ABUJA ELECTRICITY DISTRIBUTION PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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Corporate Information

Registered No	638681	
Tax Identification Number	01783033-0001	
Directors	Name	Designation
	Stanley Lawson	Chairman (Non-Executive)
	Dr. Abubakar Tambuwal Atiku	Non-Executive
	Chiugo Ndubisi	Non-Executive
	Dr. (Mrs) Owen Omogiafo, OON	Non-Executive
	Ayodeji Ariyo Gbeleyi	Non-Executive
	Chijioke Okwuokenye	Ag. Managing Director/CEO
Registered Office	1 Ziguinchor Street Off IBB Way Wuse Zone 4 Abuja	
Ag. Company Secretary	George Chinda 1 Ziguinchor Street Off IBB Way Wuse Zone 4 Abuja	
Auditor	Ernst & Young 10th and 13th Floors, UBA House, 57 Marina, Lagos.	
Bankers	United Bank for Africa Plc UBA House, 57 Marina Lagos Island, Lagos Nigeria. First Bank of Nigeria Limited Comassie House, Central Business Area, Lagos, Nigeria. Guaranty Trust Bank Limited Plot 771, National Mosque Road CBD, Abuja, Nigeria.	
FRC Number	FRC/2014/00000003052	

Report of the Directors
For the year ended 31 December 2024

The directors present their report on the affairs of Abuja Electricity Distribution Plc (“the Company”), together with the financial statements and auditor's report for the year ended 31 December 2024.

Legal form and business review

The Company was incorporated in Nigeria on 8 November 2005 as a public limited liability company to take over electricity distribution activities and related businesses of the Power Holding Company of Nigeria Plc ("PHCN") in the Federal Capital Territory (FCT) Abuja, Niger, Kogi and Nasarawa States.

As part of the Federal Government of Nigeria’s ("FGN") initiative to transform the power sector, the Nigerian Electricity Regulatory Commission (NERC) was established in October 2005 as required under the Electric Power Sector Reform Act (EPSRA) 2005. NERC is Nigeria’s independent regulatory agency for the Nigerian electricity industry comprising generation, transmission and distribution sectors and regulates the activities of the Company. In 2008, NERC introduced a Multi-Year Tariff Order (MYTO) as the framework for determining the industry pricing structure and this forms the basis of revenue earned by the Company after taking into consideration changes as applicable per the Transitional Electricity Market (TEM) rules as issued by NERC via Order Number 136 dated 29 January 2015 and effective 1 February 2015. The TEM rules were amended on 18 March 2015 and the amended rules became effective 1 April 2015.

On 1 November 2013, the FGN completed the privatization of the electricity sector effectively handing over 6 generation and 11 distribution companies to new owners under various share sale agreements. As a result of this, 60% interest of the Company was acquired by a Nigerian company, KANN Utility Company Limited (“KANN”). In 2020, CEC Africa Investments Limited acquired the majority of KANN’s shares. As a result, the ultimate controlling party of the Company was CEC Africa. On 31 December 2021, the controlling shares of the Company (60%) were allotted to United Capital Trustees Limited (UCTL) and that made UCTL the new controlling party of the Company. On 18 May 2023, Jeolan International Limited acquired a sixty percent (60%) shareholding in the Company with commitment to commence immediate turnaround of the Company.

Principal activities

The Company continues with its electricity distribution activities and related businesses in the Federal Capital Territory (FCT) Abuja, Niger, Kogi and Nasarawa States.

Operating results

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

Summary of profit or loss	2024 ₦'000	2023 ₦'000
Revenue	601,630,343	250,548,755
Gross profit/(loss)	67,671,961	(5,728,099)
Operating profit	33,074,475	20,193,750
Profit before tax	3,112,294	1,655,036
Minimum tax	(1,594,302)	(1,256,808)
Income tax expense	(736,885)	(82)
Profit for the year	781,107	398,146
Summary of financial position		
Total assets	535,883,221	380,806,600
Total liabilities	407,676,280	326,260,238
Equity	128,206,941	54,546,362

Report of the Directors - continued

For the year ended 31 December 2024

Operating results - continued

The Company's revenue for the year 2024 amounts to ₦601.6 billion representing a 140% increase from ₦250.6 billion in 2023. This is as a result of increase in Band A tariff rate, national grid supplies and tariff shortfall awarded to the Company in 2024 (see note 6.1).

The directors have continued with certain initiatives aimed at improving the financial position and operations of the Company. These include:

-Access to the Central Bank of Nigeria (CBN) Nigerian Electricity Market Stabilisation Fund (NEMSF) and National Mass Metering Programme (NMMP): In 2018, the Company accessed the CBN fund and utilized a drawdown of ₦23.7 billion to settle a portion of its market debt.

Between 2021 and 2023, the Company drew down a total amount of ₦49.2 billion from this loan. Out of this amount, ₦14.7 billion was allocated to settle outstanding market debt, ₦6 billion was used to pay for meters supplied by the Meter Asset Providers involved in the National Mass Metering Program (NMMP) initiated by NERC, ₦13.4 billion was disbursed for OPEX shortfall, ₦7.5 billion was allocated to pay TCN contractors through AEDC with the aim of enhancing the Transmission infrastructure within AEDC franchise, and ₦6.9 billion for CAPEX.

In 2024, the Company received additional loans on NEMSF 2 (CBN CAPEX Intervention Project) amounting to ₦5.1 billion of which ₦3.4 billion was paid directly to the CBN CAPEX contractors and additional ₦1.7 billion disbursed to TCN contractors.

-Subsidies for tariff shortfalls: In 2019, NERC awarded the Company an accumulated tariff shortfall for 2015 to 2018 of ₦102.2 billion and a tariff shortfall for 2019 of ₦62.7 billion. The Company recognised the sum of ₦51.5 billion and ₦29.8 billion shortfall for 2020 and 2021 based on the NERC approved parameters. In 2022 and 2023, the company recognized the sum of ₦8.1 billion and ₦70.57 billion as tariff shortfall. In 2024, the company was awarded a tariff shortfall of ₦285 billion. The tariff shortfalls are settled via a net off of NBET payables.

Dividends

No dividend has been recommended by the directors for the year ended December 2024 (2023: Nil).

Directors and their interests

The Directors who served during the year were as follows:

Name	Nationality	Designation	Date Appointed /Resigned
Dr. Stanley Lawson	Nigerian	Chairman	
Dr. (Mrs) Owen Omogiafo, OON	Nigerian	Member	
Mr. Amaechi Aloke*	Nigerian	Alternate Director (BPE)	Removed as Alternate to DG-BPE on January 3 2024
Mr. Alex Okoh*	Nigerian	Member (BPE)	Removed as DG-BPE on January 3 2024
Mr. Ayodeji Ariyo Gbeleyi*	Nigerian	Director (BPE)	Appointed on 27 June 2024
Mrs. Hajiya Sutura Aisha Bello*	Nigerian	Alternate Director (BPE)	Appointed on 27 June 2024
Mr. Victor Osadolor**	Nigerian	Chairman	Resigned July 29 2024
Mr. Chijoke Okweokenye***	Nigerian	Ag. MD	Appointed on 22 July 2024
Dr. Abubakar Tambuwal Atiku	Nigerian	Member	
Mr. Chiugo Ndubisi	Nigerian	Member	
Mr. Christopher Ezeafulukwe	Nigerian	MD/CEO	Resigned April 15 2024

* Mr. Alex Okoh and Mr. Amaechi Aloke were removed on 31 January 2024. They were replaced by Ayodeji Ariyo Gbeleyi as the new Director (BPE) and Hajiya Sutura Aisha Bello as his Alternate Director (BPE).

**Mr. Victor Osadolor resigned as Board Chairman on 18 May 2023 and became a Board member of the Company. He subsequently resigned from the Board with effect from 29 July 2024.

*** Mr. Chijoke Okweokenye, was appointed Ag. Managing Director/CEO on the 22nd of July 2024.

Report of the Directors - continued

For the year ended 31 December 2024

Directors interest in shares

The Directors indicate that they do not have any interests required to be disclosed under Section 301 of the Companies and Allied Matters Act 2020.

Directors interest in contracts

In accordance with Section 303 of the Companies and Allied Matters Act 2020, none of the Directors has notified the Company of any declarable interests in contracts with the Company.

Shareholding structure

The shareholding structure of the Company is as follows:

	15 million shares at ₦ 1 each		
	31 December 2024		31 December 2023
	Number	%	Number
Jeolan International Limited	9,000,000	60	9,000,000
Bureau of Public Enterprises	4,800,000	32	4,800,000
Ministry of Finance Incorporated	1,200,000	8	1,200,000
Total	15,000,000	100	15,000,000

Material agreements

The Company has entered into the following material agreements:

1 Loan agreements with NELMCO and TCN

In a bid to raise required cash to collateralize a letter of credit in favour of NBET, the Company entered into loan agreements with the Nigerian Electricity Liability Management Company (NELMCO) and the Transmission Company of Nigeria (TCN) for funds amounting to ₦6.50 billion and ₦1.21 billion from TCN and NELMCO respectively to establish the letter of credit required for participation in the Transitional Electricity Market (TEM). Under TEM, all the Company's trading arrangements will be consummated through the Power Purchase Agreements, and Vesting Contracts.

2 Nigerian Electricity Stabilization Facility Disbursement agreement with CBN and NERC

As part of the initiatives to resolve the liquidity problem in the Nigerian Electricity Supply Industry (NESI), the Federal Government established the Nigerian Electricity Market Stabilization Facility (NEMSF) aimed at settling the outstanding payment obligations due to the market participants and the legacy gas debts due to NELMCO.

The Company entered into an agreement with the Central Bank of Nigeria (CBN) and the Nigerian Electricity Regulatory Commission (NERC). A total of ₦78 billion was drawn down from this facility, out of which ₦6 billion was used to procure meters via the NMMP arrangement, ₦34.69 billion for market outstanding settlement, OPEX shortfall and CAPEX (NEMSF 2), ₦7.51 billion to TCN contractors through AEDC towards improving the transmission infrastructure within AEDC franchise (NEMSF 3).

In 2024, the Company received additional loans on NEMSF 2 (CBN CAPEX Intervention Project) amounting to ₦3.36 billion which was paid directly to the CBN CAPEX contractors and ₦1.76 billion from NEMSF 3, which was disbursed to TCN contractors.

3 Collection Channel Partners' agreement

As part of the measures to make vending platforms more readily available to prepaid customers, the Company entered into separate agreements with Collection Channel Partners. Under the agreements, the Partners are to provide electronic platforms and web based applications to enable customers vend electricity online, paying with credit or debit cards. These Partners earn a commission of between 0.5% and 4.25% of sales depending on the mode of transaction. It was subsequentially renegotiated in the last quarter to 1% (web rates) and 2.5% (Agent rates) of sales depending on the mode of transaction.

Management intends to continue to enter into this type of arrangements with quality partners to improve its collection rates.

Report of the Directors - continued

For the year ended 31 December 2024

Material agreements - continued

4 Operations and management (O&M) agreement with related parties

The Company has an Operations and Management (O & M) agreement with the parent company, Jeolan International Limited for the provision of management services which include corporate services (strategy setting and change management), risk and compliance services, network planning and operations and capacity building. The remuneration of Jeolan International is made up of two components. The first component is a Fixed Fee (equivalent to 2% of collections) to reimburse costs incurred by Jeolan. The second component of remuneration is a Management Fee which will be a performance related fee based on the achievement of performance measures.

Geographical presence

In order for the Company to operate in the Federal Capital territory (FCT), Kogi, Nasarawa and Niger States where it distributes electricity, it now has One Hundred and Fourteen Feeders (114) in Six Clusters and Head Office. The feeders are headed by Feeder managers and coordinated by the Chief Business Officers (CBO).

Property, plant and equipment (PPE)

Information relating to changes in property, plant and equipment is given in Note 13 to the financial statements.

In the opinion of the directors, market value of the Company's property, plant and equipment is not less than the value shown in the financial statements.

Charitable contributions

During the year, the Company made charitable contributions to various organizations and persons amounting to ₦1.5 million (2023: ₦7.2 million).

In accordance with Section 43 of the Companies and Allied Matters Act 2020, the Company did not make any donation or gift to any political party, political association or for any political purpose in the course of the year (2023 : Nil).

Events after the reporting date

As stated in Note 33 to the financial statements, no events have occurred after the reporting date which have a material effect on the financial statements, or the omission of which will make the financial statements misleading as to the financial position or results of operations.

Employment and employees

a Employment consultation and training:

The Company places considerable value on the involvement of its employees in major policy matters and keeps them informed on matters affecting them as employees and on various factors affecting the performance of the Company. This is achieved through regular meetings with employees and consultations with their representatives. Training is conducted for the Company's employees as the need arises.

The Company's major assets are management, professional and technical expertise. The Company continues to invest in developing such skills. The Company has in-house training facilities, complemented, when and where necessary, with external training for its employees.

b Dissemination of information:

In order to maintain shared perception of our goals, the Company is committed to communicating information to employees as promptly and as effectively as possible. This is considered critical to the maintenance of team spirit and high employee morale.

c Employment of physically challenged persons:

The Company has ten (10) physically challenged persons in its employment (2023: sixteen (16). Applications for employment by physically challenged persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming physically challenged, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that training, career development and promotion of physically challenged persons should, as far as possible, be identical with that of other employees.

Report of the Directors - continued

For the year ended 31 December 2024

Employment and employees - continued

d Employee health, safety and welfare

The Company places high premium on the health, safety and welfare of its employees in their places of work. To this end, the Company has various insurance policies, including group personal accident and group life insurance policies, to adequately secure and protect its employees. It is the Company's goal to ensure that its incident-free safety record in operations is amongst the best, locally and globally and its Safety policy is based on this goal.

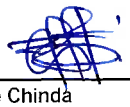
Format of financial statements

The financial statements are prepared in accordance with the reporting and presentation requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board, in compliance with the Financial Reporting Council Act of Nigeria (Amendment) Act, 2023 and the Companies and Allied Matters Act, 2020. The Directors consider that the format adopted is mist suitable for the Company.

Independent Auditor

Ernst & Young have expressed their willingness to continue in office as the Company's independent auditor in accordance with Section 401(2) of the Companies and Allied Matters Act, 2020. A resolution will be proposed at the Annual General Meeting to authorize the Directors to fix their remuneration.

By order of the Board



George Chinda
Ag. Company Secretary
FRC/2025/PRO/NBA/002/092999
13 August 2025

Corporate Governance Report

For the year ended 31 December 2024

Abuja Electricity Distribution Plc ("AEDC or "the Company") is committed to upholding the highest standards of corporate governance through the adoption of a sound corporate governance framework, which ensures the promotion of effective governance through the strategic direction and oversight of the Board. At AEDC, good corporate governance is at the centre of our business and an integral part in creating and sustaining value for stakeholders.

1 Overview

During the year ended 31 December 2024, AEDC complied with the provisions of the Code of Corporate Governance issued by the Financial Reporting Council of Nigeria (FRCN), Nigerian Electricity Regulatory Commission (NERC) and the Securities & Exchange Commission (SEC) and all laws regulating corporate governance. The Company further entrenched best practices in corporate governance by formulating new policies that will enhance performance, making the business more sustainable and upholding the Company's brand equity. The Policies updated and/or approved by the Board in 2024 were:

i. Procurement Policy
ii. Whistleblowing Policy
iii. Gift Policy/Statement
iv. Fraud Risk Policy
v Code of Conduct

The following are details of some of the Policies that promote good Corporate Governance in the Company:

•Company Policy Governance Framework

This framework explains the governance laws applicable to the Company's businesses. It provides for policy development and application, policy classification, review, and revision as well as policy deviations and guiding templates.

•Board Governance and Board Committees Governance Charters;

These charters provide the governance framework for the Board and Board Committees. The framework promotes the effective governance of the Company.

•Executive Management Charter

This charter provides for the Executive Management Committee (EMC) of the Company – its composition, role, terms of reference, proceedings and general governance framework.

Code of Conduct and Ethics

This Code was designed to adopt a consistent approach to integrity issues between the Company and its employees, Directors, related parties, government officials, business partners, and customers. It provides the policies and procedures to be followed on matters pertaining to anti-corruption, conflict of interest, anti-bribery/ improper payments, money laundering, terrorism financing and insider related transactions (blackout policy). Upon appointment, and subsequently annually, each staff and Director signs an undertaking to abide by the provisions of the Code.

ESG Policy

This Policy covers the environmental and social dimensions of sustainable development which AEDC recognises as part of good business and is applicable to all our organizational units as well as the operational locations where it carries on business. The Company is committed to sustainable development, in its day-to-day activities including Stakeholder Engagement, Corporate Governance, Preserving the Environment, Employee related matters, Vendors Engagement and Supplies, Safety, Health and Environment Management, Community Investment and Corporate Social Responsibility, Ethics and Whistle-Blowing.

Corporate Governance Report - continued

For the year ended 31 December 2024

2 The Board

2.1 General

The Board of Directors consists of five (5) members as at December 2024. In accordance with the provisions of the Companies and Allied Matters Act 2020 (CAMA) and the Board Governance Charter of the Company, the Chairman of the Board of Directors presides over the Board proceedings. The Board meets at least four times in a year and the year 2024 was no exception. The details of Directors' attendance at Board meetings are disclosed in the Annual Report. The Board establishes formal delegations of authority, defining the limits of Management's power and authority and delegating to Management certain powers to run the day-to-day operations of the Company. The delegation of authority conforms to statutory limitations specifying responsibilities of the Board that cannot be delegated to Management. Any responsibility not delegated remains with the Board and its Committees. The Company has continued to benefit tremendously from the wealth of experience of its Directors, all of whom are successful individuals who have distinguished themselves in their chosen fields.

Board Appointment

Directors are appointed on the recommendation of the Board Audit and Governance Committee (BAGC) in accordance with the Board and Board Committees Governance Charter. In selecting Directors, the Company seeks individuals who have cognate experience, good image and reputation, high integrity, shareholder orientation, no conflict of interest, knowledge of the Company's strategic businesses and a genuine interest in the Company.

Induction and Training processes

The Company has in place a solid Induction and training process. Newly appointed Directors undergo this induction programme on the Company's business and its governance structure.

2.2 In compliance with good corporate governance practices, the positions of the Chairman of the Board and the Managing Director/CEO are separate and occupied by separate individuals.

During the year under review, the Board of Directors of the Company was composed as follows:

Director	Position	Date appointed to the board	Date(s) re-appointed/re-elected	Date of resignation
Dr. Stanley Lawson	Chairman	18th May 2023	NA	NA
Mr. Alex Okoh	Non-Executive Director(BPE)	7th June 2017	July 26 2018, July 23 2020, August 9, 2021, November 9 2021	3rd January 2024
Mr. Amaechi Aloke	Alternative Director (BPE)	7th June 2017	NA	3rd January 2024
Mr. Ignatius Ayewoh	Non-Executive Director(BPE)	17th January 2024	NA	27th June 2024
Mr. Ayodeji Ariyo Gbeleyi	Non-Executive Director(BPE)	27th June 2024	NA	NA
Mrs. Hajiya Sutura Aisha Bello*	Alternative Director (BPE)	27th June 2024	NA	NA
Dr. (Mrs). Owen Omogiafo, OON	Non-Executive Director	18th May 2023	NA	NA
Dr. Atiku Abubakar Tambuwal	Non-Executive Director	9th September 2021	8th October 2024	NA
Mr. Victor Osadolor	Non -Executive Director	9th September 2021	NA	29th July 2024
Mr. Chiugo Ndubisi	Non-Executive Director	18th May 2023	NA	NA
Mr. Christopher Ezeafulukwe	Managing Director/CEO	1st September 2023	NA	15th April 2024
Mr. Chijoke Okweokenye	Ag. Chief Executive Officer	22 July 2024	NA	NA

*Mrs. Hajiya Sutura Aisha Bello is an alternative Director to Mr. Ayodeji Ariyo Gbeleyi.

Corporate Governance Report - continued

For the year ended 31 December 2024

2.3 Board Meeting Attendance

During the year under review, the Board met four (4) times. The table below shows the frequency of meetings of the Board and members attendance:

Director	Total Attendance	2nd May	29th July	6th August	5th November
Dr. Stanley Lawson	4	✓	✓	✓	✓
Dr. Ayodeji Ariyo Gbeleyi*	4	✓	✓	✓	✓
Dr. (Mrs). Owen Omogiafo, OON	4	✓	✓	✓	✓
Mr Chiugo Ndubisi	4	✓	✓	✓	✓
Mr. Abubakar T. Atiku	4	✓	✓	✓	✓
Mr Victor Osadolor**	2	✓	✓	N/A	N/A
Mr. Ignatius Ayewoh	1	✓	N/A	N/A	N/A

* Hajia Sutura Aisha Bello is alternate director to Mr. Ayodeji Ariyo Gbeleyi and represents Mr. Gbeleyi at all the Company's board meetings in the absence of the latter.

*Mr. Victor Osadolor resigned as board chairman on the 18 May 2023 and became a board member of the Company. He subsequently resigned his appointment as a board member with effect from 29 July 2024.

(a) Board Audit & Governance Committee

The functions of the Board Audit & Governance Committee (BAGC) include the following:

- Establish procedures for the nomination of Directors.
- Approve recruitments, promotions, redeployments, and disengagements for the Company/Group heads of departments that make up the Executive Management Committee.
- Recommend to the Board compensation for all staff of the Company.
- Review and evaluate the skills of members of the Board.
- Advise the Board on corporate governance standards and policies.
- Review and approve all human resources and governance policies for the Company.
- Review and recommend to the Board and Shareholders any changes to the memorandum and articles of association.
- Evaluate and appraise the performance of the Board and Board Committees and its members annually in conjunction with consultants.
- Any other function assigned to it by the Board including Audit and Regulatory Compliance.
- Assist the Board in fulfilling its oversight responsibilities with regard to audit and control.
- Monitor and evaluate on a regular basis, the qualifications, independence and performance of external and internal auditors and the financial control departments.

During the year, the Committee, amongst other things, continued to work in line with its mandate and made recommendations to the Board on the matters stated above and other issues delegated to it by the Board. The Committee was composed of the following members as at December 31, 2024:

1 Dr. Owen Omogiafo - Chairman
2 Mr. Ayodeji Ariyo Gbeleyi - Member
3 Mr. Victor Osadolor* - Member

*Mr. Victor Osadolor resigned during the year.

Written reports of the Committee's meetings, decisions made, and its recommendations are presented to the full Board at quarterly Board meetings.

The BAGC met four (4) times in 2024. The table below shows the frequency of meetings and members' attendance:

	Total Attendance	24th April	29th April	12th June	19th July
Dr. Owen Omogiafo	4	✓	✓	✓	✓
Mr. Ayodeji Ariyo Gbeleyi	4	✓	✓	✓	✓
Mr. Victor Osadolor	4	✓	✓	✓	✓

Each BAGC meeting was attended by the Head, Internal Audit who presented the Internal Audit Report and Risk Report.

Corporate Governance Report - continued

For the year ended 31 December 2024

(b) Board Finance and General Purpose Committee

The functions of the Finance and General Purpose Committee (FGPC) include the following:

- Discharge the Board's responsibilities with regard to strategic direction and budgeting, technology matters , Information technology etc.
- Provide oversight on financial matters and the performance of the Company.
- Review and recommend investment opportunities or initiatives to the Board for decision.
- Recommend financial and investment decisions within its approved limits.
- Monitor and assess the overall integrity of the financial statements and disclosures of the financial condition and results of the Company .

During the year, the Committee amongst other things reviewed the Company's quarterly financial statements, tax-related matters, funding requirements of operating businesses, budgets, progress on key investments, and more. The Committee took certain decisions on the above-mentioned matters and made recommendations to the Board for approval.

The committee comprises:

1 Dr. Victor Osadolor - Chairman (Retired 29 May 2024)
2 Mr. Chiugo Ndubisi - Chairman (Appointed 27 May 2024)
3 Dr. (Mrs) Owen Omogiafo, OON - Member
4 Mr. Ayodeji Ariyo Gbeleyi - Member

During the year under review, the F& GPC met two (2) times. The table below shows the frequency of meetings of F&GPC and members' attendance:

Director	Total Attendance	18th April	18th September
Dr. Victor Osadolor	1	✓	N/A
Mr. Chiugo Ndubisi	2	✓	✓
Dr. (Mrs) Owen Omogiafo, OON	2	✓	✓
Mr. Ayodeji Ariyo Gbeleyi	2	✓	✓

Each F & GPC meeting was attended by the CFO who presented the Financial Reports to the Committee.

2.4 The Technical and Safety Committee

The Technical and Safety Committee (TASC) is a Board Committee established to assist the Board to fulfil its responsibilities and deliver exceptional performance in relation to health and safety risks, public safety and environmental protection matters arising out of the activities of the company. The Committee advises the Board on health and safety and environmental matters in relation to employees, contractors, customers and the general public. The Committee comprises:

1 Mr. Ayodeji Ariyo Gbeleyi - Chairman
2 Mr. Chiugo Ndubisi - Member
3 Dr. (Mrs) Owen Omogiafo, OON - Member
4 Dr. Atiku Abubakar Tambuwal - Member

Corporate Governance Report - continued

For the year ended 31 December 2024

2.4 The Technical and Safety Committee - continued

During the year under review, the TASC met two (2) times. The table below shows the frequency of meetings of the TASC and members' attendance.

Director	Total number of meetings attended	22nd April	17th July
Mr. Ayodeji Ariyo Gbeleyi*	2	✓	✓
Mr. Chiugo Ndubisi	1	N/A	✓
Dr. (Mrs) Owen Omogiafo, OON	2	✓	✓
Dr. Atiku Abubakar Tambuwal	2	✓	✓

*Ayodeji Ariyo Gbeleyi replaced Ignatuis Ayewoh as DG-BPE and a Non-executive director on AEDC Board.

EXECUTIVE MANAGEMENT COMMITTEE

The Board delegated the day-to-day running of the Company to the leadership team of the company headed by the Chief Executive Officer.

The Executive Management Committee comprises:

Members	Designation
Mr. Chijioke Okwuokenye	Ag. Managing Director/CEO
Mr. Olumide Jerome	Chief Operating Officer
Mr.George Chinda	Ag. Company Secretary/Head, Legal
Mr. Oluseyi Olanrewaju	Chief Financial Officer
Mrs. Irene Nwankwo	Chief Internal Auditor
Engr. Godfrey Aba	Chief Technical Officer
Mr. Canice Obi	Chief Business Officer (Apo)
Mrs. Leticia Ejindu	Chief Business Officer (Garki)
Mr. Kehinde Adeyemi Jonathan	Chief Business Officer (Wuse)
Mr. Samuel Odekina	Chief Business Officer (Niger)
Mrs. Veronica Abah	Chief Business Officer (Nasarawa)
Mr. Olaseni Agunpopo	Chief Business Officer
Mr. Ibem Idika	Head, Human Resources

The Executive Management Committee (EMC) meets fortnightly to consider operational matters and the Ag. MD/CEO is the Chairman of the EMC.

Directors' Remuneration Policy

The Board's remuneration policy as embedded in the Board Charter states that the remuneration of non-executive directors should be fixed by the Board and approved by Shareholders in General Meeting. The Board Policy on annual emolument of Non-Executive directors stipulates as follows;

Non-Executive Directors

Annual Fees & Allowances

Non–executive Directors earn ₦23,600,000 as Directors' fees annually while the Chairman earns ₦33,000,000. This includes estacode payment and is made quarterly.

Board Meetings

Non- Executive Directors earn ₦200,000 sitting allowances per meeting while the Chairman earns ₦300,000. Transportation costs and hotel expenses are reimbursed where applicable.

Corporate Governance Report - continued

For the year ended 31 December 2024

Committee Meeting

Non- Executive Directors earn ₦150,000 sitting allowances per meeting, while the Chairman earns ₦200,000. Transportation costs and hotel expenses are reimbursed where applicable.

Executive Directors

The remuneration policy for executive directors embedded in the Board Charter states as follows:

- The remuneration of Executive Directors should comprise the components that are long-term performance related and may include stock options and bonuses which should, however, be disclosed in the Company's annual report.

- The Board should approve the remuneration of each Executive director including the Managing Director, individually taking into consideration direct relevance of skill and experience to the Company at that time.

Human Resource Policies and internal management structure

The Human Resource policy provides for benefits available to eligible employees of the Company. The Company has put in place internal control system to ensure that the company's practices comply with regulations.

Gender diversity on the Board and employment

The Company ensures gender diversity at the Board level and in staff employment in order to have a fair and productive working environment. The ratio of women to men in the Company at Board level is 1:2.

Statement by the Board on the Company's Environment, Social and Governance (ESG) activities

The Company was involved in Environment, Social and Governance activities that make the company address environmental or social issues which impact its stakeholders.

By order of the Board

George Chinda
Ag. Company Secretary
FRC/2025/PRO/NBA/002/092999
13 August 2025

Statement of Directors' Responsibilities in relation to the Preparation of the Financial Statements

For the year ended 31 December 2024

The Companies and Allied Matters Act, (CAMA) 2020, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

1. Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, (CAMA) 2020, IFRS Accounting Standards as issued by the International Accounting Standards Board, and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023:

2. Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

3. Prepares its financial statements using suitable material accounting policy information supported by reasonable and prudent judgements and estimates that are consistently applied.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate material accounting policy information supported by reasonable and prudent judgements and estimates in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board, and the requirements of the Companies and Allied Matters Act 2020, and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

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 Company and of its profit for the year ended 31 December 2024. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead. See Note 34 to the financial statements for more details.

Signed on behalf of the Board of Directors by:

Stanley Lawson
Chairman
FRC/2015/PRO/DIR/003/00000012416
13 August 2025

Chijioke Okwuokenye[1]
Ag. Managing Director/CEO
13 August 2025

1. The Financial Reporting Council of Nigeria has granted Chijioke Okwuokenye a waiver to execute the audited financial statements.

Statement of Corporate Responsibility for the Financial Statements
For the year ended 31 December 2024

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Chief Executive Officer and Chief Financial Officer, hereby certify the financial statements of Abuja Electricity Distribution Plc for the year ended 31 December 2024 as follows:

a) That we have reviewed the audited financial statements of the Company for the year ended 31 December 2024.

b) That the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.

c) That the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the year ended 31 December 2024.

d) That we are responsible for establishing and maintaining internal controls relating to the Company during the year ended 31 December 2024.

Signed on behalf of:

Chijioke Okwuokenye[1]
Ag. Managing Director/CEO

13 August 2025

Oluseyi Olanrewaju
Chief Financial Officer
FRC/2013/ICAN/00000001496

13 August 2025

1. The Financial Reporting Council of Nigeria has granted Chijioke Okwuokenye a waiver to execute the audited financial statements.

Certification by Company Secretary.
For the Year End 31 December 2024

In my capacity as Company Secretary, I hereby certify, in terms of the Companies and Allied Matters Act, 2020 that for the year ended 31 December 2024, the Company has lodged all such returns as are required of a company in terms of this Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

George Chinda
Ag. Company Secretary
FRC/2025/PRO/NBA/002/092999
13 August 2025

Certification of Management's Assessment on Internal Control over Financial Reporting
For the Year End 31 December 2024

To comply with the requirement of Financial Reporting Council of Nigeria, we hereby make the following statements regarding the Internal Controls of Abuja Electricity Distribution Plc for the year ended 31 December 2024.

We, Chijioke Okwuokenye (Ag. Managing Director/CEO) and Oluseyi Olanrewaju (Chief Financial Officer) certify that:

a. We have reviewed this management assessment on Internal control over financial reporting of Abuja Electricity Distribution Plc

b. Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the Statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c. Based on our knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;

d. We:

1) Are responsible for establishing and maintaining internal controls;

2) Have designed such Internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

3) Have designed such internal control system, or caused such internal control system to be designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

4) Have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures as of the end of the period covered by this report based on such evaluation.

e. We have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's Board of Directors;

1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information: and

2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

f. We have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Chijioke Okwuokenye [1]
(Ag. Managing Director/(CEO)
13 August 2025

Oluseyi Olanrewaju
Chief Financial Officer
FRC/2013/ICAN/00000001496
13 August 2025

1. The Financial Reporting Council of Nigeria has granted Chijioke Okwuokenye a waiver to execute the audited financial statements.

Management's Report on the Assessment of Internal Control Over Financial Reporting as at 31 December 2024

To comply with the requirement of Financial Reporting Council of Nigeria, we hereby make the following statements regarding the Internal Controls of The Abuja Electricity Distribution Plc for the year ended 31 December 2024;

i. The Abuja Electricity Distribution Plc's management is responsible for establishing and maintaining a system of Internal control over financial reporting ('ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.

ii. The Abuja Electricity Distribution Plc's management used the Committee of Sponsoring Organization of the Tread way Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR.

iii. The Abuja Electricity Distribution Plc's management has assessed that the entity's ICFR as of the end of 31 December 2024 is effective.

iv. The Abuja Electricity Distribution Plc's external auditor Messrs. Ernst and Young that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

The attestation report of Messrs. Ernst and Young that audited its financial statements will be filed as separately alongside the annual report.

Chijioke Okwuokenye[1]
Ag. Managing Director/CEO

13 August 2025

Oluseyi Olanrewaju
Chief Financial Officer
FRC/2013/ICAN/00000001496

13 August 2025

1. The Financial Reporting Council of Nigeria has granted Chijioke Okwuokenye a waiver to execute the audited financial statements.

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INDEPENDENT AUDITOR'S ATTESTATION REPORT ON MANAGEMENT ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

TO THE MEMBERS OF ABUJA ELECTRICITY DISTRIBUTION PLC

Scope

We have been engaged by Abuja Electricity Distribution Plc ('the Company') to perform a 'limited assurance engagement', based on International Standards on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, herein referred to as 'the Engagement', to report on Abuja Electricity Distribution Plc Internal Control over Financial Reporting (ICFR) (the "Subject Matter") contained in the Company's Management's Assessment on Internal Control over Financial Reporting as of 31 December 2024 (the "Report").

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:
(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Criteria applied by Abuja Electricity Distribution Plc

In designing, establishing and operating the Internal Control over Financial Reporting (ICFR) and preparing the Management's assessment of the Internal Control over Financial Reporting (ICFR), Abuja Electricity Distribution Plc applied the requirements of Internal Control-Integrated Framework (2013) of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting ('Criteria'). Such Criteria were specifically designed to enable organizations effectively and efficiently develop systems of internal control that adapt to changing business and operating environments, mitigate risks to acceptable levels, and support sound decision making and governance of the organization; As a result, the subject matter information may not be suitable for another purpose.

Abuja Electricity Distribution Plc's Management Responsibilities

Abuja Electricity Distribution Plc's Management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Abuja Electricity Distribution Plc's Management's Assessment of the Internal Control over Financial Reporting as of 31 December 2024 in accordance with the Criteria.

Our responsibilities

Our responsibility is to express a conclusion on the design and operating effectiveness of the Internal Control over Financial Reporting based on our Assurance engagement.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. Those standards require that we plan and perform our engagement to obtain limited assurance on the entity's internal control over financial reporting based on our assurance engagement.

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INDEPENDENT AUDITOR'S ATTESTATION REPORT ON MANAGEMENT ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING - CONTINUED

TO THE MEMBERS OF ABUJA ELECTRICITY DISTRIBUTION PLC - CONTINUED

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) and have the required competencies and experience to conduct this assurance engagement.

We also apply International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

The procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

Conclusion

In conclusion, nothing has come to our attention to indicate that the internal control over financial reporting put in place by management as contained and assessed in Abuja Electricity Distribution Plc's Management Assessment on Internal Control over Financial Reporting is not adequate as of 31 December 2024, based on the requirements of Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting .

Other Matter

We also have audited, in accordance with the International Standards on Auditing, the financial statements for the year ended 31 December 2024 of Abuja Electricity Distribution Plc and we expressed an unmodified opinion in our Auditor's report dated 13 August 2025

Our conclusion is not modified is respect of this matter.

Signed:

Adewuyi Adeyemo, FCA
FRC/2012/PRO/ICAN/004/00000000148
For: Ernst & Young
Lagos, Nigeria.
13 August 2025

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INDEPENDENT AUDITOR'S OPINION
TO THE MEMBERS OF ABUJA ELECTRICITY DISTRIBUTION PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Abuja Electricity Distribution Plc ('the Company'), which comprise the Statement of financial position as at 31 December 2024, and the Statement of profit or loss and other comprehensive income, Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Abuja Electricity Distribution Plc as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act,2023.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. We have determined the matter described below to be the key audit matter to be communicated in our report. This matter was addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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Key Audit Matter	How the matter was addressed in the Audit
Impairment of Trade Receivables	
As at 31 December 2024, the Company recognised an impairment allowance of ₦61.61 billion (2023: ₦50.31 billion) against a gross trade receivables balance of ₦255.67 billion (2023: ₦173.58 billion). This allowance represents 24% (2023: 29%) of the gross trade receivables, highlighting a persistent and material exposure to credit risk.	To address the risks associated with the impairment of trade receivables, our audit procedures included the following: Process Understanding: We obtained a comprehensive understanding of the Company's methodology for estimating ECL in accordance with IFRS 9 - Financial Instruments, including the governance and controls over the impairment process.
The continued significance of the impairment allowance is primarily driven by challenges in recovering amounts billed to post-paid customers. The estimation of expected credit losses (ECL) involves considerable judgment, particularly in selecting and applying key assumptions such as historical loss rates, forward-looking macroeconomic indicators, and the segmentation of receivables based on shared credit risk characteristics.	Segmentation Assessment: We evaluated the appropriateness of how trade receivables were grouped based on shared credit risk characteristics, ensuring alignment with the requirements of IFRS 9.
	Historical and Forward-Looking Analysis: We assessed the historical loss rates applied to each segment and evaluated the reasonableness of forward-looking adjustments. This included a critical review of the macroeconomic assumptions and external data sources used to support these adjustments.
Given the magnitude of the balances involved and the inherent subjectivity in the ECL model under IFRS 9 Financial Instruments, this area was identified as a key audit matter.	Recalculation and Validation: We independently recalculated the ECL allowance and compared our results with management's estimates to identify any significant variances or inconsistencies.
Refer to Note 16 (Trade and Other Receivables) and Note 31.2.1 (Credit Risk) to the financial statements for further details.	Disclosure Review: We reviewed the financial statement disclosures (qualitative and quantitative) to ensure they were complete, accurate, and compliant with the disclosure requirements of IFRS 7 Financial Instruments Disclosures and IFRS 9, particularly in relation to credit risk and impairment.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Abuja Electricity Distribution Plc Annual Report and Financial Statements for the year ended 31 December 2024", which includes the Corporate Information, Report of the Directors, Corporate Governance Report, Statement of Directors' Responsibilities in relation to the Preparation of the Financial Statements, Statement of Corporate Responsibility for the Financial Statements, Certification by Company Secretary, Certification of Management's Assessment on Internal Control over Financial Reporting, Management's Report on the Assessment of Internal Control Over Financial Reporting and Other National Disclosures. 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 an audit opinion or any form of assurance conclusion thereon as part of this opinion.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S OPINION
TO THE MEMBERS OF ABUJA ELECTRICITY DISTRIBUTION PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - CONTINUED

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment)Act, 2023, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the 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 the ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of 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 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S OPINION
TO THE MEMBERS OF ABUJA ELECTRICITY DISTRIBUTION PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - CONTINUED

We communicate with 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 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period 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 public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

i) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;

ii) in our opinion, proper books of account have been kept by the Company, in so far as it appears from our examination of those books; and

iii) the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

In accordance with the requirements of the Financial Reporting Council of Nigeria (FRC) Guidance on Assurance Engagement Report on Internal Control over Financial Reporting:

We performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an unmodified conclusion in our report dated 13 August 2025.

Adewuyi Adeyemo, FCA
FRC/2012/PRO/ICAN/004/00000000148
For: Ernst &Young
Lagos, Nigeria
13 August 2025

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
0046335
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Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2024

	Note	2024	2023
		₦'000	₦'000
Revenue	6	601,630,343	250,548,755
Cost of sales	7.1	(533,958,382)	(256,276,854)
Gross profit/(loss)		67,671,961	(5,728,099)
Other income	8	6,694,336	8,098,188
Impairment (expense)/reversal	16.2 & 16.3	(11,727,870)	39,545,248
Administrative expenses	7.2	(29,563,952)	(21,721,587)
Operating profit		33,074,475	20,193,750
Finance income	9.1	1,185,443	221,770
Finance costs	9.2	(31,147,624)	(18,760,484)
Net finance costs		(29,962,181)	(18,538,714)
Profit before tax expense		3,112,294	1,655,036
Minimum tax	12.1	(1,594,302)	(1,256,808)
Income tax expense	12.2	(736,885)	(82)
Profit for the year		781,107	398,146
Other comprehensive income			
Items that may be reclassified to profit or loss		-	-
Items that will never be reclassified to profit or loss			
Remeasurement gain on defined benefit obligations	27.2	95,348	59,969
Revaluation surplus on property, plant and equipment	13.4 &13.5	72,784,124	21,031,797
Other comprehensive income, net of taxes		72,879,472	21,091,766
Total comprehensive income		73,660,579	21,489,912

The accompanying notes to the financial statements form an integral part of these financial statements.

Statement of Financial Position
As at 31 December 2024

	Note	31 December 2024 ₦'000	31 December 2023 ₦'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	289,515,146	210,729,043
Right-of-use assets	25	127,469	169,409
Intangible assets	14	460,016	641,606
		290,102,631	211,540,058
Current assets			
Inventories	15	690,725	440,709
Trade and other receivables	16	218,936,718	154,116,593
Prepayments	17	1,566,088	3,632,272
Cash and cash equivalents	18	24,587,059	11,076,968
		245,780,590	169,266,542
Total assets		535,883,221	380,806,600
EQUITY			
Share capital	19	15,000	15,000
Accumulated losses		(64,775,461)	(65,651,916)
Revaluation reserve	19.3	192,967,402	120,183,278
		128,206,941	54,546,362
LIABILITIES			
Non-current liabilities			
Loans and borrowings	23	25,528,130	29,795,105
Lease liabilities	24	494,643	470,760
Employee benefit obligations	27	968,894	1,058,392
Deferred income	20	12,458,707	12,997,417
		39,450,374	44,321,674
Current liabilities			
Loans and borrowings	23	15,482,338	15,050,150
Lease liabilities	24	64,063	73,169
Trade and other payables	21	342,532,267	256,695,193
Contract liabilities	26	1,231,678	2,350,397
Deferred income	20	2,015,107	2,816,962
Provisions	22	361,040	361,040
Current tax liabilities	12.3	6,539,413	4,591,653
		368,225,906	281,938,564
Total liabilities		407,676,280	326,260,238
Total equity and liabilities		535,883,221	380,806,600

These financial statements were approved by the Board of Directors on 13 August 2025 and signed on its behalf by:

Stanley Lawson	Chijioke Okwuokenye[1]	Oluseyi Olanrewaju
Chairman	Ag. Managing Director/CEO	Chief Financial Officer
FRC/2015/PRO/DIR/003/00000012416		FRC/2013/ICAN/00000001496

The accompanying notes to the financial statements form an integral part of these financial statements.

1. The Financial Reporting Council of Nigeria has granted Chijioke Okwuokenye a waiver to execute the audited financial statements.

Statement of Changes in Equity
For the year ended 31 December 2024

	NOTE	Share capital ₦'000	Accumulated losses ₦'000	Revaluation reserve ₦'000	Total ₦'000
At 1 January 2023		15,000	(66,110,031)	99,151,481	33,056,450
Profit for the year		-	398,146	-	398,146
Revaluation of land and building		-	-	21,031,797	21,031,797
Remeasurement gain on defined benefit obligations	27.2	-	59,969	-	59,969
Total comprehensive income		-	458,115	21,031,797	21,489,912
At 31 December 2023		15,000	(65,651,916)	120,183,278	54,546,362
At 1 January 2024		15,000	(65,651,916)	120,183,278	54,546,362
Profit for the year		-	781,107	-	781,107
Revaluation of distribution net assets		-	-	72,784,124	72,784,124
Remeasurement gain on defined benefit obligations	27.2	-	95,348	-	95,348
Total comprehensive income		-	876,455	72,784,124	73,660,579
At 31 December 2024		15,000	(64,775,461)	192,967,402	128,206,941

The accompanying notes to the financial statements form an integral part of these financial statements.

Statement of Cash Flows
For the year ended 31 December 2024

	Note	2024 ₦'000	2023 ₦'000
Operating activities			
Cash flows generated from operating activities	28	26,582,110	15,855,380
Tax paid	12.3	(383,427)	-
Defined benefit obligation paid	27.2	(179,844)	(51,103)
Lease interest paid	24	(64,063)	(73,169)
Long service award paid	27.1	(38,767)	(29,803)
Net cash flows from operating activities		25,916,009	15,701,305
Investing activities			
Proceeds on disposal of PPE		-	100
Acquisition of property, plant & equipment	13.2	(5,227,986)	(5,955,497)
Acquisition of intangible assets	14	(100,695)	(467,836)
Interest received	9.3	1,119,637	194,441
Net cash flows used in investing activities		(4,209,044)	(6,228,792)
Financing activities			
Payment of principal portion of lease liabilities	24	(23,694)	(27,348)
Principal repayment loans and borrowings	23.4	(6,181,036)	(5,297,311)
Proceeds from loans and borrowings	20.1 & 23.4	5,122,720	6,488,780
Interest paid	23.5	(7,413,478)	(7,330,822)
Net cash flows used in financing activities		(8,495,488)	(6,166,701)
Net increase in cash and cash equivalents		13,211,477	3,305,813
Cash and cash equivalents at the beginning of the year		11,076,968	7,804,153
Effects of exchange rate changes		298,614	(32,998)
Cash and cash equivalents at the end of the year	18	24,587,059	11,076,968

The accompanying notes to the financial statements form an integral part of these financial statements.

Notes to the financial statements

1 Reporting entity

Abuja Electricity Distribution Plc ("the Company") is a public liability company incorporated on 8 November 2005 to take over as a going concern, the electricity distribution activities and related business of the Power Holding Company of Nigeria Plc (PHCN) in the Federal Capital Territory (FCT) Abuja, Niger, Kogi and Nasarawa States. The Company is domiciled in Nigeria and has its registered office address at 1 Ziguinchor Street, Off IBB Way Wuse Zone 4, Abuja.

The Company supplies electricity within the captive regions above based on a licence granted to it by the Nigerian Electricity Regulatory Commission (NERC). The licence is for a period of 15 years and expires in 2028 with an option to renew for another 10 years. Based on the terms and conditions of the licence and regulations as contained in the Electric Power Sector Reform Act (EPSRA) 2005, the Company is a monopoly within its geographical coverage area and operates under a price control regime known as the Multi Year Tariff Order (MYTO). The business activity of the Company during the year was governed by the Transitional Electricity Market (TEM) Rules which became effective from 1 February 2015.

On 1 November 2013, KANN Utility Company Limited, a Nigerian company, successfully acquired a 60% stake in the Company, thereby gaining control of it. This acquisition was made possible through the privatization initiative of the power sector undertaken by the Federal Government of Nigeria. The remaining 40% of the company's shareholding is held by the Bureau of Public Enterprises (32%) and Ministry of Finance Incorporated (8%). On 31 December 2021, controlling shares of the Company (60%) owned by KANN Utility Company Limited was allotted to United Capital Trustees Limited (UCTL). In May 2023, 60% controlling shares of the Company was transferred to Jeolan International Limited. As a result, Jeolan International Limited became the parent company of Abuja Electricity Distribution Company Plc.

2 Basis of preparation

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies and Allied Matters Act (CAMA) 2020, IFRS Accounting Standards, and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023. The financial statements have been prepared on the historical cost basis except for interest bearing loans and borrowings which are initially measured at fair value and subsequently at amortised cost. Also, land and buildings and distribution network assets are measured at revalued amounts.

The financial statements were authorised for issue by the Board of Directors on 13 August 2025.

Details of the Company's material accounting policy information are included in Note 4.

Going concern basis of accounting

These financial statements have been prepared on a going concern basis. The Directors have at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing financial statements. See Note 34.

3 Functional and presentation currency

These financial statements are presented in Nigerian Naira (NGN), which is the Company's functional currency. All amounts stated in NGN have been rounded to the nearest thousand (₦'000), unless otherwise indicated.

4 Material Accounting Policy Information

The material material accounting policy information set out below have been applied consistently to all periods presented in these financial statements, except if mentioned otherwise.

a) Revenue from contract with customers

Revenue primarily represents the sales value of electricity and other related energy services supplied to customers during the year and excludes Value Added Tax. The Company generally recognizes revenue when it transfers control over goods or services to a customer.

In line with the applicable tariff framework, prices charged by the Company for electricity distribution are regulated. However, the Company is allowed to recover excess costs incurred through future price increases charged on future deliveries.

Notes to the financial statements - continued

a) Revenue from contract with customers - continued

Similarly, where current regulated rates are determined to be excessive, the Company may be subject to a rate reduction in the future against future deliveries. The Company does not recognize an asset or liability, as the case may be, on account of under-recovery or over-recovery except where it is obligated to provide future services at a loss in which case a provision is recognized.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Category of revenue	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Post-paid revenue	The performance obligation of the Company is satisfied overtime as electricity is supplied to the customers. Billing is done on a monthly basis and payment is contractually within 30 days of billing.	Revenue is recognised over time as electricity is provided. The amount of revenue to recognize during the year is assessed based on the unit consumed method. The stand-alone selling price is determined based on the NERC approved tariff for the different categories of customers. The post-paid revenue are majorly from unmetered customers.
Prepaid revenue	Satisfaction of performance obligation is same as post-paid revenue. Payment is received in advance of consumption of electricity. However, payment is received in advance of consumption of electricity.	Revenue is recognised over time as electricity is provided. In case of prepaid customers, the unearned revenue as at year-end is measured and this is included in the statement of financial position as contract liability. The stand-alone selling price is determined based on the NERC approved tariff for the different categories of customers.

Tariff shortfalls

Tariff shortfalls arising from the difference between actual end-user tariffs approved by the Nigerian Electricity Regulatory Commission (NERC) and cost-reflective tariffs allowed by NERC for recovery are based on regulatory orders and subject to recovery through means other than recovery through billings to customers. Revenue is recognized at the point in time the regulatory orders are issued and a financial asset is created or a financial liability is derecognized as might be applicable.

b) Finance income and finance costs

Finance income comprises interest income on short-term deposits with banks and foreign exchange gains. Interest income on short-term deposits is recognized using the effective interest method. In addition, day-one-gain on initial recognition of loans at fair value are recognized as finance income.

Finance costs comprise interest expense on interest bearing liabilities and foreign exchange losses. Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognized in profit or loss using the effective interest method.

Notes to the financial statements - continued

b) Finance income and finance costs - continued

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

Foreign exchange gains and losses are recognized on net basis.

Write back of interest attributable to tariff shortfalls and interest expenses on liabilities to NBET are recognized on a net basis as either finance income or finance cost depending on whether the summation of both results in a net gain or a net loss position.

c) Foreign currency transactions

Transactions denominated in foreign currencies are translated and recorded in the functional currency (Nigerian Naira) at the spot exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the spot rates of exchange prevailing at that date.

Foreign currency differences are generally recognized in profit or loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

d) Property, plant and equipment (PPE)

i) Recognition and measurement

Land, buildings and distribution network assets are measured at revalued amounts, based on valuations by external independent valuers, less subsequent accumulated depreciation and accumulated impairment losses. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. The entity performs its revaluation exercise every three years.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

All other items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Increases in the carrying amount arising on revaluation of land, buildings and distribution network assets are recognized in other comprehensive income (OCI) and shown as revaluation reserve in equity. Decreases that offset previous increases of the same asset are recognized in other comprehensive income and reduces the amount accumulated in equity under the heading of revaluation reserve; all other decreases are recognized in profit or loss.

Likewise, increases that offset previous deficits of the same asset are recognized in the profit or loss to the extent of the previous decrease.

Assets under construction are stated at cost which includes cost of materials and direct labour and any costs incurred in bringing it to its present location and condition.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

ii) Subsequent expenditure

Subsequent expenditure is included in the asset's carrying amount or recognized as a separate asset as appropriate, only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are recognized in profit or loss during the financial period in which they are incurred.

iii) Depreciation

Depreciation is calculated to write off the cost or revalued amount of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss.

Notes to the financial statements - continued

iii) Depreciation - continued

The estimated useful life of items of property, plant and equipment are as follows:

	Life (years)
Buildings	5-50
Distribution network assets	15-50
Motor vehicles	5
Equipment, fixtures & fittings	5

Capital work-in progress is not depreciated until when the asset is available for use and transferred to the relevant category of property, plant and equipment.

Land is not depreciated as it is a freehold asset with an indefinite useful life.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

iv) Derecognition of PPE

The carrying amount of an item of property, plant and equipment shall be derecognized on disposal or when no future economic benefits are expected from its use or disposal.

The gains or loss arising from the derecognition of an item of property, plant and equipment shall be included in profit or loss when the item is derecognized.

v) Contribution of assets by customer

Contributions by customers of items of property, plant and equipment, which require an obligation to supply goods to the customer in the future, are recognized at the fair value of the consideration paid by the customer when the company has control. The Company assesses whether the transferred item meets the definition of an asset, and if so recognizes the transferred asset as PPE.

At initial recognition, its cost is measured at fair value, and a corresponding amount is recognized in revenue when the Company has no future performance obligations. If the Company is yet to discharge the future performance obligation, the corresponding amount is recognized as a deferred income pending the performance of the obligation. This is then released to revenue as the performance obligation is discharged overtime.

However, a new order on the Reimbursement of Meter Costs Effective April 1, 2023, requires all Distribution Companies (Discos) to initiate the repayment process for customers who funded their meter installations through the Meter Asset Provider (MAP) scheme starting from the same date. As a result of this directive, the cost of meters financed by customers will no longer be recognized as revenue for Discos and the reimbursement will take the form of energy credits rather than cash. However, contributions from customers for Distribution Network Assets other than meters will continue to be accounted for as revenue.

e) Intangible assets

Intangible assets with finite useful lives that are acquired separately are measured at cost less accumulated amortization and accumulated impairment losses. Acquired computer software licenses are capitalized on the basis of its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and any directly attributable cost of preparing the software for its intended use.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

Amortisation

Amortisation of the asset begins when the asset is available for use. Amortisation is calculated to write-off the cost of intangible assets less the estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

Notes to the financial statements - continued

e) Intangible assets - continued

The estimated useful life of items of intangible assets are as follows:

	Life (years)
Customer management system	10
Computer software licences	5

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Derecognition of intangible assets

The carrying amount of an item of intangible assets shall be derecognized on disposal or when no future economic benefits are expected from its use or disposal.
The gains or losses arising from the derecognition of an item of intangible asset shall be included in profit or loss when the item is derecognized.

f) Financial instruments

i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI (Fair value through other comprehensive income)– debt investment; FVOCI – equity investment; or FVTPL (Fair value through profit or loss).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as FVTPL:
– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
– it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Notes to the financial statements - continued

ii) Classification and subsequent measurement - continued

Financial assets-business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

– the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

–how the performance of the portfolio is evaluated and reported to the Company's management;
–the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
– how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

–the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

–contingent events that would change the amount or timing of cash flows;
–terms that may adjust the contractual coupon rate, including variable-rate features;
–prepayment and extension features; and
–terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets- Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment loss are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Notes to the financial statements - continued

Financial liabilities – Classification, subsequent measurement and gains and losses

The Company classifies non-derivative financial liabilities into the other financial liabilities' category.

All financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method. Non-derivative financial liabilities with maturity date more than twelve months from the year end are classified as non-current. Otherwise they are classified as current.

iii) Derecognition

Financial assets

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

Financial liabilities

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

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash balances with banks and fixed deposits that have maturity periods less than 3 months and form an integral part of the Company's cash management.

h) Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognized as a deduction from equity.

i) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

j) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on weighted average cost principle. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

k) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Notes to the financial statements - continued

i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of- use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.
Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

— fixed payments, including in-substance fixed payments;
— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
— amounts expected to be payable under a residual value guarantee; and
— the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in- substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

l) Impairment of financial assets

i) Non-derivative financial assets

Financial instruments and contracts assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) on:

- financial assets measured at amortised cost; and
- Contract assets

The Company measures loss allowances at an amount equal to lifetime ECLs except for the following, which are measured at 12-month ECLs:

Notes to the financial statements - continued

l) Impairment of financial assets - continued

i) Non-derivative financial assets - continued

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime Expected Credit Losses (ECLs). When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:
— the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
— the financial asset is more than 90 days past due.

The Company considers a debt security to have low credit risk when the security is held with a financial institution that have high credit ratings and meet the cash and liquidity thresholds set by the Central Bank of Nigeria (CBN).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECL

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).
ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

•significant financial difficulty of the borrower or issuer;
•a breach of contract such as a default or being more than 360 days past due;
•it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
•the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For customers, the Company makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Notes to the financial statements - continued

l) Impairment of financial assets - continued

ii) Impairment of non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell.

Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

m) Employee benefits

i) Short term employee benefits

Short – term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employee renders the related service. Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

ii) Defined contribution plan

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in future payments is available.

In line with the provisions of the Pension Reform Act 2014, the Company has instituted a defined contribution pension scheme for all staff effective from 1 November 2013. Staff contributions to the scheme are funded through payroll deductions while the Company's contribution is recognized in profit or loss as employee benefit expense in the periods during which services are rendered by employees.
Employees contribute 8% each of their basic salary, transport and housing allowances to the Fund on a monthly basis.

The Company's contribution is 10% of each employee's basic salary, transport and housing allowances.

iii) Defined benefits plan

The Company's net obligation in respect of its defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, and discounting that amount.

The calculation of defined benefit obligations is performed annually by qualified actuary using the projected unit credit method. Currently, none of the plans is funded.

Remeasurements of the defined benefit liability, which comprise remeasurement gains and losses are recognized immediately in OCI.

The Company determines the net interest expense (income) on the defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

Notes to the financial statements - continued

m) Employee benefits - continued

iv) Other long term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements gain loss are recognized in profit or loss in the period in which they arise.

v) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

n) Provisions and contingent liabilities

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognized as liabilities in the statement of financial position.

If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

o) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument.

A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Notes to the financial statements - continued

p) Income taxes

Income tax expense comprises current tax (company income tax, tertiary education tax, and Nigeria Police Trust Fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Company had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets.*

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income tax, if any.

It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

•Company income tax is computed on taxable profits.
•Tertiary education tax is computed on assessable profits.
• Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes fron revenue earned by the company during the year).

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

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

ii) Offset of current tax assets against current tax liabilities

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the Company has a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefits would be realized.

iii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:
- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company as approved by the Board.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax are reassessed at each reporting date and recognised to the extent that it has become probable that future profits will be available against which they can be used.

Notes to the financial statements - continued

p) Income taxes - continued

iii) Deferred tax - continued

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

q) Minimum tax

Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss.

The Company applied the provisions of the Company Income Tax Act 2004 as amended by the Finance Act 2022 that mandates a minimum tax assessment computed based on 0.5% of gross turnover. The tax payer's final liability is based on the higher of tax based on taxable profit and minimum tax.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognised in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as minimum tax.

r) Operating profit/loss

Operating profit/loss is the result generated from the continuing principal revenue producing activities of the Company as well as other income and expenses related to operating activities. Operating profit/loss excludes net finance costs, minimum tax, and income taxes.

s) Measurement of fair values

Some of the Company's material accounting policy information and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The Chief Finance Officer (CFO) has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Audit Committee and Board of Directors.

The CFO regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the CFO assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS Accounting Standards, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Audit Committee and Board of Directors. When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Notes to the financial statements (continued)

5 Significant accounting judgements, estimates and assumptions

The preparation of the Company's historical financial information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

i Defined benefit obligations

The cost of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers market yield on federal government bonds and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligations.

ii Useful lives of property, plant and equipment

The Company recognises depreciation on property, plant and equipment on a straight-line basis in order to write-off the cost of the asset over its expected useful life. The economic life of an asset is determined based on existing wear and tear, economic and technical ageing, legal and other limits on the use of the asset, and obsolescence. If some of these factors were to deteriorate materially, impairing the ability of the asset to generate future cash flow, the Company may accelerate depreciation charges to reflect the remaining useful life of the asset or record an impairment loss.

iii Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default, expected loss rates and maximum contractual period. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 31.2.1.

iv Revaluation of properties, plant and equipment

The company measures land, building and distribution network assets using the revaluation model. The valuation is carried out by an independent valuer using the exchange worth in the open market for the land, building and depreciated replacement approach for distribution network assets. The key assumptions used to determine the fair value and sensitivity analysis are disclosed in Note 13.4.

6 Changes in material accounting policy information and disclosures

6.1 New and amended standards adopted by the Company

The following amendments became effective during the year:

i Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Company’s financial statements.

ii Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

Notes to the financial statements (continued)

ii Amendments to IAS 1 - Classification of Liabilities as Current or Non-current - continued

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

This had no impact on the classification of the Company's liabilities.

iii Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Company's financial statements.

6.2 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

a) Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Company's financial statements.

b) IFRS 18 Presentation and Disclosure in Financial Statements Non-current

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

Notes to the financial statements (continued)

c) IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The amendments are not expected to have an impact on the Company's financial statements.

d) Amendments to the Classification and Measurement of Financial Instruments–Amendments to IFRS 9 and IFRS 7

On 30 May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

• A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date.

•Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed.

• Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.

•The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The Company is currently not intending to early adopt the Amendments.

The Company is currently assessing the impact of these amendments on its financial statements.

e) Power Purchase Agreements - IFRS 9 and IFRS 7

In December 2024, the IASB Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendments clarify the 'own use', but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application. The amendment include:

• Clarifying the application of the 'own-use' requirements

• Permitting hedge accounting if these contracts are used as hedging instruments

• Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The impact assessment of the amendments is still on going.

f) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted. The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The amendments must be applied prospectively. Early application is permitted and must be disclosed. The amendments are intended to eliminate diversity in practice and give preparers a consistent set of principles to apply for such transactions. However, the application of the definition of a business is judgemental and entities need to consider the definition carefully in such transactions.

Notes to the financial statements (continued)

f) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 - continued

In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendment will not have impact on the Company when it becomes effective.

g) Annual Improvements to IFRS Accounting Standards

The following is a summary of the amendments from the Annual Improvements to IFRS Accounting Standards.
(i)IFRS 1 First-time Adoption of International Financial Reporting Standards: Hedge Accounting by a First-time Adopter - effective 1 January 2026.
(ii) IFRS 7 Financial Instruments: Gain or Loss on Derecognition - effective from 1 January 2026.
(iii) Guidance on implementing IFRS 7 Financial Instruments: Disclosures.
(iv) IFRS 9 Financial Instruments - effective from 1 January 2026.
(v) IFRS 10 Consolidated Financial - effective from 1 January 2026.

These annual improvements are not expected to have an impact on the Company.

Notes to the financial statements - continued

6 Revenue

6.1 Revenue streams

The Company generates revenue primarily from delivering electricity and other related activities across the Company's distribution network in the Federal Capital Territory (FCT) Abuja, Kogi, Nasarawa and Niger States. Other sources of revenue in the current period include tariff shortfall issued by the regulator, Nigerian Electricity Regulatory Commission (NERC) and assets contributed by customers.

	Note	2024 ₦'000	2023 ₦'000
Revenue from contracts with customers			
Electricity sales	6.2	316,928,647	177,768,708
Tariff shortfall awarded by NERC	6.1.1	284,670,354	70,562,746
Customer contributed assets	6.1.2	31,342	2,217,301
Total revenue		601,630,343	250,548,755

6.1.1 Tariff shortfall awarded by NERC

On 1 July 2019 and 31 December 2019, the Nigerian Electricity Regulatory Commission (NERC) issued the Minor Review and Minimum Remittance Orders - Order No. NERC/GL/170 “The 2016 - 2018 Minor Review of the Multi Year Tariff Order (MYTO) 2015 and Minimum Remittance Order for the year 2019” and Order No. NERC/GL/184/2019 “December 2019 Minor Review Multi Year Tariff Order 2015 and Minimum Remittance Order for the year 2020”. These Orders award the Company an accumulated tariff shortfall of ₦102.22 billion from 2015 to 2018, ₦62.69 billion in 2019 and ₦29.8 billion in 2021. In 2023, a sum of N70.5 billion was awarded and recognised as the tariff shortfall (2022: N8.05 billion). The tariff shortfall of N285 billion was awarded to the company in 2024. In line with the Orders, the awarded tariff shortfalls are netted off the Company's payables to NBET.

6.1.2 Customer contributed assets

The Nigerian Electricity Regulatory Commission (NERC) issued the Meter Asset Provider (MAP) Regulation, requiring all distribution companies to engage MAPs to address the metering gap in the country. In 2024, the Company appointed 14 MAP entities to supply and install meters for its customers. Initially, customers pay for the meter, including delivery and activation costs, and the Company subsequently compensates them through energy credits, while retaining ownership of the meters as required to fulfil its contractual obligations.

A new order on the Reimbursement of Meter Costs Effectively April 1, 2023, requires all Distribution Companies (Discos) to initiate the repayment process for customers who funded their meter installations through the Meter Asset Provider (MAP) scheme starting from the same date. As a result of this directive, the cost of meters financed by customers will no longer be recognized as revenue for Discos and the reimbursement will take the form of energy credits rather than cash. However, contributions from customers for Distribution Network Assets other than meters will continue to be accounted for as revenue. The impact of this new order is responsible for the significant reduction in income from customer contributed assets.

Included in customer contributed assets are various assets (transformers, substations) contributed by customers during the year 2024 amounting to ₦31.34 million (2023:₦388 million). Once these assets are connected to AEDC's distribution network, they become the property of AEDC. Consequently, AEDC records the value of these assets as revenue.

6.2 Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by customer type, and mode of payment.

	Timing of revenue recognition	2024 ₦'000	2023 ₦'000
6.2 Classification by customer payment mode			
Postpaid	Overtime	212,229,745	106,936,582
Prepaid	Overtime	104,698,902	70,832,126
		316,928,647	177,768,708

Notes to the financial statements - continued

		Notes	2024 ₦'000	2023 ₦'000
6.3	Contract balances			
	Trade receivables	16	194,060,509	123,272,842
	Contract liabilities	26	1,231,678	2,350,397
7	Expenses by function			
7.1	Cost of sales			
	Commission to super vendors		3,892,141	7,158,045
	Cost of energy	21.1	518,373,927	236,660,136
	Maintenance expenses		1,277,556	2,772,803
	Depreciation charge for the year (DNA)	13.1	10,414,758	9,685,870
			533,958,382	256,276,854
7.2	Administrative expense			
	Auditor remuneration		85,000	66,300
	Amortisation of intangible assets	14	282,285	523,953
	Bank charges		175,184	59,017
	Board expenses		10,000	6,358
	Consumables and other direct costs		991,432	858,141
	Consultancy fees		70,223	84,756
	Depreciation- property, plant and equipment	13.1	731,196	778,289
	Depreciation- right-of-use- assets	25	75,059	83,638
	Directors remuneration		170,185	196,864
	Insurance		252,972	327,992
	Litigation expenses		-	5,703
	Office repairs and maintenance		1,009,682	853,558
	Office stationery and utilities		786,653	820,809
	Operations and maintenance service fees (Note 7.3)		5,835,286	-
	Other expenses (Note 7.4)		985,741	308,703
	Fines and penalties		2,598	33
	Professional services (Note 7.5)		363,753	1,085,766
	Rent and accommodation expense		443,288	234,294
	Security and safety		833,203	904,945
	Staff and related costs	11.1	14,894,599	13,166,236
	Subscription and registration		56,824	97,214
	Transport		1,508,789	1,259,018
	Total administrative expenses		29,563,952	21,721,587
	Total cost of sales and administrative expenses		563,522,334	277,998,441

7.3 Operations and maintenance service fees relates to the agreement which the Company has with Jeolan International Limited (the parent company), for the provision of management services which include corporate services (strategy setting and change management), risk and compliance services, network planning and operations and capacity building.

7.4 Other expenses comprises of marketing expenses, advertising and publicity, business development expenses, haulage, CSR expenses and stock management expenses.

7.5 Professional services comprises of legal fees, consultancy fee and vending infrastructure support.

		2024 ₦'000	2023 ₦'000
7.6	Non audit services paid to the statutory auditors		
	Non-audit services*	10,000	-

*Included in the Auditors remuneration is non-audit services provided by EY in connection with the independent attestation of the company's Internal Control over Financial Reporting (ICFR) amounting to N10 million (2023: nil).

Notes to the financial statements - continued

		Notes	2024	2023
			₦'000	₦'000
8	Other income			
	Service reconnection fees		864,691	482,959
	Administrative charge on meter tampering		261,414	204,981
	Amortisation of government grant	20.1	2,910,093	2,755,539
	Insurance claims		-	1,187
	Miscellaneous income *		774,391	4,391,670
	Reversal of revaluation loss on distribution assets**		1,819,990	110,493
	Gain on disposal of PPE		-	24
	Gain on lease modification	25.1	63,757	151,335
			6,694,336	8,098,188

*Miscellaneous income majorly represents the reversal of provision for National Integrated Power Project (NIPP) asset no longer required.

**This relates to the reversal of previously recognised revaluation deficit in profit or loss. The disclosure on revaluation surplus on distribution net assets is consistent with the IFRS Accounting Standards.

			2024	2023
			₦'000	₦'000
9	Finance income and finance costs			
9.1	Finance income			
	Interest income on fixed deposits		1,185,443	221,770
			1,185,443	221,770
9.2	Finance costs			
	Interest on loans	23.4	6,706,535	7,128,555
	Interest on TCN loans		246,223	242,493
	Foreign exchange loss*	10	298,614	172,789
	Net interest on NBET and ONEM bills	9.4	23,763,080	11,088,951
	Interest on lease liabilities	24	133,172	127,696
			31,147,624	18,760,484
	Net finance costs		(29,962,181)	(18,538,714)

*Foreign exchange loss relates to FX losses from cash and bank balances and other payables.

		2024	2023
		₦'000	₦'000
9.3	In the statement of cashflows, finance cost is recognised as disclosed below:		
	Interest income on fixed deposits	1,185,443	221,770
	Accrued interest	(65,806)	(27,329)
		1,119,637	194,441
9.4	Net interest on NBET and ONEM bills		
	Writeback of interest attributable to the tariff shortfalls	-	44.065.782
	Interest on NBET and ONEM bills	(23,763,080)	(55,154,733)
		(23,763,080)	(11,088,951)

9.4.1 Net interest on NBET and ONEM bills

This represents interest arising from the non payment of minimum/base line remittances on the Nigerian Bulk Electricity Trading (NBET) and Operator of the Nigeria Electricity Market (ONEM) invoices during the year. In 2024, the required remittance threshold on NBET invoice is 100% while the difference between the gross invoice and the DisCos Remittance Obligation (DRO) is taken up with the Government by NERC. The shortfall on DRO remittance attracts interest at NIBOR plus 4% NBET and ONEM bills respectively.

9.4.2 Write back of interest attributable to the tariff shortfalls

This represents write back of interests attributable to the tariff shortfall awarded by NERC in 2023. In line with the NERC order No. NERC/GL/170 “The 2016 - 2018 Minor Review of the Multi Year Tariff Order (MYTO) 2015 and Minimum Remittance Order for the year 2019” issued in 2019, the Company has written back interest payable on unpaid NBET and ONEM invoices attributable to the tariff shortfall (See Note 21).

Notes to the financial statements - continued

9 Finance income and finance costs - continued

9.4.2 Write back of interest attributable to the tariff shortfalls

During the year, no write back of interest relating to tariff shortfalls because the tariff shortfalls have been removed from invoices issued by NBET to AEDC.

10 Profit before tax

	Notes	2024	2023
		₦'000	₦'000
Profit before tax is stated after charging			
Auditor remuneration		85,000	66,300
Depreciation- property, plant and equipment	13	11,145,954	10,464,159
Depreciation- right-of-use- assets	25	75,059	83,638
Amortisation of intangible assets	14	282,285	523,953
Staff and related costs	11.1	14,894,599	13,166,236
Directors remuneration	11.4	170,185	196,864
Foreign exchange loss	9.2	298,614	172,789

11 Employee benefit expense and director remuneration

11.1 Employee benefit expense during the year amounted to:

Salaries and wages		13,760,724	11,934,733
Contributory pension cost		897,717	978,668
Termination benefits		11,697	195
Gratuity **	27.2.1	205,659	193,851
Long service award*	27.2.1	18,802	58,789
		14,894,599	13,166,236

* Long service award consist of current service cost, interest cost, remeasurement (gain)/loss due to change in assumption and past service cost.

** Gratuity comprises of current service cost and interest cost of ₦84.9 million (2023: ₦ 85.81 million), ₦120.7 million (2023: ₦108.04 million) respectively.

11.2 Number of employees of the Company as at 31 December, whose duties were wholly or mainly discharged in Nigeria, received annual remuneration excluding pension contributions and certain benefits in the following:

Amount (₦)	2024 Number	2023 Number
200,001 - 2,200,000	1,401	1,483
2,200,001 - 4,200,000	990	931
4,200,001 - 6,200,000	655	681
6,200,001 - 8,200,000	69	51
8,200,001 - 10,200,000	93	96
10,200,001 - 12,200,000	29	32
12,200,001 - 14,200,000	39	47
14,200,001 - 16,200,000	17	11
16,200,001 - 18,200,000	4	9
18,200,001 - 20,200,000	7	11
20,200,001 - 22,200,000	1	2
22,200,001 - 24,200,000	-	-
24,200,001 - 26,200,000	1	-
30,200,001 - 32,200,000	1	1
32,200,001 - 34,200,000	-	1
34,200,001 - 38,200,000	-	-
38,200,001 - 40,200,000	2	-
40,200,001 - 51,200,000	3	5
51,200,001 - 58,200,000	2	-
68,200,001 - 75,900,000	4	-
80,200,001 - 102,500,000	-	1
	3,318	3,362

Notes to the financial statements - continued

11 Employee benefit expense and director remuneration - continued

11.3 The average number of full time personnel employed by the company during the year are as follows:

	2024 Number	2023 Number
Administration	432	436
Finance	191	218
Marketing	1,378	1,401
Technical	1,317	1,307
	3,318	3,362

11.4 Director remuneration

	2024 ₦'000	2023 ₦'000
Directors' remuneration paid during the year comprises:		
Director fees	33,752	33,752
Other emolument*	136,433	163,112
	170,185	196,864

*Other emolument comprises mainly of sitting and travelling allowance.

	2024 ₦'000	2023 ₦'000
The directors' remuneration shown above includes:		
Chairman	33,450	33,450
Highest paid director other than Chairman	24,850	28,600

The number of directors (excluding the Chairman and highest paid director) who received emoluments excluding pension contributions and certain benefits were within the following range:

	2024 Number	2023 Number
20,000,000 - 52,000,000	5	6

12 Tax expense

	2024 ₦'000	2023 ₦'000
12.1 Minimum tax expense		
Minimum tax expense	1,594,302	1,256,808
	1,594,302	1,256,808
12.2 Income tax expense		
Company Income tax	-	-
Tertiary education tax	736,729	-
Nigeria Police Trust Fund Levy (NPTF)	156	82
	736,885	82

The Company applied the provisions of the Company Income Tax Act 2004 as amended by the Finance Act 2022 that mandates a minimum tax assessment computed based on 0.5% of gross turnover. The tax payer's final liability is based on the higher of tax based on taxable profit and minimum tax. The company Income tax is nil in the current year as there was no taxable profit during the year.

Tertiary education tax is imposed on every Nigerian resident company at the rate of 3% of the assessable profit for each year of assessment. The entity did not have an assessable profit position in the prior year, hence, no education tax.

Notes to the financial statements - continued

12.3 Current tax liabilities

	2024	2023
	₦'000	₦'000
At 1 January	4,591,653	3,334,763
Minimum tax charge	1,594,302	1,256,808
Nigeria Police Trust Fund Levy	156	82
Tertiary education tax	736,729	-
Tax paid	(383,427)	-
At 31 December	6,539,413	4,591,653

12.4 Reconciliation of effective tax rates

	2024	2023
	₦'000	₦'000
Profit before tax expense	3,112,294	1,655,036
Income tax using the statutory tax rate (30%)	933,688	496,511
Current year assessable profit used to relief loss brought forward	(7,367,292)	-
Prior year loss for which deferred tax is not recognised	-	8,833,500
Non-taxable income	(2,835,193)	(13,859,641)
Education Tax	736,729	-
Nigeria Police Trust Fund Levy (NPTF)	156	82
Non-deductible expenses	9,268,797	4,529,630
	736,885	82
Effective tax rate	23.68%	0.00%

The statutory tax rate of 30% is not applicable to the Company because they are assessed based on minimum tax.

12.5 Unrecognised deferred taxes.

Deferred tax assets have not been recognised in respect of the following items because of the uncertainty around the availability of future taxable profits against which the Company can use the benefits there from.

	2024	2023
	₦'000	₦'000
NBV of qualifying assets	54,098,505	55,688,337
Impact of revaluation on land and building	23,915,820	6,342,687
TWDV of qualifying assets	(3,488,458)	(3,012,914)
Capital allowances carried forward	(62,169,621)	(57,931,756)
	12,356,246	1,086,354
Unrelieved loss carried forward	(23,323,545)	(30,690,838)
Impairment loss on trade and other receivables	(20,471,695)	(16,349,960)
Provision (NELMCO)	-	(242,356)
Provision for gratuity	(351,200)	(343,978)
Interest on lease liabilities	-	(241,197)
Actual payment of lease liabilities	-	346,656
Depreciation on ROU assets	-	(453,004)
Unrealised exchange differences	(98,543)	7,496
	(20,921,438)	(17,276,341)
PPE	12,356,246	1,086,354
Tax losses	(23,323,545)	(30,690,838)
Deductible differences	(20,921,438)	(17,276,342)
	(31,888,737)	(46,880,826)

Notes to the financial statements - continued

13 Property, plant and equipment	Land ₦'000	Buildings ₦'000	Distribution network assets ₦'000	Equipment, fixtures and fittings ₦'000	Motor vehicles ₦'000	Capital work in progress ₦'000	Total ₦'000
At 1 January 2023	13,114,202	6,676,056	171,578,714	4,210,025	2,048,798	3,538,524	201,166,319
Additions	-	765,874	10,393,292	698,766	746,059	1,062,044	13,666,034
Revaluation adjustment	19,393,685	1,748,605	-	-			21,142,290
Disposal	-	-	-	(296)	-	-	(296)
Reclassifications	-	(2,129,211)	2,129,211	-	-	-	-
Transfer*	-	(683,379)	-	-	-	-	(683,379)
At 31 December 2023	32,507,887	6,377,945	184,101,217	4,908,495	2,794,857	4,600,568	235,290,968
At 1 January 2024	32,507,887	6,377,945	184,101,217	4,908,495	2,794,857	4,600,568	235,290,969
Additions	-	157,023	14,344,761	197,213	422,763	206,181	15,327,941
Transfers*	-	-	(29,154,969)	-	-	-	(29,154,969)
Revaluation adjustment **	-	-	74,604,114	-	-	-	74,604,114
Reclassification/transfers	-	-	451,949	-	-	(451,949)	-
At 31 December 2024	32,507,887	6,534,968	244,347,072	5,105,708	3,217,620	4,354,800	296,068,055
Depreciation							
At 1 January 2023	-	631,274	9,000,196	3,339,710	1,810,182	-	14,781,362
Charge for the year	-	106,182	9,686,512	482,472	188,993	-	10,464,159
Disposal	-	-	-	(217)	-	-	(217)
Reclassifications	-	(54,077)	54,077	-	-	-	-
Transfer*	-	(683,379)	-	-	-	-	(683,379)
At 31 December 2023	-	-	18,740,785	3,821,965	1,999,175	-	24,561,925
At 1 January 2024	-	-	18,740,785	3,821,965	1,999,175	-	24,561,925
Charge for the year	-	143,285	10,414,184	333,223	255,262	-	11,145,954
Transfer*	-	-	(29,154,969)	-	-	-	(29,154,969)
At 31 December 2024	-	143,285	-	4,155,188	2,254,437	-	6,552,910
Carrying amount							
At 31 December 2024	32,507,887	6,391,683	244,347,072	950,520	963,183	4,354,800	289,515,146
At 31 December 2023	32,507,887	6,377,945	165,360,432	1,086,531	795,682	4,600,568	210,729,043

* This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

** Revaluation adjustment in 2024 amounting to ₦74,604,114,273 comprises of ₦72,784,123,948 recognised in revaluation reserve and ₦1,819,900,325 recognised in P/L to reverse the previously recognised revaluation deficit in profit or loss.

Notes to the financial statements - continued

	Notes	2024 ₦'000	2023 ₦'000
13.1 The depreciation charge for the year is allocated as follows:			
Cost of sales		10,414,758	9,685,870
General and administrative expenses		731,196	778,289
Depreciation charge for the year	7	11,145,954	10,464,159
13.2 Reconciliation of additions to property, plant and equipment to statement of cash flow			
Total additions		(15,327,941)	(13,666,035)
Customer contributed assets recognised in revenue		31,342	2,217,301
Customer contributed assets recognised as liability*		10,068,613	5,493,237
Acquisition of property, plant & equipment		(5,227,986)	(5,955,497)

*Customer contributed assets recognised as liability is recognised in meter asset liability (MAP) under trade and other payables (Note 21).

13.3 The Company had capital commitments amounting to ₦428.8 million (2023: ₦2.4 billion).

13.4 Fair values of land and buildings

Independent valuations of the Company's land and buildings are performed by external valuers to determine their fair value.

On 31 December 2023, the Company revalued its land and buildings. The valuation was carried out by Achoru Associate & Co.(FRC/2015/0000007097), an external valuer.

In 2023, fair value of the portions of Land was determined to be ₦32.5 billion resulting in a net surplus of ₦19.40 billion representing an amount of ₦19.41 billion as revaluation surplus in other comprehensive income and ₦13.06 million as revaluation loss in profit or loss.

The fair value of the Buildings was determined to be ₦6.4 billion resulting in a net surplus of ₦1.75 billion representing an amount of ₦1.63 billion as revaluation surplus in other comprehensive income and ₦123.56 million as reversal of previously recognised revaluation deficit in profit or loss.

The fair value of the land and buildings was determined using the exchange worth of the property in the open market, taking into consideration the discounted net benefits derivable from the property over its useful economic life, cost of building a similar property after adjusting for physical, economic and functional obsolescence.

Significant unobservable valuation input (market approach):	Range
Price per square metre	₦50,000 - ₦230,000

Significant increases (decreases) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

Fair value hierarchy	Level 3 ₦'000
Land	32,507,887
Buildings	6,369,463

There were no transfers between fair value hierarchies during the year.

The next revaluation of land and is due in 2026.

Notes to the financial statements - continued

13.5 Fair values of Distribution Network Assets

Independent valuations of the Company's distribution network assets are performed by external valuers to determine their fair value.

On 31 December 2024, the Company revalued its distribution network assets. The valuation was carried out by Tunji Adeniyi & Co Estate Surveyors & Valuers (FRC/2014/NIESV/0000007788) an external valuer.

The fair value of the Distribution Network Assets was determined to be ₦244.3 billion resulting in a net surplus of ₦74.6 billion representing an amount of ₦72.8 billion as revaluation surplus in other comprehensive income and ₦1.8 billion as revaluation surplus in profit or loss, to reverse the previously recognised revaluation deficit in profit or loss.

The fair value of the Distribution Network Assets was determined using the exchange worth of the property in the open market, taking into consideration the discounted net benefits derivable from the asset over its useful economic life, cost of a similar asset after adjusting for physical, economic and functional obsolescence, reflecting a continuous existing use of the Assets.

Significant increases (decreases) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

Significant unobservable valuation input (market approach):	Range
Value of the distribution network assets	
	₦120,726,771 - ₦1,853,719,620

Significant increases (decreases) in estimated value of the distribution network assets in isolation would result in a significantly higher (lower) fair value.

Fair value hierarchy	Level 3
	₦'000
Distribution network assets	244,347,072

There were no transfers between fair value hierarchies during the year.

Revaluation surplus recognised in other comprehensive income

	2024	2023
	₦'000	₦'000
Land & buildings	-	21,031,797
Distribution network assets	72,784,124	-
	72,784,124	21,031,797

13.6 Capital work in progress (CWIP)

Capital work in progress (CWIP) comprises:		
PPE items in store*	1,060,898	1,061,685
On-going works with respect to substations	3,293,902	3,538,883
	4,354,800	4,600,568

* Included in PPE items in store are transformers of ₦369 million (2023: ₦310 million), meters and other distribution assets of ₦692 million (2023: ₦752 million).

Notes to the financial statements - continued

13.7 Land, building and distribution network assets: historical assets

If Land, building and distribution network assets were stated on historical cost basis, the carrying amounts would be as follows:

	Land ₦'000	Buildings ₦'000	Distribution network assets ₦'000
At 31 December 2024			
Cost	11,702,055	6,810,717	52,624,246
Accumulated depreciation	-	(1,826,427)	(4,469,065)
Carrying amount	11,702,055	4,984,290	48,155,181
At 31 December 2023			
Cost	11,702,055	6,653,694	38,279,485
Accumulated depreciation	-	(1,690,213)	(3,416,580)
Carrying amount	11,702,055	4,963,481	34,862,905

14 Intangible assets

	Computer software licences ₦'000	Customer management system ₦'000	Total ₦'000
Cost			
At 1 January 2023	632,003	1,013,315	1,645,318
Additions	467,836	-	467,836
At 31 December 2023	1,099,839	1,013,315	2,113,154
At 1 January 2024	1,099,839	1,013,315	2,113,154
Additions	100,695	-	100,695
At 31 December 2024	1,200,534	1,013,315	2,213,849
Accumulated amortisation			
At 1 January 2023	542,267	405,327	947,594
Charge for the year	422,622	101,332	523,954
At 31 December 2023	964,889	506,659	1,471,548
At 1 January 2024	964,889	506,659	1,471,548
Charge for the year	180,954	101,331	282,285
At 31 December 2024	1,145,843	607,990	1,753,833
Carrying amount			
At 31 December 2024	54,691	405,325	460,016
At 31 December 2023	134,950	506,656	641,606

Amortisation of intangible assets is included as part of administrative expenses (Note 7).

There are no restrictions on the title of the Company's intangible assets as of the reporting date.

The Company has not pledged any of its Property, Plant, and Equipment or intangible assets as security for any liabilities or commitments as of the reporting date.

Notes to the financial statements - continued

15 Inventories

	2024 ₦'000	2023 ₦'000
Consumable spare parts	808,973	447,873
Other consumables*	31,424	25,836
Inventory write down	(149,672)	(33,000)
	690,725	440,709

Inventories recognized as expense include consumable spare parts and other consumables used in maintenance during the year. They are included in maintenance expenses in cost of sales and amounted to ₦1.2 billion (2023: ₦1.1 billion).

* Other consumables consists of stationeries and lubricants.

	2024 ₦'000	2023 ₦'000
16 Trade and other receivables		
Trade receivables	194,060,509	123,272,842
Other receivables (Note 16.1)	24,876,209	30,843,751
	218,936,718	154,116,593
Trade receivable- Gross	255,674,179	173,580,411
Expected credit loss allowance (Note 16.2)	(61,613,670)	(50,307,569)
	194,060,509	123,272,842
Other receivables- Gross	25,297,978	30,843,751
Expected credit loss allowance	(421,769)	-
	24,876,209	30,843,751
16.1 Other receivables comprises:		
Financial assets		
Employee receivables*	10,894	73,289
Interest receivables	65,806	27,329
Restricted cash**	23,593,386	27,246,480
Receivables from super vendor	1,083,472	3,454,176
Intercompany receivable	-	7,500
	24,753,558	30,808,774
Non-financial assets		
Withholding tax receivables	122,651	34,977
	122,651	34,977
	24,876,209	30,843,751

* This relates to employee advances during the year.

** Included in restricted cash balance is a cash collateral of ₦5.5 billion on letter of credit facility obtained from United Bank for Africa Plc as a requirement for participation in the Transitional Electricity Market (TEM). Also included in restricted cash balance is ₦12.6 billion set aside with United Bank for Africa Plc in order to comply with the Central Bank of Nigeria policy on VAT remittance. Lastly, included in restricted cash balance is ₦5.4 billion which relates to meter asset funding.

16.2 Reconciliation of impairment allowance of trade receivables

	2024 ₦'000	2023 ₦'000
As at 1 January	50,307,569	89,852,817
Charge/(reversal) for the year	11,306,101	(39,545,248)
As at 31 December	61,613,670	50,307,569

In 2024 the reason for the increase in impairment allowance was due to the increase in band A tariffs and the economic situation in Nigeria which impacts the customers ability to pay.

Notes to the financial statements - continued

16.3 Reconciliation of impairment allowance of other receivables

	2024	2023
	₦'000	₦'000
As at 1 January	-	-
Charge for the year	421,769	-
As at 31 December	421,769	-

17 Prepayments

Rent*	87,774	111,786
Advance payment to vendors**	1,478,314	3,520,486
	1,566,088	3,632,272

*Rent relates to short term rent.

**The advance payments to vendors are for the supply of transformers and network infrastructure improvement.

18 Cash and cash equivalents

	2024	2023
	₦'000	₦'000
Bank balances	24,586,068	11,075,869
Cash on hand	991	1,099
Cash and cash equivalents per statement of cash flows	24,587,059	11,076,968

All cash and bank balances are non-interest bearing and the allowance for ECL relating to cash and bank balances is immaterial, hence it has not been disclosed.

19 Share capital and reserves

19.1 Share capital comprises:

	2024	2023
	₦'000	₦'000
Share capital		
15,000,000 issued and paid ordinary shares at ₦1 each	15,000	15,000

19.2 Rights of shareholders

The company's shareholding structure consists of Jeolan International Limited (60%), Bureau of Public Enterprises (32%), and Ministry of Finance Incorporated (8%), with shareholders having rights to ownership, voting, and dividends.

19.3 Nature and purpose of reserves

Revaluation reserve

The revaluation reserve relates to the revaluation surplus arising from the revaluation of land, buildings and distribution network assets. This was recorded in other comprehensive income as an item that will not be reclassified to profit or loss. See Note 13.4 & 13.5.

Revaluation reserves arising during the year is made up as follows:

	2024	2023
	₦'000	₦'000
Land and building (Note 13.4)	-	21,031,797
Distribution network assets (Note 13.5)	72,784,124	-
	72,784,124	21,031,797
Movement in revaluation reserve:		
At 1 January	120,183,278	99,151,481
Land and building	-	21,031,797
Distribution network assets	72,784,124	-
At 31 December	192,967,402	120,183,278

Notes to the financial statements - continued

20 Deferred income

	2024	2023
	₦'000	₦'000
Government grant (a)	14,473,814	15,814,379
Non-current portion	12,458,707	12,997,417
Current portion	2,015,107	2,816,962
	14,473,814	15,814,379

(a) Government grant is made up of:

Government granted assets*	2,334,871	2,458,191
Day one gain on loans**	12,138,943	13,356,188
	14,473,814	15,814,379

*Over the years, the Company received some assets granted to it by the government in a bid to improve the infrastructure within the Company's region of operation. These assets have been included in property, plant and equipment and deferred income. Amortization of the deferred income is at the same rate as the associated PPE is depreciated.

**In 2024, CBN disbursed additional five (5) tranches of loan on the CBN NEMSF 2 of N3.36 billion and 1 tranche of loan on the NEMSF 3 of N1.77 billion. In 2023, CBN disbursed six (6) tranches of Loans on the CBN-NEMSF 2 loan of N11.74billion. In year 2022, CBN disbursed nine (9) tranches of Loan to the Company through NESI for NEMSF amounting to N6.49 billion. The loans were granted at below market interest rates. The management has recognized the loan at fair value as required by the applicable financial reporting framework at initial recognition. As a result, the difference between the fair values at initial recognition and the proceed from loan received was recognized as deferred income (day one gain). This initial gain is then spread/amortised over the loan term period.

20.1 Reconciliation of deferred income

	2024	2023
	₦'000	₦'000
At 1 January	15,814,379	16,744,324
Additions (day one gain on loans)	1,569,528	1,825,594
Amortisation to profit or loss (Note 8)	(2,910,093)	(2,755,539)
At 31 December	14,473,814	15,814,379

21 Trade and other payables

	2024	2023
	₦'000	₦'000
Trade payables (Note 21.1)	222,024,783	168,708,482
Payables to other vendors	14,671,308	7,358,685
Due to related parties (Note 29.4)	13,465,028	7,637,242
Meter asset provider liability (MAP) (Note 21.2)	15,561,850	5,493,237
Payables to NELMCO	745,711	745,711
Accruals (Note 21.3)	8,094,061	3,899,504
	274,562,741	193,842,861
Statutory deductions (Note 21.4)	67,969,526	62,852,332
	342,532,267	256,695,193

Notes to the financial statements - continued

21 Trade and other payables - continued

21.1 Trade payables

Trade payables comprise amount due to the Nigerian Bulk Electricity Trading Plc (NBET) and the Operator of the Nigeria Electricity Market (ONEM). NBET is the supplier of power to the Company and bills for the cost of energy while other administrative charges incidental to the cost of energy are billed by ONEM.

The movement in the account is as follows:	2024	2023
	₦'000	₦'000
At 1 January	168,708,482	112,399,215
Cost of energy	518,373,927	236,962,095
Interest on shortfall	23,763,080	55,154,733
Net-off of tariff payment shortfall	(284,670,354)	(70,562,746)
Net-off of interest on tariff shortfall	-	(44,065,782)
Netting off of TCN Loan taken over by AEDC against TCN invoices	(1,479,570)	-
Netting off TCN loan paid by AEDC against TCN invoices	(961,898)	(676,939)
Payments	(201,708,884)	(120,502,094)
At 31 December	222,024,783	168,708,482

Off-setting of trade payables

Financial liabilities subject to off-setting include the following:

	Trade payables	
	2024	2023
	₦'000	₦'000
Gross liabilities before offsetting	509,136,605	284,013,949
Offsetting with gross assets	(287,111,822)	(115,305,467)
Net liabilities recognised on the statement of financial position	222,024,783	168,708,482

21.2 The Meter Asset Provider (MAP) liability represents the cost of electricity meters paid for by customers under the MAP scheme. These meters are capitalized as part of the company's Distribution Network Assets (DNA), while a corresponding liability is recognized to reflect the obligation to reimburse the customers. The Meter Asset Provider (MAP) liability represents the cost of electricity meters paid for by customers under the MAP scheme. These meters are capitalized as part of the company's Distribution Network Assets (DNA), while a corresponding liability is recognized to reflect the obligation to reimburse the customers. Reimbursement is made over time through energy credits applied to the customers' electricity bills.

21.2 Accruals

Accruals comprises of staff expense, other accruals and accrued audit fees, accrued liabilities and fines and penalties.

21.3 Statutory deductions

Statutory deductions comprises of pension contribution, VAT, withholding tax, PAYE payables and NHF.

22 Provisions

	2024	2023
	₦'000	₦'000
At 1 January	361,040	361,040
Provision made during the year	-	-
At 31 December	361,040	361,040

The Company was subjected to a regulatory fine, which it is currently contesting in a court of law. Additionally, the Company did not comply with certain filing requirements. The estimated cash outflows that the Company might be required to make as a result of the regulatory fine and non-compliance with filing requirements amount to ₦250 million (2023: ₦250 million) and ₦111.04 million (2023: ₦111.04 million) respectively, and these have been provided for in these financial statements. The case has been withdrawn from the court.

Notes to the financial statements - continued

23 Interest bearing loans and borrowings

	2024	2023
	₦'000	₦'000
CBN loan (Note 23.1)	35,447,391	38,782,178
CAPMI loan (Note 23.3)	615,520	1,115,520
NELMCO loan (Note 23.2)	807,449	807,449
TCN loan (Note 23.2)	4,140,108	4,140,108
	41,010,468	44,845,255
Current	15,482,338	15,050,150
Non-current	25,528,130	29,795,105
	41,010,468	44,845,255

23.1 CBN loan

In 2018, the Company received two tranches of ₦20.23 billion and ₦3.49 billion from the NEMSF. In 2019, the Company received a third tranche of ₦1.08 billion. These are to be repaid within 81 months from disbursement with a contractual interest rate of 10%. In 2021, the Company drew down a total amount of ₦23.17 billion from this loan. Out of this amount, ₦9.8 billion was allocated to settle outstanding market debts, ₦6 billion was utilized to settle payments to Meter Asset Providers involved in the National Mass Metering Programme (NMMP) initiated by NERC. The remaining ₦8.1 billion was disbursed directly to the Company.

Between 2022 and 2023, the Company drew down a total amount of ₦24.22 billion from this loan.

In 2024, the Company received additional loans on NEMSF 2 (CBN CAPEX Intervention Project) amounting to ₦5.12 billion of which ₦3.36 billion was paid directly to the CBN CAPEX contractors. In addition, NERC approved the CBN - Nigeria Electricity Market Stabilization Facility 3 (CBN-NEMSF 3) for the purpose of Electricity Transmission/ Distribution Network Investment. A sum of ₦1.77 billion (2023: ₦7.53 billion) disbursed to TCN contractors, through AEDC towards improving the transmission infrastructure within AEDC franchise in 2022. In line with the agreements between the Company, TCN and CBN, the amount was loaned to the Company and is to be repaid within 117 months with a moratorium of 21 months on the principal amount. The amount has been agreed by the Company and TCN to be recovered from the outstanding amount owed to TCN by the Company.

23.2 TCN and NELMCO loans

In a bid to raise required cash to collateralize a letter of credit in favour of NBET, the Company entered into loan agreements with the Nigerian Electricity Liability Management Company (NELMCO) and the Transmission Company of Nigeria (TCN).

The drawdowns amounting to ₦6.50 billion and ₦1.21 billion from TCN and NELMCO respectively were utilized by the Company to establish the letter of credit required for participation in the Transitional Electricity Market (TEM).
The contracts have a tenor of 48 months from disbursement with interest of 10% effective from 2018. However, at the reporting date, the loan term has elapsed and default interest computed has been recognised as penalties under accruals(liabilities).

23.3 CAPMI Loan

In a bid to bridge the metering gap and to reduce estimated billings, NERC issued the Credited Advance Payment for Metering Implementation (CAPMI) scheme. The CAPMI scheme allowed willing customers to advance funds to the distribution companies for meter procurement and installation. Amounts advanced by a customer under this scheme plus a one off nominal interest of 12% less cost of installation, is refundable to the customer in monthly instalments such that the repayment period shall not exceed 3 years.

Notes to the financial statements - continued

23 Interest bearing loans and borrowings

23.4 Reconciliation of loans and borrowings

	2024	2023
	₦'000	₦'000
At 1 January	44,845,255	45,681,645
Interest accrued	6,706,535	7,128,555
Principal repayment	(7,413,478)	(5,297,311)
Addition	3,553,192	4,663,188
Write-off and de-recognition*	(500,000)	-
Interest paid	(6,181,036)	(7,330,822)
At 31 December	41,010,468	44,845,255

* Derecognition relates to CAPMI loans that has been repaid through energy supplied to the customer in prior years.

23.5 In the statement of cashflows, proceeds from loans and borrowings are recognised as disclosed below:

	2024	2023
	₦'000	₦'000
Additions (day one gain on loans) - government grants	1,569,528	1,825,594
Additions - loans and borrowings	3,553,192	4,663,188
	5,122,720	6,488,782

24 Lease liabilities

	2024	2023
	₦'000	₦'000
At 1 January	543,929	612,550
Additions during the year	37,826	72,079
Interest expense	133,172	127,696
Payment for interest during the year	(64,063)	(73,169)
Payment for principal during the year	(23,694)	(27,348)
Modification*	(68,464)	(167,879)
At 31 December	558,706	543,929
Current portion	64,063	73,169
Non-current portion	494,643	470,760
	558,706	543,929

*Modification relates to buildings vacated during the year.

The Company has lease contracts for various office and residential buildings located in the Federal Capital Territory (Abuja), Niger, Kogi and Nasarawa states. The lease terms are between 2 - 5 years.

The following are the amount recognised in profit or loss

	2024	2023
	₦'000	₦'000
Depreciation expense of right-of-use-assets	75,059	83,638
Expense relating to short term leases (included in administrative expense)	443,288	234,294
Interest expense on lease liabilities	133,172	127,696
Total amount recognised in profit or loss	651,519	445,628
The following are the impact of the lease on cash flow		
Depreciation expense of right-of-use-assets (Note 25)	75,059	83,638
Interest expense on lease liabilities	133,172	127,696
Net cash flow from operating activities	208,231	211,334
Lease payment	(64,063)	(73,169)
Net cash flow used in financing activities	(64,063)	(73,169)

Notes to the financial statements - continued

25 Right of use asset-Buildings

Cost		
At 1 January	681,136	894,526
Additions	37,826	72,079
Modification*	(110,020)	(285,469)
At 31 December	608,942	681,136
Accumulated depreciation		
At 1 January	511,727	697,014
Charge for the year	75,059	83,638
Modification*	(105,313)	(268,925)
At 31 December	481,473	511,727
Carrying amount	127,469	169,409

**Modification relates to buildings vacated during the year.

25.1 Gain on modification of leases recognised under profit or loss

Modification of ROU Cost	110,020	285,469
Modification of ROU Accumulated Depreciation	(105,313)	(268,925)
Modification of Lease Liabilities	(68,464)	(167,879)
	(63,757)	(151,335)

26 Contract liabilities

	2024 ₦'000	2023 ₦'000
	1,231,678	2,350,397

26.1 Reconciliation of contract liabilities

At 1 January	2,350,397	1,685,660
Additions during the year	1,231,678	2,350,397
Amount recognised as revenue during the year	(2,350,397)	(1,685,660)
At 31 December	1,231,678	2,350,397

The contract liabilities primarily relates to the advance consideration received from customers for the supply of electricity.

27 Employee benefit obligation

	2024 ₦'000	2023 ₦'000
Long service award	244,169	264,134
Defined benefit obligation	724,725	794,258
	968,894	1,058,392

Notes to the financial statements - continued

27 Employee benefit obligation - continued

27.1 Long service award

This scheme entitles employees who have worked for five years and above to a monetary reward amounting to a certain percentage of their total annual emolument. The independent actuarial valuation was performed by Alexander Forbes (FRC/2012/0000000000504) as signed by the Partner- Wayne van Jaarsveld (FRC/2021/002/00000024507) using the projected unit credit method. This scheme is not funded.

	2024 ₦'000	2023 ₦'000
The movement in the long service awards during the year is as follows:		
At 1 January	264,134	235,148
Current service cost	30,825	33,220
Interest cost	42,163	35,485
Remeasurement gain due to change in assumptions	(54,186)	(9,916)
Benefit paid	(38,767)	(29,803)
At 31 December	244,169	264,134

Current service cost, interest cost , past service cost and remeasurement (gain)/loss have been included in administrative expenses in profit or loss.

27.2 Defined benefit obligations

This entitles employees who have worked for at least five years to a certain percentage of their total annual emolument upon retirement or end of contract. The measurement is based upon an independent actuarial valuation performed by Alexander Forbes (FRC/2012/0000000000504) as signed by the Partner- Wayne van Jaarsveld (FRC/2021/002/00000024507) using the project unit credit basis. The defined benefit schemes of the company is unfunded.

	2024 ₦'000	2023 ₦'000
The movement in the defined benefit obligations during the year is as follows:		
At 1 January	794,258	711,479
Current service cost	84,905	85,808
Interest cost	120,754	108,043
Remeasurement gain due to change in financial and demographic assumptions	(95,348)	(59,969)
Benefit paid	(179,844)	(51,103)
At 31 December	724,725	794,258

27.2.1 Amount recognised in profit or loss

	2024 ₦'000	2023 ₦'000
Current service cost	115,730	119,028
Interest cost	162,917	143,528
Remeasurement gain due to change in assumptions	(54,186)	(9,916)
	224,461	252,640
Amount recognised in other comprehensive income		
Remeasurement loss due to change in financial and demographic assumptions	(95,348)	(59,969)

Notes to the financial statements - continued

27 Employee benefit obligation - continued

27.2.1 Amount recognised in profit or loss - continued

Amount recognised in the statement of cashflow	2024 ₦'000	2023 ₦'000
Long service award benefit expense		
Current service cost	30,825	33,220
Interest cost	42,163	35,485
Remeasurement gain due to change in assumptions	(54,186)	(9,916)
	18,802	58,789
Defined benefit expense		
Current service cost	84,905	85,808
Net interest on defined benefits	120,754	108,043
	205,659	193,851

27.2.2 The principal assumptions used in determining the defined benefit obligations are shown below:

	2024	2023
Discount rate	21.10%	15.30%
Salary increase rate	5.00%	5.00%

Mortality
Pre-retirement: A1967/70 Ultimate Table

	Number of deaths per 1,000 lives	
Sample age	2024	2023
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26
50	48	48
55	84	84
60	144	144

27.2.3 Sensitivity analysis

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

Discount rate (1% increase)	868,118	509,849
Discount rate (1% decrease)	(928,273)	(574,075)
Salary increase rate (1% increase)	929,767	579,363
Salary increase rate (1% decrease)	(866,302)	(504,754)
Mortality (1% increase)	900,096	544,149
Mortality (1% decrease)	(894,396)	(537,152)

Notes to the financial statements - continued

			2024	2023
			₦'000	₦'000
28	Computation of cash generated from operating activities			
		Notes		
	Profit before tax		3,112,294	1,655,036
	Adjustment for non cash items:			
	Depreciation of property, plant and equipment	13	11,145,954	10,464,159
	Depreciation- right-of-use- assets	25	75,059	83,638
	Amortisation of intangible assets	14	282,285	523,953
	Inventory write down	15	149,672	33,000
	Foreign exchange loss	9.2	298,614	-
	Amortisation of government grant	20.1	(2,910,093)	(2,755,539)
	Credit loss expense/(writeback) on receivables	16.2	11,306,101	(39,545,248)
	Net revaluation surplus on land and building	8	(1,819,990)	(110,493)
	Long service award benefit expense	27.2.1	18,802	58,789
	Defined benefit expense	27.2.1	205,659	193,851
	Interest expense on loan	23.4	6,706,535	7,128,556
	Net interest on NBET and ONEM bills	9.2	23,763,080	11,088,951
	Interest on lease liabilities	9.2	133,172	127,696
	Finance income	9.1	(1,185,443)	(221,770)
	Tariff shortfall awarded by NERC	6.1	(284,670,354)	(70,562,746)
	Income from contributed assets	6.1	(31,342)	(2,217,301)
	Gain on disposal of property, plant and equipment	8	-	(24)
	Gain on lease modification	8	(63,757)	(151,335)
	Working capital changes			
	Inventories		(399,688)	(106,133)
	Trade and other receivables		(76,192,032)	(26,935,892)
	Prepayments		2,066,182	(2,533,376)
	Trade and other payables		335,710,119	128,972,871
	Contract liabilities		(1,118,719)	664,737
	Cash generated from operations activities		26,582,110	15,855,380

Notes to the financial statements - continued

29 Related party transaction

Identity of related parties

29.1 Parent and ultimate controlling party

KANN Utility Company Ltd (KANN) acquired a majority of the Company's shares from BPE and Ministry of Finance on 1 November 2013. KANN was jointly owned by CEC Africa Investments Ltd and Xerxes Global Investment Ltd. During 2020, CEC Africa Investments Limited acquired the majority of the KANN's shares. As a result, the ultimate controlling party of the Company was CEC Africa.

On 31 December 2021, the controlling shares of the Company (60%) was allotted to United Capital Trustees Limited (UCTL) which made UCTL the new parent Company. UCTL is owned by United Capital Plc. In May 2023, 60% controlling shares of the Company was transferred to Jeolan International Limited. As a result, Jeolan International Limited became the Parent Company of Abuja Electricity Company Plc.

29.2 Transactions with related parties

	2024 ₦'000	2023 ₦'000
Supply of electricity		
-Bureau of Public Enterprises (BPE)	271,115	131,272
-Ministry of Finance Incorporated (MoFI)	74,181	34,785

29.3 Key management personnel remuneration

Key management personnel are those involved in key decision making process of the Company and comprise directors and executive management staff.

Key management personnel compensation comprised:

	2024 ₦'000	2023 ₦'000
Salaries	642,539	404,947
Other short-term benefits	153,228	157,848
	795,767	562,795

Other than as detailed above, in terms of compensation, there were no transactions between key management personnel and the Company.

29.4 Other related party balances

	2024 ₦'000	2023 ₦'000
Due to related parties:		
KANN Utility Company Ltd	7,626,129	7,626,129
CEC Africa	11,113	11,113
Jeolan International Ltd	5,827,786	-
Related party balance included in trade and other payables	13,465,028	7,637,242
Net related party balance	(13,465,028)	(7,637,242)

Due to related parties relates to management services fees accrued for the respective years, they are unsecured and repayable on demand.

Notes to the financial statements - continued

29.5 Operations and management (O&M) services

The Company has an Operations and Management (O & M) agreement with the parent company, Jeolan International Limited for the provision of management services which include corporate services (strategy setting and change management), risk and compliance services, network planning and operations and capacity building. The remuneration of Jeolan International Ltd is made up of two elements. The first element will be a Fixed Fee (equivalent to 2% of collections) to reimburse costs incurred by Jeolan International Ltd. The second element of remuneration will be Management Fee which will be a performance related fee based on the achievement of performance measures.

30 Contingent liabilities/assets

30.1 Transfer of pre-completion liabilities and trade receivables

As part of the privatization completion, the Company through the Bureau of Public Enterprises signed a deed of assignment of pre-completion receivables and liabilities with the Nigerian Electricity Liability Management Company Limited (NELMCO) effective 31 October 2013. The final confirmation of amounts transferred will be determined based on a reconciliation between the company and NELMCO. As at date of issue of these financial statements, the reconciliations are yet to happen.

The Directors, based on independent legal advice obtained as well as their understanding of the Share Purchase Agreement between KANN, BPE and the Ministry of Finance Incorporated are of the opinion that all trade receivables and pre-completion liabilities (crystallized or contingent) as at 31 October 2013 have been effectively transferred. If in the process of a subsequent reconciliation with NELMCO, certain items are identified and agreed to be borne by the Company, the amounts would be recorded in the period they were identified or when payment becomes probable.

30.2 Litigations and claims

The Company is involved in certain litigations and claims (separate from those taken over by NELMCO). Maximum exposure based on the damages being claimed by litigants amounts to ₦ 11.3 billion (2023: ₦13.8 billion). The Directors based on a review of the circumstances of each claim and advice from external solicitors (where deemed necessary), believe the risk of material loss to the Company is remote and as such no provisions have been recorded.

Notes to the financial statements - continued

31 Financial instruments-Fair values and risk management

31.1 Accounting classifications and fair values

Set out below is a comparison by category of carrying amount and fair value of all financial instruments

	Carrying amount		Fair value	
	2024	2023	2024	2023
	₦'000	₦'000	₦'000	₦'000
Financial liabilities				
Loans and borrowings	41,010,468	44,845,255	41,010,468	44,845,255
Cash and cash equivalents	24,587,059	11,076,968	24,587,059	11,076,968
Trade and other receivables	194,060,509	123,272,842	194,060,509	123,272,842
Trade and other payables	342,532,267	256,695,193	342,532,267	256,695,193
	602,190,303	435,890,258	602,190,303	435,890,258

In determining the fair value of interest bearing loans and borrowings, non-performance risks of the Company as at year end were assessed to be insignificant.

31.1.1 Fair value hierarchy

As at the reporting date, the Company had classified its financial instruments into the three levels prescribed under the accounting standards. There were no transfers of financial instruments between fair value hierarchy levels during the year.

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

	Level 1	Level 2	Level 3
31 December, 2024	₦'000	₦'000	₦'000
Loans and borrowings	-	41,010,468	-
31 December, 2023			
Loans and borrowings	-	44,845,255	-

Notes to the financial statements - continued

31.1.1 Fair value hierarchy - continued

The fair value of the Company's interest bearing loans and borrowings is determined by using discounted cash flow models that use market interest rates as at the reporting date.

Effective interest rate	2024	2023
CBN loan:		
1st drawdown	15%	15%
2nd drawdown	17%	17%
3rd drawdown	14%	14%
4th drawdown	17%	17%
5th drawdown	17%	17%
6th drawdown	17%	17%
7th drawdown	18%	18%
8th drawdown	20%	20%
9th drawdown	19%	19%
10th drawdown	19%	19%
11th drawdown	19%	19%
12th drawdown	19%	19%
13th drawdown	19%	19%
14th drawdown	20%	20%
15th drawdown	22%	-
16th drawdown	22%	-
17th drawdown	22%	-
18th drawdown	22%	-
19th drawdown	22%	-
20th drawdown	22%	-
TCN loan	24%	24%
NELMCO loan	24%	24%

31.2 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

-Credit risk

-Liquidity risk

-Market risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is also responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Company, 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 Company's audit and governance committees oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by Internal Audit. Internal Audit is expected to undertake both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Notes to the financial statements - continued

31.2 Financial risk management - continued

31.2.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and government related entities as well as cash and bank balances.

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

	Notes	2024	2023
		₦'000	₦'000
Trade and other receivables*	16	280,427,737	200,903,676
Cash and cash equivalents	18	24,586,068	11,075,869
		305,013,805	211,979,545

* Carrying amount of the trade and other receivable does not include advance payment to vendors.

Expected credit losses on financial assets recognised in profit or loss were as follows:

	2024	2023
	₦'000	₦'000
Charge/(reversal) of expected credit loss on trade receivables	11,306,101	(39,545,248)
	11,306,101	(39,545,248)

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base. The Company has a large customer base within its licensed area of supply thereby reducing its concentration of credit risk. To further mitigate credit risk, the Company is continually increasing the share of prepaid customers in its portfolio. The Company's exposure to credit risk is influenced by the characteristics of each category of customers.

In monitoring credit risk, customers are grouped according to common credit risk characteristics – geographic region, metering status and volume of consumption. No security is provided for the electricity supplied though the Company retains the right to disconnect non paying customers to enforce collections.

The Company does not require collateral in respect of trade and other receivables. The company does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for customers

The Company uses an allowance matrix to measure the expected credit losses (ECLs) of trade receivables from customers. Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables. Scalar factors are based on actual and forecast gross domestic product rates.

Loss rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, metering status and volume of consumption.

Notes to the financial statements - continued

31.2.1 Credit risk - continued

Expected credit loss assessment for customers - continued

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2024:

	Gross carrying amount	Loss allowance
	₦'000	₦'000
Prepaid customers (PPM)*	15,050,797	81,025
Government Agencies	33,751,205	231,885
Metered Maximum Demand customers	23,795,903	1,199,720
Unmetered Maximum Demand customers	7,053,663	1,439,986
Metered non-Maximum Demand customers (High tier)	7,015,644	1,747,603
Metered non-Maximum Demand customers (Middle tier)	1,382,098	345,403
Metered non-Maximum Demand customers (Low tier)	7,814,758	177,669
Unmetered non-Maximum Demand customers (High tier)	560,521	109,632
Unmetered non-Maximum Demand customers (Middle tier)	1,587,460	500,022
Unmetered non-Maximum Demand customers (Low tier)	157,662,130	55,780,725
	255,674,179	61,613,670

No of days	Loss rate	Total Gross Receivable	ECL
		₦'000	₦'000
0-60	1%	13,221,828	90,556
61-120	2%	7,912,573	141,869
121-180	13%	6,061,662	772,048
181 -240	22%	5,819,610	1,261,558
241 -300	26%	7,854,187	2,003,514
301 -360	22%	76,851,099	16,892,201
361 and above	29%	137,953,220	40,451,924
Total		255,674,179	61,613,670

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2023:

	Gross carrying amount	Loss allowance
	₦'000	₦'000
Prepaid customers(PPM)*	12,763,331	728,163
Government Agencies	20,459,243	5,951,222
Metered Maximum Demand customers	17,655,777	2,353,318
Unmetered Maximum Demand customers	703,097	208,813
Metered non-Maximum Demand customers (High tier)	5,714,072	2,801,811
Metered non-Maximum Demand customers (Middle tier)	249,108	83,297
Metered non-Maximum Demand customers (Low tier)	2,567,335	647,016
Unmetered non-Maximum Demand customers (High tier)	99,321	45,553
Unmetered non-Maximum Demand customers (Middle tier)	264,514	106,722
Unmetered non-Maximum Demand customers (Low tier)	113,104,613	37,381,654
	173,580,411	50,307,570

Notes to the financial statements - continued

31.2.1 Credit risk - continued

Expected credit loss assessment for customers - continued

No of days	Loss rate	Total Gross Receivable	ECL
		₦'000	₦'000
0-60	23%	145,339,685	33,648,231
61-120	58%	21,811,719	12,757,983
121-180	59%	3,382,306	2,003,739
181 -240	57%	1,092,592	619,950
241 -300	67%	366,318	247,056
301 -360	66%	214,450	141,476
361 and above	65%	1,373,342	889,135
Total		173,580,412	50,307,570

Cash at bank

The Company held cash and cash equivalents of ₦24.59 billion at 31 December 2024 (2023: ₦11.08 billion). The cash and cash equivalents are held with bank and reputable financial institution in Nigeria.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Employee receivables

The Company advances funds to employees for operational activities. To mitigate credit risk, the Company monitors the progress of such activities which have been funded.

Letter of credit

The Company has letter of credit facility of ₦5.4 billion obtained from United Bank of Africa Plc. A cash collateral of ₦5.5 billion was deposited with the bank. The Company considers that the letter of credit have low credit risk based on the external credit ratings of the counterparty.

Notes to the financial statements - continued

31 Financial instruments-Fair values and risk management - continued

31.2.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Management's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

In order to manage liquidity risks and ensure that it has sufficient cash to match outflows expected in the normal course of its business, the Company is doing the following:

- Intensifying efforts to collect trade receivables.

- Accessing the various financial interventions applicable to the Company under the PSRP (See Note 34) - going concern.

The following are the contractual maturities of financial liabilities, including estimated interest payments for loans and borrowings and excluding the impact of netting agreements.

	Contractual cash flows					
Non-derivative financial liabilities	Less than 1 year ₦'000	1 - 2 years ₦'000	2- 3 years ₦'000	3-5 Years ₦'000	Above 5 years ₦'000	Total ₦'000
31 December 2024						
Trade and other payables	274,562,741	-	-	-	-	274,562,741
Loans and borrowings	15,482,338	9,495,626	8,843,157	18,991,657	12,005,408	64,818,186
Lease liabilities	64,063	144,292	137,122	164,497	196,232	706,206
	290,109,142	9,639,918	8,980,279	19,156,154	12,201,640	340,087,133
31 December 2023						
Trade and other payables	193,842,861	-	-	-	-	193,842,861
Loans and borrowings	15,050,150	13,231,912	8,921,534	8,497,904	33,533,620	79,235,120
Lease liabilities	73,169	104,677	159,554	191,408	228,334	757,142
	208,966,180	13,336,589	9,081,088	8,689,312	33,761,954	273,835,123

31.2.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company manages market risks by keeping costs low through various cost optimization programs. Moreover, market developments are monitored and discussed regularly, and mitigating actions are taken where necessary.

Currency risk

The Company, based on operations to date has limited exposure to currency risks based on the fact that its revenue is earned in its functional currency and the cost of energy supplied paid in same. Exposure to currency risk is majorly limited to cash balances which are denominated in US Dollar. The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

In managing currency risk, the Company aims to reduce the impact of short-term fluctuations on earnings. Although the Company has various measures to mitigate exposure to foreign exchange rate movement, over the long term, permanent changes in exchange rates would have an impact on profit or loss. It monitors the movement in the currency rates on an ongoing basis.

Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk as reported by management is as follows:

	2024 USD	2024 NGN	2023 USD	2023 NGN
Cash and cash equivalents	45,250	69,843,000	43,186	38,720,999
Trade and other payables	(467,994)	(722,348,291)	(407,650)	(365,503,067)
Net statement of financial position exposure	(422,744)	(652,505,291)	(364,464)	(326,782,068)

The following significant exchange rates were applied during the year

Notes to the financial statements - continued

	Average rate		Reporting date spot rate	
	2024	2023	2024	2023
US $	1506.15	691.10	1543.50	896.61

The Company translates its US Dollar denominated balances using the Nigerian autonomous foreign exchange (NAFEX) rate.

Sensitivity analysis

A 20% strengthening of the USD at 31 December 2024 (2023:20%) would have increased/(decreased) profit for the year by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

	2024	2023
Impact on loss for the year	₦'000	₦'000
20% increase (2023:20%)	(130,501)	(57,612)
20% decrease (2023: 20%)	130,501	57,612

Interest rate risk

Interest rate risk management

The Company is exposed to interest rate risk arising from the interest bearing obligations from the(Market Operator) MO/NBET payables.

Interest rate risk-Sensitivity analysis

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

	Rate	2024	Rate	2023
Variable-rate instruments				
MO/NBET market debts	NIBOR+4%	222,024,783	NIBOR+4%	168,708,482

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, or designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Sensitivity analysis for variable rate instruments

A change of 300 basis points in interest rates at the reporting date would have increased/(decreased) profit/(loss) by the amounts shown below.

	2024	2023
	₦'000	₦'000
300 basis point increase	4,752,616	8,273,210
300 basis point decrease	(4,752,616)	(8,273,210)

Notes to the financial statements - continued

32 Capital management

The Company's policy is to maintain a strong capital base so as to gain investor, creditor and market confidence and to sustain future development of the business. The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, less cash and cash equivalents. Total equity comprises all components of equity.

The board of directors seeks to achieve a more favorable total equity to adjusted net debt by engaging in mass metering projects and strengthening the revenue assurance function. The Company is not subject to any externally imposed capital requirements.

The Company's adjusted net debt to equity ratio as at December 2024 was as follows:

	2024 ₦'000	2023 ₦'000
Total liabilities	407,676,280	326,260,238
Less: cash and cash equivalents	(24,587,059)	(11,076,968)
Adjusted net debts	383,089,221	315,183,270
Total equity	128,206,941	54,546,362
Adjusted net debts to total equity	2.99	5.78

Equity includes share capital, revaluation reserves and accumulated losses.

33 Events after reporting date

There were no events subsequent to the financial position date which require adjustment to or disclosures in the financial statements.

34 Going concern

The Company recorded a net profit of ₦781.11 million for the year ended 31 December 2024 (2023: a net profit of ₦398.15 million), accumulated losses of ₦64.78 billion (2023: ₦65.78 billion) and net current liabilities of ₦122.45 billion (2023: ₦112.67 billion). Prior to 2024, the company was concerned with going concern challenges largely due to recurring operating losses and increasing net current liabilities. The current net liabilities were due to worsening collection efficiency, especially from the postpaid customers, as well as absence of a cost-reflective tariff. The low collection efficiency worsened ability to settle current and legacy invoices from the Nigerian Bulk Electricity Trading Plc (NBET) and the Operator of the Nigerian Electricity Market (ONEM).

In April 2024, the Nigerian Electricity Regulatory Commission (NERC) raised the tariff rates applicable to Distribution Companies. This regulation allows management to implement cost-reflective tariffs for Band A customers while receiving subsidies on cost of energy. The profit reported in the current year is primarily driven by an increase in average tariffs and strategic energy sales. The Company cash balance increased significantly during the year, with further improvements projected for future years. These improvement in revenue will bolster the company's liquidity position, generating surplus funds to address legacy market obligations and related interest expenses.

The Company's collections are currently held in escrow account to ensure the prioritization of payments for outstanding invoices of NBET and ONEM. Management projects that the company will achieve a return to a positive net asset position by 2026; however, this forecast is contingent upon improvements in customer metering, which are expected to increase the availability of funds necessary to address the legacy debt.

As at 31 May, 2025 the Company has settled 100% of all current ONEM and NBET invoices, further corroborating management's positive projections. In 2024, the company metered 91,372 customers and has metered an additional 49,701 customers by the end May 2025, with plans to meter more customers in the coming years. This enhancement in metering has resulted to a 63% increase in collections compared to the same period in last year with the Company collecting N153 billion (compared to N96 billion in May 2024). The company's recent performance, driven by improved collections and subsequent settlements, has contributed to a decrease in net current liabilities from N122 billion as of December 2024 to N99 billion as of April 2025.

Notes to the financial statements - continued

34 Going concern - continued

To enhance the company's liquidity position and ensure the realization of assets and settlement of liabilities in the ordinary course of business, the Company has outlined the following plans and initiatives:
1. Reduction of Technical Losses: The Company continues to invest in Distribution Network Assets to create additional sub-feeders, upgrade substations, and construct new injection substations.

2. Improvement in Billing and Collection: The Company aims to implement energy trade visibility, automate smart energy allocation, meter postpaid customers, replace obsolete meters, and invest in smart metering technology to ensure accurate revenue collection and bolster debt recovery efforts.

Management believes that the Federal Government's initiative to facilitate remote meter reading for all Ministries, Departments, and Agencies (MDAs) will enhance liquidity and reduce impairments of the trade receivables.

The financial statements have been prepared with the assumption that the Company will continue as a going concern, especially as it continued to implement its strategies to improve billing and collection efficiency and the ability to realize assets and settle liabilities in the ordinary course of business.

Other national disclosures

Value Added Statement

For the year ended 31 December 2024

	2024	%	2023	%
	₦'000		₦'000	
Revenue	601,630,343		250,548,755	
Bought in materials and services:				
-Local	(538,718,739)		(255,017,263)	
-Foreign				
	62,911,604		(4,468,508)	
Finance Income	1,185,443		221,770	
Other income	6,694,336		8,098,188	
Value added	70,791,383	100%	3,851,450	100%
Applied as follows:				
To Employees:				
- as salaries, wages and other staff costs	14,894,599	21%	13,166,236	342%
To Providers of finance:				
- Finance cost and similar charges	31,147,624	44%	18,760,484	487%
- Impairment expense/(reversal)	11,727,870	17%	(39,545,248)	-1027%
To Government as:				
- Taxes	736,885	1%	82	0%
Retained in the business:				
To maintain and replace				
- property, plant and equipment (depreciation)	11,145,954	16%	10,464,159	272%
- right of use (depreciation)	75,059	0%	83,638	2%
- intangible assets (amortisation)	282,285	0%	523,953	14%
- To augment reserves	781,107	1%	398,146	10%
Profit for the year	70,791,383	100%	3,851,450	100%

The Value added represents the additional wealth which the Company has been able to create by its own and employees' effort. This statement shows the allocation of that wealth to employees, providers of finance, shareholders, government and that retained for creation of future wealth.

Five-Year Financial Summary

Statement of profit or loss and other comprehensive income

			Restated		
	2024	2023	2022	2021	2020
	₦'000	₦'000	₦'000	₦'000	₦'000
Revenue	601,630,343	250,548,755	148,882,467	165,325,621	139,131,455
Results from operating activities	33,074,475	20,193,750	8,132,602	(1,109,852)	(1,913,809)
Profit/(loss) before tax expense	3,112,294	1,655,036	(6,590,187)	(11,208,028)	(11,122,518)
Profit/(loss) after tax expense	781,107	398,146	(7,336,802)	(11,945,351)	(11,471,618)
Total comprehensive income/(loss)	73,660,579	21,489,912	(7,229,057)	42,362,998	(10,512,503)

Statement of financial position

	2024	2023	2022	2021	2020
Employment of funds	₦'000	₦'000	₦'000	₦'000	₦'000
Property, plant and equipment	289,515,146	210,729,043	186,384,954	185,781,081	134,662,508
Right of Use asset	127,469	169,409	197,512	349,640	726,601
Intangible assets	460,016	641,606	697,724	741,196	848,888
Net current liabilities	(122,445,316)	(112,672,022)	(110,773,983)	(112,432,066)	(116,858,652)
Non-current liabilities	(39,450,374)	(44,321,674)	(43,449,757)	(34,154,344)	(21,456,836)
Net Assets/(liabilities)	128,206,941	54,546,362	33,056,450	40,285,507	(2,077,491)
Funds Employed					
Share capital	15,000	15,000	15,000	15,000	15,000
Accumulated losses	(64,775,461)	(65,651,916)	(66,110,031)	(58,880,974)	(47,137,702)
Revaluation reserve	192,967,402	120,183,278	99,151,481	99,151,481	45,045,211
	128,206,941	54,546,362	33,056,450	40,285,507	(2,077,491)