oche	Director of Mechanical/Electrical/Signal/Telecom
Engr. Adekunle Ayeni	Director of Civil Engineering/New Lines
Dr. Monsurat Olaitan Omotayo	Director of Administration/Human Resources
Mr. Akinwunmi Osinowo	Director of Operations
Dr. James Zang	Director of Corporate Planning
Barrister Obiora Emedolibe	Secretary to the Corporation/Director Legal
Mr. Ben Iloanusi	Director of Procurement

Independent Auditor

Bode Aremu & Co
(Chartered Accountants)
150, Ikorodu Road (Adebowale House),
Onipanu,
Lagos.

Corporate Head Office

Railway Headquarters
1, Oke-Ira Road, Railway Compound,
Ebute Metta,
Lagos State.

Bankers

Central Bank of Nigeria

Nigerian Railway Corporation
Financial Statements
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Report of the Directors

The directors submit their report together with the audited financial statements for the year ended 31 December 2024, to the members of Nigerian Railway Corporation ("the Corporation"). This report discloses the financial performance and state of affairs of the Corporation during the year.

Incorporation and address

Nigerian Railway Corporation came into existence on 3rd October, 1912 by the merger of Lagos Government Railway and the Baro-Kano Railway. It however became an autonomous public corporation created by an Act of Parliament – the Nigerian Railway Corporation Act (1955).

Principal activities

The original objectives of the Corporation is "carriage of passengers and goods in the manner that will offer full value and quality of service, ensure safety of operations and maximum efficiency, meet social responsibility in a manner that will meet the requirements of rail users, trade, commerce and the general public.

Results for the year

The Corporation's results for the year ended 31 December 2024 are set out on page 8. The deficit for the year has been transferred to Consolidated Revenue Fund. The summarised results are presented below.

	31 December 2024 N	31 December 2023 N
Revenue	29,892,106,745	19,172,739,665
Expenditure	(53,507,350,154)	(44,051,906,877)
Deficit for the Period	(23,615,243,409)	(24,879,167,212)
Transferred to Consolidated Revenue Fund	(1,259,640,109)	(1,527,544,404)
Net Deficit for the year	(24,874,883,518)	(26,406,711,616)

Districts Headquarters / Managers

Nigerian Railway Corporation has eight geographical district offices and a liaison office situated across the federation. These offices are saddled with the responsibility of overseeing the operations of the stations within them. Below are the list of addresses of these district/liaison offices and their respective district managers (RDM):

Engr. Augustine Lord Mbakwe Arisa	Lagos District Ebute Metta Junction Alagomeji Bus Stop Yaba, Lagos State
Mr. Ibrahim Mohammed Modibo	Eastern District Enugu City, Enugu State.
Engr. Angelique N. Ikwuka	Western District Dugbe Ibadan, Oyo State.
Engr. Olakunle Habib Alaka	Northern District Zaria, Kaduna State.
Engr. Aliyu Mainasara	North Eastern District Bauchi Town, Bauchi State.
Mr. Austen Utiung Ashinbekong	North Central District Kafanchan, Kaduna State

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Report of the Directors

Engr. Sulaimon Obafunso

North Western District
Minna, Niger State

Engr. Abdulganiyu Sanni

Agbor District
Agbor Town, Delta State

Mr. Victor Adamu

Abuja- Kaduna Train Service (AKTS)/Liaison Office
Idu Train Station.

Employee's health and safety

The corporation is fully committed to employees' well-being and would continue to seek better ways of guaranteeing their well-being. The Corporation provides subsidy to all employees for medical, transportation, housing etc.

Donations and gifts

The Corporation did not make any charitable donations during the year (year ended 31 December 2023: Nil)

Events after the reporting date

There were no significant events after the reporting date which could have had a material effect on the state of affairs of the Corporation as at 31 December 2024 which have not been adequately provided or considered.

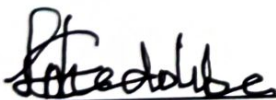
Property, plant and equipment

Movement in property, plant and equipment during the year is shown on note 11 to the financial statements. In the opinion of the directors, the market value of the Company's properties is not less than the value shown in the financial statements.

Auditors

The Auditors, Messrs Bode Aremu & Co, have indicated their willingness to continue in office in accordance with Section 401(2) of the Companies and Allied matters Act of Nigeria (2020).

BY ORDER OF THE BOARD



Company Secretary, Lagos, Nigeria

Nigerian Railway Corporation
Financial Statements
For the year ended 31 December 2024
Statement of Directors' Responsibilities

The Financial Regulation requires the management board to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Corporation at the end of the year and of its surplus or deficit. The responsibility include:

- a) ensuring that the Corporation keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Corporation;
- b) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; and
- c) preparing the Corporation's financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the International Public Sector Accounting Standards as issued by the International Public Sector Accounting Standards Board, Financial Regulation Act, Financial Reporting Council of Nigeria Amendment Act, 2023 and the requirements by the Railway Corporation Act 1995.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Corporation and of its surplus or deficit. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Corporation will not remain a going concern for at least twelve months from the date of this statement.



Dr. Kayode Opeifa
Managing Director
FRC/2025/PRO/DIR/003/091817

07/Jul/2025



Mrs. Margaret Ikefe
Director, Finance and Account
FRC/2025/PRO/ANAN/001/243177

07/Jul/2025

INDEPENDENT AUDITOR'S REPORT

To the Management of the Nigerian Railway Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Nigerian Railway Corporation ("the Corporation"), which comprise the Statement of Financial Position as at 31 December 2024, the Statement of Financial Performance, the Statement of Changes in Net Assets/Equity, the Statement of Cash Flows, the Statement of Comparison of Budget and Actual Amounts, and the accompanying notes, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Nigerian Railway Corporation as at 31 December 2024, and its financial performance, cash flows and budgetary comparison for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board (IPSASB), Financial Reporting Council of Nigeria Amended Act 2023 and the requirements of the Nigerian Railway Corporation Board Act 1990 as amended and other relevant regulations of the Federal Republic of Nigeria.

Basis for Opinion

We conducted our audit in accordance with the 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 this report.

We are independent of the Corporation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements applicable to our audit of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 period. These matters were addressed in the context of our audit as a whole, and we do not provide a separate opinion on them.

Going Concern Assessment

As disclosed in notes, the Corporation continues to rely significantly on subventions from the Federal Government to sustain its operations. The assessment of the going concern assumption therefore involves careful consideration of the continuity and adequacy of such government support.

Responsibilities of Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements that gives a true and fair view in accordance with International Public Sector Accounting Standards as issued by the International Public Sector Accounting Standards Board, Financial Reporting Council of Nigeria Amendment Act, 2023 and the requirements of Nigerian Railway Corporation Board Act 1990 as amended and other circulars 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Corporation audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of the Nigerian Railway Corporation Board Act 1990 as amended.

In our opinion, proper books of account have been kept by the Corporation, so far as appears from our examination of those books and the Corporation's statement of financial position, statement of financial performance, statement of changes in net assets/equity, statement of cash flows and statement of comparison of budget and actual amounts are in agreement with the books of account.

For: **BODE AREMU & CO.**
(Chartered Accountants)



Engagement Partner: Olabode Aremu
FRC/2014/PRO/ICAN/004/00000008326

07/11/2025

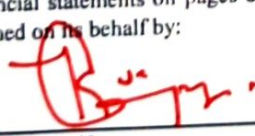


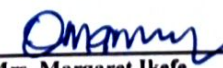
Nigerian Railway Corporation
Financial Statements
As At 31 December 2024
Statement of Financial Position

	Notes	31 December 2024 N	31 December 2023 N
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	11	415,972,576,947	425,468,325,202
Capital Work-in-Progress	12	434,854,236,061	434,854,236,061
Investment Valued at Other Comprehensive Income	13	2,540,356,974	2,540,356,974
Total Non-Current Assets		853,367,169,982	862,862,918,237
Current Assets			
Cash and Cash Equivalents	14	3,101,734,042	8,707,506,297
Inventories	15	3,577,087,218	5,403,674,413
Prepayment	16	142,023,167	20,747,865
Total Current Assets		6,820,844,427	14,131,928,575
Total Assets		860,188,014,410	876,994,846,813
LIABILITIES			
Non-Current Liabilities			
Loans and Borrowings	18	675,820,738,843	675,820,738,843
Total Non-Current Liabilities		675,820,738,843	675,820,738,843
Current Liabilities			
Payables	17	1,740,956,547	542,633,829
Total Current Liabilities		1,740,956,547	542,633,829
Total liabilities		677,561,695,390	676,363,372,672
NET ASSETS/CAPITAL FUNDS			
Capital Reserve Account	19	50,826,253	50,826,253
Federal Government Capital Fund		395,027,547,563	381,985,218,442
Fair Value Reserve- OCI		2,522,077,974	2,522,077,974
Accumulated Revenue Fund		(214,974,132,770)	(183,926,648,528)
Total Net Assets/Capital Funds		182,626,319,020	200,631,474,141
Total Net Assets/Capital Funds and Liabilities		860,188,014,410	876,994,846,813

The notes on pages 16 to 30 form an integral part of these Financial Statement

The financial statements on pages 8 to 26 were approved and authorised for issue by the board of directors on 07/11 2025 and were signed on its behalf by:


Dr. Kayode Opeifa
 Managing Director
 FRC/2025/PRO/DIR/003/091817


Mrs. Margaret Ikefe
 Director, Finance and Account
 FRC/2025/PRO/ANAN/001/243177

Nigerian Railway Corporation
Financial Statements
for the year ended 31 December 2024
Statement of Financial Performance

	Notes	31 December 2024	31 December 2023	Increase/Decrease	
		N	N	N	%
Revenue					
Non-Exchange Transaction	6	17,927,836,015	12,124,750,357	5,803,085,658	48%
Exchange Transaction	7	11,964,270,730	7,047,989,308	4,916,281,422	70%
Total Revenue		29,892,106,745	19,172,739,665	10,719,367,080	56%
Expenditure					
Personnel Emolument	8	18,792,781,378	12,484,107,145	6,308,674,233	51%
Supplies and consumables	9	9,427,587,080	4,641,694,178	4,785,892,902	103%
Administrative and General Expenses	10	4,630,734,711	3,229,726,714	1,401,007,997	43%
Depreciation	11	20,656,246,984	23,696,378,840	(3,040,131,856)	-13%
Total Expenditure		53,507,350,154	44,051,906,877	9,455,443,277	21%
Deficit for the Period		(23,615,243,409)	(24,879,167,212)	1,263,923,803	-5%
Transfer					
Transferred to Consolidated Revenue Fund		(1,259,640,109)	(1,527,544,404)	267,904,295	-18%
Net Deficit for the Period		(24,874,883,518)	(26,406,711,616)	1,531,828,098	-6%
<i>Other comprehensive income:</i>					
Net Gain on Investment at Fair Value Through OCI		-	-	-	0%
Total comprehensive income/ (loss) for the year		(24,874,883,518)	(26,406,711,616)	1,531,828,098	-6%

The notes on pages 16 to 30 form an integral part of these Financial Statement

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Statement of Changes in Capital Funds Net Assets/Equity

	Capital Reserve Account	Federal Government Capital Fund	Fair Value Reserve- OCI	Accumulated Revenue Fund	Total
	N	N	N	N	N
Balance at 1 January 2024	50,826,253	381,985,218,442	2,522,077,974	(183,926,648,528)	200,631,474,141
Restated Balance as at 1 January 2024	-	-	-	(6,172,600,723)	-
Net change in fair value of investment measured at OCI	-	-	-	-	-
Additional funds from the Federal Government	-	13,042,329,121	-	-	13,042,329,121
Utilization during the period	-	-	-	-	-
Deficit for the year	-	-	-	(24,874,883,518)	(24,874,883,518)
Balance at 31 December, 2024	50,826,253	395,027,547,563	2,522,077,974	(214,974,132,770)	182,626,319,020

	Capital Reserve Account	Federal Government Capital Fund	Fair Value Reserve- OCI	Accumulated Revenue Fund	Total
	N	N	N	N	N
Balance at 1 January 2023	50,826,253	386,922,401,422	-	(163,051,125,375)	223,922,102,300
Restated Balance as at 1 January 2023	-	-	-	5,531,188,463	-
Net change in fair value of investment measured at OCI	-	-	2,522,077,974	-	2,522,077,974
Additional funds from the Federal Government	-	7,368,771,736	-	-	7,368,771,736
Utilization during the period	-	(12,305,954,716)	-	-	(12,305,954,716)
Deficit for the year	-	-	-	(26,406,711,616)	(26,406,711,616)
Balance at 31 December, 2023	50,826,253	381,985,218,442	2,522,077,974	(183,926,648,528)	200,631,474,141

The notes on pages 16 to 30 form an integral part of these Financial Statement

Nigerian Railway Corporation
Financial Statements
For the year ended 31 December 2024
Statement of cash flows

	31 December 2024	31 December 2023
	N	N
Cash flows from operating activities		
Deficit for the period	(24,874,883,518)	(26,406,711,616)
<i>Adjustments for:</i>		
- Impact of adjustment due to restatement	12,240,203,634	5,531,188,463
- Depreciation	20,656,246,984	23,696,378,840
	<u>8,021,567,099</u>	<u>2,820,855,687</u>
<i>Changes in:</i>		
- Inventories	1,826,587,195	(95,835,679)
- Trade and other receivables	(121,275,302)	-
- Trade and other payables	1,198,322,718	210,674,385
Cash generated from operations	<u>10,925,201,710</u>	<u>2,935,694,393</u>
Net cash inflow from operating activities	<u>10,925,201,710</u>	<u>2,935,694,393</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(11,160,498,730)	(7,538,894,290)
Acquisition of intangible asset	-	-
Net cash inflow/ (outflow) used in investing activities	<u>(11,160,498,730)</u>	<u>(7,538,894,290)</u>
Cash flows from financing activities		
Increase/ decrease in Loans and borrowings	-	-
Increase/ decrease in Federal Government Fund	-	7,369,657,866
Net cash inflow/ (outflow) from financing activities	<u>-</u>	<u>7,369,657,866</u>
Net increase in cash and cash equivalents	(235,297,019)	2,766,457,969
Cash and cash equivalents at beginning of the year	3,337,031,061	570,573,092
Cash and cash equivalents at end of the year	<u><u>3,101,734,042</u></u>	<u><u>3,337,031,061</u></u>

Nigerian Railway Corporation
Financial Statements
for the year ended 31 December 2024
Statement of comparison of budget and actual amounts

Year 2024	Budget N	Actual N	(Adverse)/ Variable N
Revenue			
Income from Passengers, Luggage, Parcel and Country Product	7,566,495,821	6,812,712,558	(753,783,263)
Income from General Goods – Freight	1,552,082,479	2,105,340,222	553,257,743
Income from NHIS Capitation	-	122,073,100	122,073,100
Income from Right of Occupancy (Way Leave)	-	301,432,590	301,432,590
Income from Property	-	949,693,999	949,693,999
Refund on Free Train Ride from Federal Government	-	834,386,848	834,386,848
Insurance Claims	-	389,299,988	389,299,988
Sundry Income	902,340,029	449,331,425	(453,008,604)
Salaries, Wages and Other Benefits			
Basic Salary and Other Allowance	11,054,606,582	17,927,836,015	6,873,229,433
Non-Regular Allowance	-	550,595,589	550,595,589
NHIS	399,991,906	-	(399,991,906)
Contributory Pension	799,983,813	7,591,693	(792,392,120)
Salaries and Allowances (Casual/Contract)	-	244,156,120	244,156,120
Overtime Payments (Incentives)	-	48,954,951	48,954,951
Death Benefits (Burial Expenses)	2,500,000	13,647,010	11,147,010
Total Salaries, Wages and Other Benefits	12,257,082,301	18,792,781,378	6,535,699,077
Other Recurrent Cost			
Fuel, Lubricants and Power (AGO)	3,012,632,553	7,286,872,586	4,274,240,033
Tools, Plant, Materials and Spare Parts	1,000,000,000	2,046,535,249	1,046,535,249
Other Consumable Store	900,000	90,999,245	90,999,245
Transportation of Consumable	-	3,180,000	3,180,000
Printing of Security Document	83,337,173	32,332,728	(51,004,445)
Recruitment and Appointment (service wide)	2,000,000	-	(2,000,000)
Water	-	903,600	903,600
Electricity Charges	170,739,386	444,934,645	274,195,259
Travel and Transport	206,303,466	489,070,092	282,766,626
Sanitation/ Waste Management	550,000,000	618,631,277	68,631,277
Uniform and Other Clothing	-	161,216,434	161,216,434
Magazines and Periodicals	250,000	17,558,500	17,308,500
Publicity and Advertisements	1,500,000	30,830,402	29,330,402
General Expenses/Others	2,000,000	11,727,041	9,727,041
Overseas Tours	40,832,784	97,202,131	56,369,347
Staff Welfare Packages	-	5,625,000	5,625,000
Telephone	-	7,567,700	7,567,700
Monitoring Activities and Follow up	35,000,000	14,999,897	(20,000,103)
Security Services	257,858,017	711,772,169	453,914,151
Anti-Corruption	2,000,000	-	(2,000,000)
Commercial Entertainment	-	23,968,700	23,968,700
Local Training/ Manpower Development	84,618,280	38,427,600	(46,190,680)
Legal Consultancy and Professional Services	162,477,628	88,998,613	(73,479,015)
Audit Fees	30,744,560	30,744,560	-
Insurance Premium	507,700,000	471,713,491	(35,986,509)
Maintenance of Furniture and Equipment	-	144,433,509	144,433,509
Maintenance of Motor Vehicle/ Transport Equipment	29,503,255	175,904,740	146,401,485
Maintenance of Office Building/ Residential	37,444,581	159,434,687	121,990,106
Maintenance of Plant and Generator/	61,299,346	124,464,459	63,165,113
General Maintenance Cost	-	81,926,795	81,926,795
Motor vehicle Running Expenses	2,500,000	183,566,551	181,066,551
ICT/ Internet Access Charges	126,628,016	12,457,390	(114,170,626)
Honorarium and Sitting Allowance	7,500,000	11,705,900	4,205,900
Cost of Operation	283,230,251	78,288,296	(204,941,955)
Office Stationeries and Computer Consumables	16,630,000	157,112,968	140,482,968
Medicals	122,073,100	82,547,581	(39,525,519)
Wayleave	274,432,590	117,955,000	(156,477,590)
Total Other Operating Expenditure	7,112,134,986	14,055,609,534	6,943,474,549

Nigerian Railway Corporation
Financial Statements
for the year ended 31 December 2024
Statement of comparison of budget and actual amounts

Year 2024	Budget N	Actual N	(Adverse)/ Variable N
Capital Expenditure and Others			
Building	1,000,000,000	1,263,139,020	263,139,020
Construction and Rehabilitation of Culvert and Bridges	1,250,000,000	1,277,334,604	27,334,604
Permanent Ways	2,186,725,335	1,332,214,310	(854,511,025)
Signals and Communications	-	147,914,115	147,914,115
Locomotives, Coaches and Wagons	6,528,234,152	5,032,187,530	(1,496,046,622)
Plant and Machinery	-	1,653,499,789	1,653,499,789
Computer	-	224,038,132	224,038,132
Furniture and Fittings	-	230,171,230	230,171,230
Total Capital Expenditure	10,964,959,487	11,160,498,730	195,539,243

The budget amount and the financial statement amounts are prepared on a different basis. The statement of comparison of budget and actual amount above is prepared on the same basis as the budget.

The sum of 6,764,843,309 in actual represents capital expenditure for 2023.

	Budget N	Actual N	(Adverse)/ Variable N
Internally Generated Revenue			
Income from Passengers, Luggage, Parcel and Country Product	-	6,812,712,558	6,812,712,558
Income from General Goods – Freight	-	2,105,340,222	2,105,340,222
Income from NHIS Capitation	-	122,073,100	122,073,100
Income from Right of Occupancy (Way Leave)	-	301,432,590	301,432,590
Income from Property	-	949,693,999	949,693,999
Refund on Free Train Ride from Federal Government	-	834,386,848	834,386,848
Insurance Claims	-	389,299,988	389,299,988
Sundry Income	-	449,331,425	449,331,425
	-	11,964,270,730	11,964,270,730

Nigerian Railway Corporation

Financial Statements

for the year ended 31 December 2024

Statement of comparison of budget and actual amounts

Year 2023	Budget N	Actual N	(Adverse)/ N
Revenue			
Revenue from Passenger and Freight Services	4,650,000,000	6,207,874,275	1,557,874,275
Non-Core Income	706,751,418	840,115,033	133,363,615
Salaries, Wages and other benefits			
Basic Salary and Other Allowance	9,618,766,521	12,146,124,686	2,527,358,165
Non-Regular Allowance	6,580,320	257,374,038	250,793,718
NHIS	480,438,326	-	(480,438,326)
Contributory Pension	948,027,633	1,551,810	(946,475,823)
Salaries and Allowances (Casual/Contract)	-	34,778,837	34,778,837
Overtime Payments (Incentives)	-	29,601,000	29,601,000
Death Benefits (Burial Expenses)	1,900,000	14,676,774	12,776,774
Total Salaries, Wages and other benefits	11,055,712,800	12,484,107,145	1,428,394,345
Other Recurrent cost			
Supplies and Consumables	-	4,641,694,178	4,641,694,178
Printing of Security Document	450,000	38,261,085	37,811,085
Recruitment and Appointment (service wide)	250,000	6,090,350	5,840,350
Water	-	25,224,100	25,224,100
Electricity Charges	3,300,000	212,508,881	209,208,881
Travel and Transport	27,663,646	222,315,869	194,652,223
Sanitation/ Waste Management	-	532,503,759	532,503,759
Uniform and Other Clothing	-	209,220,748	209,220,748
Damages by Accidents	-	35,000	35,000
Magazines and Periodicals	252,000.00	6,047,300	5,795,300
Publicity and Advertisements	1,050,000	28,454,628	27,404,628
General Expenses/Others	-	17,919,241	17,919,241
Overseas Tours	6,000,000	30,478,026	24,478,026
Staff Welfare Packages	-	9,092,350	9,092,350
Telephone	-	7,569,230	7,569,230
Monitoring Activities and Follow up	7,000,000	33,788,608	26,788,608
Security Services	-	521,667,196	521,667,196
Anti-Corruption	1,000,000	-	(1,000,000)
Commercial Entertainment	-	4,523,400	4,523,400
Local Training/ Manpower Development	10,000,000	39,257,450	29,257,450
International Training	-	4,402,057	4,402,057
Union African Railway	-	-	-
Legal Consultancy and Professional Services	9,000,000	121,779,137	112,779,137
Audit Fees	19,000,000	28,368,062	9,368,062
Insurance Premium	7,700,000	380,376,872	372,676,872
Maintenance of Furniture and Equipment	-	23,399,980	23,399,980
Maintenance of Motor Vehicle/ Transport Equipment	2,200,000	37,865,525	35,665,525
Maintenance of Office Building/ Residential	-	34,490,793	34,490,793
Maintenance of Plant and Generator/	-	70,551,418	70,551,418
General Maintenance Cost	-	55,056,271	55,056,271
Motor vehicle Running Expenses	-	71,314,487	71,314,487
ICT/ Internet Access Charges	-	11,821,494	11,821,494
Honorarium and Sitting Allowance	-	24,713,000	24,713,000
Cost of Operation	-	38,866,102	38,866,102
Office Stationeries and Computer Consumables	8,000,000.00	178,720,679	170,720,679
Medicals	-	70,626,984	70,626,984
Total Other Operating Expenditure	102,865,646	7,739,004,260	7,636,138,614

Nigerian Railway Corporation
Financial Statements
for the year ended 31 December 2024
Statement of comparison of budget and actual amounts

Year 2023	Budget N	Actual N	(Adverse)/ N
Capital Expenditure and Others			
Building	1,000,000,000	633,391,193	(366,608,807)
Construction and Rehabilitation of Culvert and Bridges	200,000,000	237,699,459	37,699,459
Water Supply	-	11,878,890	11,878,890
Sewage and Drainage	-	157,840,159	157,840,159
Permanent Ways	2,186,725,335	1,875,589,460	(311,135,875)
Signals and Communications	-	257,330,388	257,330,388
Locomotives, Coaches and Wagons	6,244,165,589	3,702,755,386	(2,541,410,203)
Motor Vehicle	-	2,678,650	2,678,650
Plant and Machinery	-	562,441,342	562,441,342
Computer	-	20,717,366	20,717,366
Furniture and Fittings	-	76,571,996	76,571,996
Total Capital Expenditure	9,630,890,924	7,538,894,289	(2,091,996,635)
	Budget N	Actual N	(Adverse)/ N
Internally Generated Revenue			
Income from Passengers Services	-	5,123,583,864	5,123,583,864
Income from Freight	-	1,079,290,411	1,079,290,411
Income from Other Sources	-	840,115,033	840,115,033
	-	7,042,989,308	7,042,989,308

1) General information

Nigerian Railway Corporation is domiciled in Nigeria. The Headquarter is located at Number 1 Oke-Ira Road, Railway Compound, Ebute Metta, Lagos State.

The principal activities of the Corporation is the provision of transportation of goods and services.

2) Basis of Preparation

2.1 Statement of compliance

The Financial Statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS).

The Financial Statements were authorised for issue by the Management on 07/11/2025

2.2 Basis of measurement

The Financial Statements have been prepared under the historical cost basis

2.3 Functional and presentation currency

The Corporation's functional and presentation currency is the Nigerian Naira. The Financial Statements are presented in Nigerian Naira and have been rounded up to the nearest naira except where otherwise stated.

2.4 Use of estimates and judgement

The preparation of Financial Statements in conformity with IPSAS requires the use of certain critical accounting estimates and judgements. It also requires directors to exercise its judgement in the process of applying the Corporation's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates are significant to the Financial Statements are disclosed in note 4.

The Financial Statements comprise the statement of financial performance, the statement of financial position, the statement of changes in capital funds, the statement of cash flows, statement of comparison of budget and actual and the Notes.

2.5 Going concern

The accompanying financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the International Public Sector Accounting Standards (IPSAS), as issued by the International Public Sector Accounting Standards Board (IPSASB) and adopted by the Financial Reporting Council of Nigeria. The going concern basis assumes that the Corporation will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

In making this assessment, management has considered the Corporation's current financial position, future funding commitments by the Federal Government of Nigeria, and ongoing capital and operational support for railway infrastructure development. Based on these considerations, the Board and Management believe that there are no material uncertainties that may cast significant doubt on the Corporation's ability to continue as a going concern.

3) Accounting Standards and Amendments issued but yet to be effective

3.1 Amendments and interpretation effective from 1 January 2023

i.) IPSAS 41 (Financial Instruments)

IPSAS 41 (Financial Instruments) sets out requirements for recognition and measurement of financial instruments, including impairment, derecognition and general hedge accounting.

The standard is applicable from January 1, 2023.

This standard will have impact on the Corporation's financial Statements.

ii.) PBE IFRS 17 (Insurance Contracts-Not-For-Profit)

PBE IFRS 17 (Insurance Contracts-Not-For-Profit) This is to ensure that an entity provides relevant information that faithfully represent those contracts. This information gives a basis for user of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flow.

The standard is applicable from January 1, 2023.

This standard will have impact on the Corporation's financial Statements.

3.2 Standard issued but not effective

The following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2024.

4) Summary of significant accounting policies

The Corporation's accounting policies set out below have been applied consistently to all period presented in these Financial Statements.

4.1 Revenue

Revenues are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Corporation and can be measured reliably.

a) Revenue from non-exchange transactions

These are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

b) Transfers from other government entities

The entity recognizes revenue from subventions and grants received from federal government. These subventions and grant are used for the payment of personnel salaries and wages and to carry out overheads' expenses.

c) Revenue from exchange transactions

These are transactions in which one entity receives assets or services and directly gives approximately equal value (primarily in form of cash, goods, services, or use of assets) to another entity exchange.

The entity recognizes revenue from rendering of services ("carriage of passengers and goods in the manner that will offer full value and quality of service, ensure safety of operations and maximum efficiency, meet social responsibility in a manner that will meet the requirements of rail users, trade, commerce and the general public) by reference to the completion when the outcome of the transaction can be estimated reliably.

4.2 Expenses

Expenses are recognised as they accrue during the course of the year. Analysis of expenses recognised in the statement of comprehensive income is presented in classification based on the function of the expenses as this provides information that is reliable and more relevant than their nature.

4.3 Property, plant and equipment

Property, plant and equipment are initially stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Corporation recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment and as a replacement if the recognition criteria are satisfied.

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The rate for the current are as follows:

	<i>Rate</i>
Land and Survey	NIL
Building	4%
Culvert and Bridges	4%
Water Supply	3%
Permanent Ways	3%
Signals and Communications	10%
Locomotive, Coaches and Wagons	4%
Plant and Machinery	20%
Computer Equipment	25%
Motor Vehicles	25%

Building work in progress are stated at cost and not depreciated until they are ready for intended use. Cost attributed to work in progress comprises contractor's payments and directly attributable cost incurred in preparing these assets for their intended use.

4.4 Intangible Assets

Software

In accordance with criteria set out in IPSAS 31 – "Intangible Assets". Intangible assets are recognized only if identifiable; controlled by the entity because of past events; it is probable that the expected future economic benefits that are attributable to the asset will flow to the corporation and the cost of the asset can be measured reliably. Intangible assets primarily include amortizable items such as software, mineral rights, as well as certain development costs that meet the IPSAS 31 criteria.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized using the straight-line method over their useful lives. Amortization expense is recorded in Administrative Expenses, based on the function of the underlying assets. The estimated useful lives and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Derecognition of Intangible Assets

An Intangible asset is derecognized on disposal, or when no future benefits are expected from use or disposal. Gains and 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 recognized in the Statement of Financial performance when the asset is derecognized.

4.5 Impairment of non-financial assets

Non-financial assets other than inventories are reviewed at each reporting date for impairment or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment is treated as a revaluation increase.

4.6 Financial instruments

Inventory include drugs, injections, laboratory consumables and other consumables. Inventories are valued at the lower of cost and net realisable value.

Cost is calculated using the first in first out method. Net realizable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal.

a) Financial assets

Financial assets are recognized when the corporation becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the right to receive cash flows from the assets have expired or have been transferred and the corporation has transferred substantially all risks and reward of ownership.

i Classification of financial assets

The Corporation classifies its financial assets in the following categories: fair value through profit or loss, other comprehensive income and amortized cost, the classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at recognition and re-evaluates this designation at every reporting date.

The Corporation did not own any financial assets that can be classified as fair value through profit and loss.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets. Loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Non-Current Assets held for Sale

Non-current assets-for-sale are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

ii Recognition and Measurement

Loans and receivables are initially recognized at fair value and subsequently carried at amortized cost using effective interest method.

Changes in the fair value of monetary and non-monetary securities classified as FVTOCI are recognized in other comprehensive income.

iii Derecognition of financial assets

Financial asset or, when applicable, a part of a financial asset or part of a corporation of similar financial assets is derecognized when the rights to receive cash flows from the asset have expired or when it transfers the financial asset and substantially all the risks and reward of ownership of the asset to another entity. If the corporation neither transfers nor retains substantially all risks and rewards of ownership, and still controls the transferred asset, the corporation recognizes its retained interest in the asset and associated liability for amounts it may have to pay.

iv Impairment of financial assets

The Corporation assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of events that occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors is experiencing financial difficulty, default in interest or principal payments, or the probability that the debtor will go bankrupt or where there is an indication of a decrease in the estimated future cash flows.

For receivables, prepayments and related party transactions, the amount of the loss is measured as the difference between the carrying amount and the present value of the estimated future cash flows. The carrying amount is reduced and the loss is recognized in the statement of financial performance.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be seen to be as a result of an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the statement of financial performance.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss- measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in statement of financial performance- is removed from investment and recognized in statement of financial performance.

b) Financial liabilities

Financial liabilities are initially recognised at fair value when the Corporation becomes a party to the contractual provisions of the liability. Subsequent measurement of financial liabilities is based on amortized cost using the effective interest method. The Corporation financial liabilities include trade and other payables.

Financial liabilities are presented as if the liability is due to be settled within 12 months after the reporting date, or if they are held for the purpose of being traded. Other financial liabilities which contractually will be settled more than 12 months after the reporting date are classified as non-current liabilities.

i Classification of financial liabilities

The Corporation classifies its financial assets in the following categories: fair value through profit or loss, other comprehensive income and amortized cost, the classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at recognition and re-evaluates this designation at every reporting date.

ii Recognition and Measurement

Trade payables are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables are measured at amortized cost using the effective interest method.

Bank debt and long-term debt are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method. These are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities. Financial liabilities are derecognized when the obligations specified in the contract is discharged, cancelled or expired.

iii De-recognition of financial liabilities

Financial liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired. The difference between the carrying amount of the financial liability derecognise and the consideration paid and payable is recognised in statement of financial performance

c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

4.7 Inventory

Inventories are valued at the lower of cost or net realizable value. Cost is determined using the first-in, first-out (FIFO) method.

Net Realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated costs necessary to make the sale.

4.8 Trade receivables

A provision for impairment of trade receivables is established when there is objective evidence that the corporation will not be able to collect all the amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

The amount of the provision is the difference between the assets' carrying amount and the recoverable amount. The recoverable amount, if the receivable is more than one year is equal to the present value of expected cash flows, is discounted at the market rate of interest applicable to similar borrowers. The amount of the provision is recognized as an expense in statement of financial performance.

4.9 Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less. Bank overdrafts are included within borrowings in current liabilities on the statement of financial position.

4.10 Prepayment

Prepayments are payments made in advance relating to the following year and are recognised and carried at original amount less amounts utilised in the statement of profit or loss and other comprehensive income.

4.11 Capital funds and reserves

Capital Funds

Accumulated Fund

This represents amount set aside out of surplus of the Corporation; it is applicable for meeting contingencies or maintenance of any works connected with the business of the corporation based on the discretion of the directors.

4.12 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

4.13 Determination of Fair Value

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges (for example, Nigerian Exchange Limited-NGX) and broker quotes from the Financial Markets Dealers Quotation (FMDQ) website.

A financial instrument is regarded as quoted in an active market price if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represents actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Some indications that a market is inactive include when there is a wide bid-offer spread or significant increase in the bid offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the statement of financial position. In very rare cases where fair value could not be determined, the instruments are carried at cost.

4.14 Foreign currency transactions

In preparing the Financial Statements of the Corporation, transactions in currencies other than the entity's presentation currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions and any exchange differences arising are included in the profit or loss account of the reporting period.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate of the transaction (i.e not retranslated).

4.15 Employee benefits

Defined Contributory Pension Scheme

The Corporation operates a defined contributory pension scheme for its employees. The scheme which is funded by contribution from employees at 8% of its pensionable income while the company contributes 10% of the pensionable emoluments which is consistent with the provisions of the pension Reform Acts, 2014 as amended.

Payments to the defined contributory retirement schemes are charged to the Statement of Financial Performance Income in the period for which they fall due and are payable.

4.16 Related Parties Disclosures

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operating decisions. Related parties include:

- i. Entities over which the Corporation exercises significant influence.
- ii. Stakeholders and key management personnel of the corporation.
- iii. Close family members of key management personnel
- iv. Post-employment benefit plan which is for the benefit of employees of the Corporation or of any entity that is a related party of the Corporation.

Key management personnel comprise of the Board of Director and key members of management having authority and responsibility for planning, directing and controlling the activities of the Corporation.

The Corporation enters into transactions with related parties at arm's length. Prices for transactions with related parties are determined using the current market price or admissible valuation methods.

4.17 Budget Information

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the entity. As a result of the adoption of the actual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

The annual budget figures included in the financial statements are for the entity. These budget figures are those approved by the governing body both at the beginning and during the year.

Nigerian Railway Corporation
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Notes to the Financial Statements

5 Financial risk management

5.1 Financial risk factors

Overview

This note explains the Corporation's exposure to financial risks and how these risks could affect the Corporation's future financial performance. It also explains the Corporation's objectives, policies and processes for measuring and managing risk, and the Corporation's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Corporation has exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

Risk management framework

The Board of Directors have overall responsibility for the establishment and oversight of the Corporation's risk management framework. The Corporation's risk management policies are established to identify and analyse the risks faced by the Corporation, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Corporation, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Corporation's Board of Directors oversees how management monitors compliance with the Corporation's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the Corporation.

5.1.1 Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

The carrying amount of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	31 December 2024	31 December 2023
	N	N
Trade and other receivables	142,023,167	20,747,865
Cash at bank	3,101,734,042	8,707,506,297
	3,243,757,210	8,728,254,162

Cash and cash equivalents

Cash and short term investments are held with the following financial institutions:

	31 December 2024	31 December 2023
	N	N
Bank balance	2,668,819,696	3,337,031,058
Total cash and cash equivalents	2,668,819,696	3,337,031,058

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5.1.2 Liquidity risk

(a) Management of liquidity risk

Liquidity risk arises from the Corporation's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Corporation will encounter difficulty in meeting its financial obligations as they fall due.

5.1.3 Market risk

Market risk concerns the risk that the Corporation's financial instruments are adversely affected by changes in market interest rates. The objective of managing market risks is to keep the market risk position within acceptable boundaries while achieving the best possible return.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates. The Corporation's interest rate risk arises from short-term borrowing. Borrowings issued at variable rates expose the Corporation to cash flow interest rate risk. Interest rate expose the Corporation to fair value interest rate risk.

5.1.4 Operational risk

Operational risk is concerned with direct or indirect loss arising from inadequate or failed internal process, people and systems or from external events. It requires reviews and monitoring of all strategies and initiatives deployed in the Corporation's people management, process improvements and engineering, technology investment and deployment, management of all regulatory responsibilities and response to external threats and expectations gaps.

5.2 Capital management

5.2.1 Risk management

The Corporation's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor, and market confidence and to sustain future development of the business

The Corporation monitors capital using a ratio of "adjusted net debt" to "adjusted equity". For this purpose, adjusted net debt is defined as total liabilities less cash and cash equivalents. The adjusted net debt to equity ratio of the reporting period was as follow:

Nigerian Railway Corporation
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	31 December 2024	31 December 2023
	N	N
6 Revenue from non-exchange transactions		
Subvention – Overhead	-	-
Subvention – Personnel	17,927,836,015	12,124,750,357
	<u>17,927,836,015</u>	<u>12,124,750,357</u>
	31 December 2024	31 December 2023
	N	N
7 Revenue from Exchange Transactions		
<i>Other income from Exchange Transaction includes:</i>		
Income from Passengers, Luggage, Parcel and Country Product	6,812,712,558	5,128,583,864
Income from General Goods – Freight	2,105,340,222	1,079,290,411
Income from NHIS Capitation	122,073,100	840,115,033
Income from Right of Occupancy (Way Leave)	301,432,590	-
Income from Property	949,693,999	-
Refund on Free Train Ride from Federal Government	834,386,848	-
Insurance Claims	389,299,988	-
Sundry Income	449,331,425	-
	<u>11,964,270,730</u>	<u>7,047,989,308</u>
	31 December 2024	31 December 2023
	N	N
8 Personnel Emolument		
Basic Salary and other Allowance	17,927,836,015	12,146,124,686
Non-Regular Allowances	550,595,589	257,374,038
Contributory Pension	7,591,693	1,551,810
Salaries and Allowances (Casual/Contract)	244,156,120	34,778,837
Overtime Payments (Incentives)	48,954,951	29,601,000
Death Benefits (Burial Expenses)	13,647,010	14,676,774
	<u>18,792,781,378</u>	<u>12,484,107,145</u>
	31 December 2024	31 December 2023
	N	N
9 Supplies and Consumables		
Fuel, Lubricants and Power	7,286,872,586	4,454,856,271
Tools, Plant, Materials and Spare Parts	2,046,535,249	118,266,736
Other Consumable Store	90,999,245	62,880,562
Transportation of Consumable	3,180,000	5,690,609
	<u>9,427,587,080</u>	<u>4,641,694,178</u>

Nigerian Railway Corporation
Financial Statements
For the year ended 31 December 2024
Notes to the Financial Statements

	31 December 2024 N	31 December 2023 N
10 Administrative and General Expenses		
Bank Charges	2,712,257	132,416,632
Printing, Postage and Courier Expenses	32,332,728	38,261,085
Recruitment and Appointment (service wide)	-	6,090,350
Water Expenses	903,600	25,224,100
Electricity Charges	444,934,645	212,508,881
Travel and Transport Expenses	489,070,092	222,315,869
Sanitation / Waste Management Expenses	618,631,277	532,503,759
Uniform and Other Clothings Expenses	161,216,434	209,220,748
Damages by Accidents Cost	-	35,000
Magazines and Periodicals Cost	17,558,500	6,047,300
Publicity and Advertisements Expenses	30,830,402	28,454,628
General Expenses / Others	11,727,041	17,919,241
Overseas Tours Expenses	97,202,131	30,478,026
Staff Welfare Packages Expenses	5,625,000	9,092,350
Telephone Expenses	7,567,700	7,569,230
Monitoring Activities and Follow up Expenses	14,999,897	33,788,608
Security Services Expenses	711,772,169	521,667,196
Commercial Entertainment Expenses	23,968,700	4,523,400
Local Training / Manpower Development Cost	38,427,600	39,257,450
International training Expenses	-	4,402,057
Legal Consultancy and Professional Services	88,998,613	121,779,137
Audit Fees	30,744,560	28,368,062
Insurance Premium	471,713,491	380,376,872
Maintenance of Furniture and Equipment	144,433,509	23,399,980
Maintenance of Motor Vehicle / Transport Equip.	175,904,740	37,865,525
Maintenance of Office Building / Residential	159,434,687	34,490,793
Maintenance of Plant and Generator / Railway	124,464,459	70,551,418
General Maintenance Cost	81,926,795	55,056,271
Motor Vehicle Running Expenses	183,566,551	71,314,487
ICT / Software/ Internet Access Charges	12,457,390	11,821,494
Honorarium and Sitting Allowance	11,705,900	24,713,000
Cost of Operation	78,288,296	38,866,102
Office Stationaries and Computer Consumables	157,112,968	178,720,679
Medical Expenses	82,547,581	70,626,984
Wayleave	117,955,000	-
	4,630,734,711	3,229,726,714
11 Depreciation	20,656,246,984	23,696,378,840

Nigerian Railway Corporation
Financial Statements

For the year ended 31 December 2024

Notes to the financial statements

11 Property, plant and equipment

The movement on these accounts was as follows:

	Land and Survey		Building		Culverts and Bridges		Water Supply		Permanent Ways		Signals and Communications		Locomotives, Motor Vehicle Coaches and Wagons		Plant and Machinery		Computer Equipment		Furniture and Fittings		Total	
	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
Cost:																						
As at 1 January 2024	6,321,808,802	83,501,022,650	152,053,939,308	528,413,360	210,423,178,843	26,511,425,883	96,287,005,127	127,738,085	27,097,858,182	365,033,211	350,715,153	603,568,138,604	230,171,230	11,160,498,730	274,143,157	596,029,244,314	20,656,246,984	149,398,823	178,099,813,402	338,432,548	415,972,576,947	603,568,138,604
Additions	-	1,263,139,020	1,277,334,604	-	1,332,214,310	147,914,115	5,032,187,530	-	1,653,499,789	224,038,132	230,171,230	11,160,498,730	-	-	76,571,996	7,538,894,290	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 December 2024	6,321,808,802	84,764,161,670	153,331,273,912	528,413,360	211,755,393,153	26,659,339,998	101,319,192,657	127,738,085	28,751,357,971	589,071,343	580,886,383	614,728,637,334	-	-	-	-	-	-	-	-	-	-
As at 1 January 2023	6,321,808,802	82,867,631,457	151,816,239,849	358,694,310	208,547,589,383	26,254,095,495	92,584,249,741	125,059,435	26,535,416,840	344,315,845	274,143,157	596,029,244,314	224,038,132	11,160,498,730	76,571,996	7,538,894,290	-	-	-	-	-	-
Additions	-	633,391,193	237,699,459	169,719,050	1,875,589,460	257,330,388	3,702,755,386	-	562,441,342	20,717,366	20,717,366	7,538,894,290	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 December 2023	6,321,808,802	83,501,022,650	152,053,939,308	528,413,360	210,423,178,843	26,511,425,883	96,287,005,127	127,738,085	27,097,858,182	365,033,211	350,715,153	603,568,138,604	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation:																						
As at 1 January 2024	-	24,440,395,566	46,524,711,520	35,771,012	42,787,930,671	18,798,018,146	19,004,254,679	124,975,302	25,916,648,053	317,709,630	149,398,823	178,099,813,402	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	37,536,931	6,105,841,524	15,852,401	6,328,560,859	2,658,371,095	3,966,210,790	2,762,683	1,331,754,149	116,301,539	93,055,013	20,656,246,984	-	-	-	-	-	-	-	-	-	-
Adjustments/ Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 December 2024	-	24,477,932,497	52,630,553,044	51,623,413	49,116,491,530	21,456,389,241	22,970,465,469	127,737,985	27,248,402,202	434,011,169	242,453,836	198,756,060,386	-	-	-	-	-	-	-	-	-	-
As at 1 January 2023	-	21,109,257,555	40,450,624,182	21,203,299	36,520,153,797	16,155,113,477	18,957,677,637	112,707,366	20,841,261,943	152,098,954	83,336,352	154,403,434,562	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	3,331,138,011	6,074,087,338	14,567,713	6,267,776,874	2,642,904,669	46,577,042	12,267,936	5,075,386,110	165,610,676	66,062,471	23,696,378,840	-	-	-	-	-	-	-	-	-	-
Adjustments/ Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 December 2023	-	24,440,395,566	46,524,711,520	35,771,012	42,787,930,671	18,798,018,146	19,004,254,679	124,975,302	25,916,648,053	317,709,630	149,398,823	178,099,813,402	-	-	-	-	-	-	-	-	-	-
Net book value:																						
At 31 December 2024	6,321,808,802	60,286,229,173	100,700,720,868	476,789,947	162,638,901,623	5,202,950,756	78,348,727,188	100	1,502,955,769	155,060,175	338,432,548	415,972,576,947	47,323,581	425,460,325,202	20,717,366	7,538,894,290	-	-	-	-	-	-
At 31 December 2023	6,321,808,802	59,060,627,084	105,529,227,788	492,642,348	167,635,248,172	7,713,407,737	77,282,750,448	2,762,783	1,181,210,129	47,323,581	201,316,330	425,460,325,202	-	-	-	-	-	-	-	-	-	-

12 Capital work in progress

	31 December 2024		31 December 2023	
	N	N	N	N
At the beginning				
Additions	434,854,236,061	434,854,236,061	-	-
At the end	434,854,236,061	434,854,236,061	-	-

Nigerian Railway Corporation
Financial Statements
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Notes to the financial statements

	31 December 2024	31 December 2023
	N	N
13 Financial Assets		
Investment in Railway Property Management Company Limited	2,540,356,974	2,540,356,974
	<u>2,540,356,974</u>	<u>2,540,356,974</u>
14 Cash and Cash Equivalents		
Bank Balances	2,668,819,696	3,337,031,058
Capital Account	428,997,293	5,370,473,155
Overhead Account	3,917,054	2,084
	<u>3,101,734,042</u>	<u>8,707,506,297</u>
15 Inventories		
Stores	2,265,275,584	3,236,107,977
Medical	546,356	496,687
Diesel	22,046,857	18,372,381
Engineering Equipment and Tract Tools	1,289,218,421	2,148,697,368
	<u>3,577,087,218</u>	<u>5,403,674,413</u>
16 Prepayment		
Insurance	142,023,167	20,747,865
	<u>142,023,167</u>	<u>20,747,865</u>
17 Payables		
Retention	1,750,790	1,750,790
Withholding tax payable	45,105,987	213,292,309
Value added tax payable	41,534,478	9,082,931
Stamp duty payable	9,554,096	-
Accrued expenses	33,225,471	33,260,259
Other payables	1,609,785,724	285,247,540
	<u>1,740,956,547</u>	<u>542,633,829</u>

Nigerian Railway Corporation
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Notes to the financial statements

	31 December 2024	31 December 2023
	N	N
18 Loan and borrowing		
Federal Government Loan	675,820,738,843	675,820,738,843
The management authorized the consolidation of DMO Loans and Loans from China Government as FG Loans in the past		
	675,820,738,843	675,820,738,843
	31 December 2024	31 December 2023
	N	N
19 Capital Reserve		
Capital Reserve	50,826,253	50,826,253
Arising in connection with the vesting of former Railway undertaking in October 1st, 1955 in the Corporation		
	50,826,253	50,826,253

Nigerian Railway Corporation

Financial Statements

For the year ended 31 December 2024

Other National Disclosures

Statement of value added

	Year ended 31 December 2024		Year ended 31 December 2023	
	N	%	N	%
Revenue	29,892,106,745		19,172,739,665	
Bought in materials and services:	(15,317,961,901)		(9,398,965,296)	
Value added/(eroded)	14,574,144,844	100	9,773,774,369	100
Applied as follows:				
To pay employees Staff Costs	18,792,781,378	129	12,484,107,145	128
To providers of capital fund: Interest on Loan	-	-	-	-
To provide for enhancement of assets and growth:				
Depreciation of plant, property and equipment	20,656,246,984	142	23,696,378,840	242
Depletion/Augument of reserves	(24,874,883,518)	(171)	(26,406,711,616)	(270)
Value added/(eroded)	14,574,144,844	100	9,773,774,369	100

Nigerian Railway Corporation
For the year ended 31 December 2024
Other National Disclosures
financial summary

	31 December 2024 N	31 December 2023 N	31 December 2022 N	31 December 2021 N	31 December 2020 N
Financial position					
Capital Funds					
Capital Reserve Account	50,826,253	50,826,253	50,826,253	50,826,253	50,826,253
Federal Government Capital Fund	395,027,547,563	381,985,218,442	5,370,473,155	17,610,980,689	9,445,452,000
Fair Value Reserve- OCI	2,522,077,974	2,522,077,974	2,522,077,974	-	-
Accumulated Revenue Fund	(214,974,132,770)	(183,926,648,528)	(163,051,125,375)	(142,348,323,921)	(113,678,682,185)
Net Asset	182,626,319,020	200,631,474,141	(155,107,747,993)	(124,686,516,979)	(104,182,403,932)
Non-current assets	853,367,169,982	862,862,918,237	879,020,402,786	876,624,976,459	887,327,706,580
Current assets	6,820,844,427	14,131,928,575	11,270,518,060	21,718,560,198	15,947,247,170
Non-current liabilities	(675,820,738,843)	(675,820,738,843)	(331,956,445)	(1,248,945,879)	(3,895,658,736)
Current liabilities	(1,740,956,547)	(542,633,829)	(1,045,066,712,394)	(1,021,781,107,757)	(1,003,561,698,946)
Net Asset	182,626,319,020	200,631,474,141	(155,107,747,993)	(124,686,516,979)	(104,182,403,932)
	31 December 2024 N	31 December 2023 N	31 December 2022 N	31 December 2021 N	31 December 2020 N
Financial result					
Revenue	29,892,106,745	19,172,739,665	13,335,447,271	14,418,352,704	9,725,245,503
Operating Profit/(Loss)	(54,766,990,263)	(45,579,451,281)	(37,622,607,555)	(43,087,994,439)	(39,009,653,796)
Net (Deficit)	(24,874,883,518)	(26,406,711,616)	(24,287,160,284)	(28,669,641,735)	(29,284,408,293)