AJAOKUTA STEEL COMPANY LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2022

JFA J. FEMI ADEBISI & CO.

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AJAOKUTA STEEL COMPANY LIMITED
ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2022

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AJAOKUTA STEEL COMPANY LIMITED
ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2022

CORPORATE INFORMATION

DIRECTORS /MANAGEMENT COMMITTEE TEAM

1)	ENGR. SUMAILA ABDUL-AKABA	-	Sole Administrator/CEO
2)	ENGR. UMAR, MUHAMMED SULEIMAN	-	GM (Engineering Works & Services)
3)	ONOGU, OJOMA AGATHA	-	GM (Commerce)
4)	UMAR, ABDULLAHI JAURO NJEKE	-	Head (Finance)
5)	YUSUF, ILEYORI NUHU	-	Head (Operations)
6)	MUHAMMED, ENESI RAJI	-	Head (Utilities)
7)	AHMED, ADAVUDI SALIHU	-	Head (General Administration)
8)	SUGH, AONDONA ARIT	-	Head (STA)
9)	ESIGBONE, ITIVERE DAVID	-	Head (Supply Chain Mgmt & Logistics)
10)	DR. USMAN, ABDULRAHNMAN	-	Head (Medical)
11)	ONUCHUKWU, IFEYIUCHE JUSTINA	-	Head (MTC)

REGISTERED OFFICE

P.M.B 1000, Steel City – Ajaokuta,
Ajaokuta
Kogi State.

DATE OF INCORPORATION

September 1979

NATURE OF BUSINESS
Iron and Steel Products

DATE OF COMMENCEMENT
1983

AUDITORS
J. Femi Adebisi & Co.
(Certified National Accountants)
10 Ajara Street,
Lokoja.
Kogi State
Tel: 08037044599
Email: adebisijf@yahoo.com

BANKER
United Bank for Africa Plc
First Bank of Nigeria Plc
Central Bank of Nigeria (TSA)

REPORT OF THE DIRECTORS

The Directors submit their report together with the Audited Financial Statements for the Year Ended 31st December, 2022 which shows the state of the company affairs.

ACTIVITIES OF THE COMPANY

1. CONSTRUCTION INDUSTRY — Imports of over 4million tons of rolled steel products and over 12 million tons of other steel products at the present rate will stop, leading to savings of several billions in foreign currency per annum.

2. TRANSPORTATION (RAIL) — With rail track production in ASCL, more than $5billion imports of rail for railway expansion and maintenance will be saved per annum.

3. PETROLEUM SECTOR (Local Content) — ASCL Engineering Workshops can provide most of the spares for Turn Around Maintenance (TAM). Value is added to concentrates, and pellet Plant waste to produce Picoat which is used for coating under water petroleum pipelines.

4. COMMUNICATION — Communication Towers can be produced in Ajaokuta; saving the country billions of dollars being spent on importation of components of Communication and power Towers. Investment opportunities will be created in both downstream and upstream sectors, e. g. (i) In power transmission — pylons, insulations and conductors, etc (ii) Power distribution — Transformers, poles, cables, etc

5. POWER TRANSMISSION TOWERS — Transmission towers can be produced in Ajaokuta.

6. EMPLOYMENT GENERATION - With the completion and commissioning of the steel plant to produce 1 .3million MT per annum of liquid steel, Ajaokuta Steel plant would become a net provider of employment:

- Direct employment-10,000;
- Indirect employment — over 500,000 of Unskilled, Semi-Skilled and Skilled Workers and various professionals in the downstream and upstream industries and services

7. CEMENT/MINING INDUSTRIES — Spares/Repairs in cement industries can be made in Ajaokuta saving foreign currency. At the moment, a good number of Local Plants patronize ASCL workshops for parts that could have been otherwise imported.

8. TRAINING — Establishment of a nascent pool of engineering skills at Ajaokuta that will stimulate and sustain engineering manufacturing base for the Nigerian economy. There is available a training Centre well equipped for technician and craftsman training.

9. UPSTREAM/DOWNSTREAM INDUSTRIES —With the availability of products and byproducts of Ajaokuta Steel Company more of these satellite industries will come on stream thus motivating industrial activities that will keep the economy moving.

Report of the Directors (Cont'd)

10. FOREIGN EXCHANGE SAVER/EARNER — Billions of foreign exchange will be saved as most of the products of ASCL e. g. reinforcement bars, round coils, spare parts, etc hitherto imported can now be produced locally. Also, the Company (ASCL) has the capacity to export rolled products to West African markets thereby earning foreign exchange for the country

11. INPUT FOR SMALL AND MEDIUM SCALE INDUSTRIES — With the availability of the products and by-products of Ajaokuta, more of these industries will naturally come on stream.

12. MOTOR AND SHIP BUILDING INDUSTRIES — With the availability of flat sheet, structures, spares and other parts, motor and ship building becomes easier.

13. AGRO AND CHEMICAL BASED INDUSTRIES — Will have their base increased tremendously etc.

OPERATING RESULT:

The operating results of the Company for the year ended 31st December, 2022 is set out on page Nine (9) of the Financial Statements.

Directors

The members of the management team who served during the year under review are shown on page 2.

AUDITORS

In accordance with the Companies and Allied Matters Act of 2020, **Messrs J. Femi Adebisi & Co.** are willing to continue as Auditors of the Company.

BY ORDER OF THE BOARD

Date..18/10/2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

This report, including the opinions, has been prepared for and only for the Board members as a body in accordance with Chapter 3 of Part 16 of the Companies and Allied Matters Act 2020 and for no other purpose. As required by law for the Directors to prepare financial statements in respect of Ajaokuta Steel Company Limited, which give a true and fair view of the state of affairs of the *establishment* at the end of the financial year 31st December, 2022 and the operating results of Ajaokuta Steel Company Limited for the year ended 31st December, 2022. The Directors are also required to ensure that they keep proper accounting records which disclose with reasonable accuracy the financial position of the *entity*. The Directors are also responsible for safeguarding the assets of the *establishment*.

The Directors were responsible for the preparation and presentation of the *entity's* financial statements, which give a true and fair view of the state of affairs of the *Company* for and as at the end of the financial year (period) ended 31st December, 2022. This responsibility includes:

(i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;

(ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of Ajaokuta Steel Company Limited;

(iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to errors or fraud;

(iv) safeguarding the assets of the *establishment*;

(v) selecting and applying appropriate accounting policies; and

(vi) making accounting estimates that were reasonable in the circumstances.

The Directors accept responsibility for the *entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public-Sector Accounting Standards (IPSASs). The Directors are of the opinion that the *Company's* financial statements give a true and fair view of Ajaokuta Steel Company Limited transactions during the financial year ended 31st December, 2022, and of the *establishment* financial position as at that date. The Directors further confirmed the completeness of the accounting records maintained for Ajaokuta Steel Company Limited, which were relied upon in the preparation of the *Company's* financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the Financial Statements

The *Company's* financial statements were approved by the Management on 31st December, 2022 and signed on behalf of the Management by:

Engr. Sumaila Abdul-Akaba
Sole Administrator
FRC/2022/PRO/DIR/008/25725

JFA

J.FEMI ADEBISI & CO.

(CERTIFIED NATIONAL ACCOUNTANTS)

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State Low Cost Quarters,
Opposite Forestry Hospital
Road, Jimeta Yola,
Adamawa State.

No. 50 Oyenuga Street,
Ikorodu Lagos
Tel:08053483799.

*Our Ref:*______________ *Your Ref:*______________ *Date:*______________

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AJAOKUTA STEEL COMPANY LIMITED FOR THE YEAR ENDED 31ST DECEMBER, 2022.

Auditors' Opinion

In our opinion, the Company's Financial Statements give a true and fair view of the financial position and of the Cash Flow Statement of Ajaokuta Steel Company Limited for the period ended 31st December, 2022 in accordance with the International Public Sector Accounting Standards and relevant Statements of Accounting Standards approved by the Financial Reporting Council of Nigeria, "except for" the heavy dependent of the company on External Financing.

Basis of the Opinion

We conducted our audit in accordance with Generally Accepted Auditing Standards. These Standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material mis-statement. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the estimates and judgments made by the management in the preparation of the financial statements, and whether the accounting policies are appropriate to the company circumstances, consistently applied and adequately disclosed.

We noted the need for continuous understanding of the bankers and lenders of funds to ensure continuity of the company.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material mis-statements, whether caused by fraud, other irregularities or errors. In forming our opinion, we also evaluated the overall adequacy of the presentation of the financial statements.

Going Concern

Under the Listing Rules we are required to review the Directors' statement, set out on page 4, in relation to going concern.
We have nothing adverse to report having performed our review. As noted in the Directors' statement, the Directors have concluded that it is appropriate to prepare the Company's financial statements using the Going Concern Basis of Accounting.
The going concern basis presumes that the Company has adequate resources to remain in operation, and that the Directors intend it to do so, for at least one year from the date the financial statements were signed. As part of our audit, we have concluded that the Directors' use of the going concern basis is appropriate.

Other matters on which we are required to report by exception; Adequacy of information and explanations received

Under the Companies and Allied Matters Act Cap C20 2020 we are required to report to you if, in our opinion we have received all the information and explanations we required for our audit. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit: Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 7 to 14, the directors are responsible for the preparation of the Company financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the Company financial statements in accordance with applicable laws and relevant Statements of Accounting Standards issued by the Financial Reporting Council of Nigeria. Those standards require us to comply with the Auditing Practices and Board's Ethical Standards for Auditors.
This report, including the opinions, has been prepared for and only for the Board members as a body in accordance with Chapter 3 of Part 16 of the Companies and Allied Matters Act 2020 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save except where expressly agreed by our prior consent in writing.

30/11/2023

J. Femi Adebisi & Co.
(Certified National Accountants)
Lokoja.
FRC/2013/ANAN/00000000913

01290036

ASSOCIATION OF NATIONAL ACCOUNTANTS OF NIGERIA
premium brand of choice

Principal Partner: Dr. Joseph F. Adebisi (JP) Ph.D, FCNA, FCSA, FCTI, ACIS, MNIM, MACFEI, CPA-Ireland

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST DECEMBER, 2022

The following are the significant accounting policies which have been adopted by the company in the preparation of its financial statements.

Basis of Accounting

The accounts are prepared under the historical cost convention.

Turnover

Turnover represents the net value of goods invoiced to customers.

Non-Current Assets

Non-Current assets are stated at cost less accumulated depreciation.

Depreciation

Depreciation charged on Non-Current assets is calculated on a straight-line basis to write off their costs over their estimated useful lives at the following annual rates:

Land and Building	%
Steel Plant Complex	5
Plant and Machinery, Workshop and Training Equipment, Laboratory Warehouse,	5
Electrical Installation, Geological Survey Equipment	10
Air strip	
River Port	10
Office, Safety, Household and Medical Equipment	5
Motor Vehicles	15
Household and Office soft Furniture	25
Amortization: Accounting Software	25
	50

Inventory and Work-in-Progress

Inventory and work-in-progress are stated at the lower of cost and net realizable value. Cost consists of direct materials and labour plus the relevant proportion of production overheads.

Foreign Currencies

Transactions arising in foreign currencies are converted into Naira at the approximate rates of exchange ruling at the dates of transactions.

Foreign currency balances are converted to the naira at the rates of exchange ruling at the Statement of Financial Position date and the resulting profit or loss on exchange is taken to the profit or loss account.

Receivables

Debtors and prepayments are stated after deduction of balances considered doubtful of recovery.

Investments

Investments are stated at cost less provision for diminution in the value of the investments.

Deferred Taxation

Provision for deferred taxation is made by the liability method and calculated at the current rate of taxation on the timing differences between the net book value of the qualifying Non-Current assets and their corresponding tax written down values in accordance with IAS 12 on deferred tax liability under International Financial Reporting Standards.

Gratuity and Retirement Benefit Schemes

The Office of the Accountant General of the Federation is responsible for the computation and payment of staff retirement benefits to appointed Insurance Companies up to 30 June, 2004. Effective from July 2004, arrangements for retirement benefits (on a defined contribution basis) for members of staff are based on the provisions of the staff pension scheme which is contributory. The matching contribution of 8% and 10% for staff and company respectively are based on current salaries and designated allowances and are charged to profit or loss account. Membership of the scheme is automatic upon resumption of duties with the Company.

AJAOKUTA STEEL COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER, 2022

CODE		NOTE	31-12-22	31-12-21
			₦	₦
32	**NON-CURRENT ASSETS**			
3201	Property, Plant & Equipmer	1	79,079,736,890	79,082,522,586
	Intangible Assets	2	10	10
			79,079,736,900	**79,082,522,596**
31	**CURRENT ASSETS**			
310201	Cash & Cash Equivalents	3	2,153,722	173,521
310601	Receivables	4	49,776,086	94,326,727
310501	Inventories	5	264,022,130	262,283,708
			315,951,938	**356,783,956**
	Total Assets		**79,395,688,838**	**79,439,306,552**
	CURRENT LIABILITIES			
	Payables	6	(19,411,509,263)	(11,697,686,549)
			(19,411,509,263)	**(11,697,686,549)**
	NON-CURRENT LIABILITIES			
	Contingent Liabilities	7	-	-
	Energy Consumption Accou	8	(7,523,116,663)	(5,395,838,441)
	Total Liabilities		**(26,934,625,926)**	**(17,093,524,990)**
	NET ASSETS		**52,461,062,912**	**62,345,781,562**
41	**NET ASSETS**			
	Long Term Loan	9	80,656,142,419	80,656,142,419
	Accumulated Fund	10	(29,621,150,916)	(19,417,585,019)
	Capital Grant	11	1,426,071,409	1,107,224,162
			52,461,062,912	**62,345,781,562**

.... **SOLE ADMINISTRATOR /CEO**
FRC/2022/PRO/AIR/008/25725

.... **HEAD (FINANCE & ACCOUNT)**
FRC/2021/001/25244

The Accounting Policies on page 7 and notes on pages 12 to 31 form an integral part of these accounts.

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER, 2022

CODE		NOTES	2022 ₦	2021 ₦
1	**REVENUE FROM EXCHANGE TRANSACTIONS**			
	Internally Generated Revenue	12	-	4,764,800
	REVENUE FROM NON-EXCHANGE TRANSACTIONS			
	Other Revenue	13	69,429,793	102,008,384
	Overhead Subvention	14	65,720,353	63,836,899
	Personnel Subvention	15	3,556,287,347	3,767,245,417
210201	Special Loan Subvention	16	-	1,341,480,809
	Hazard, Medical Shift & Overtime (Arrears)	17	-	-
	Total Revenue		**3,691,437,493**	**5,279,336,309**
2	**EXPENDITURE**			
21	Personnel Cost	18	3,556,287,347	3,768,843,898
220205	Training and Development	19	1,930,272	5,378,880
220210	Administrative Expenses	20	336,462,527	259,374,287
220209	Financial Charges	21	11,072	61,781
2401	Depreciation	22	57,718,735	57,594,604
	Constituency Projects	23	223,916,750	128,830,769
	Total Expenses		**4,176,326,703**	**4,220,084,219**
	Surplus/(Deficit) during the year		**(484,889,210)**	**1,059,252,090**
	Tax paid(KGIRS)		-	**(1,341,480,809)**
	Surplus After Tax(Deficit)		**(484,889,210)**	**(282,228,719)**

The Accounting Policies on page 7 and notes on pages 12 to 31 form an integral part of these accounts.

AJAOKUTA STEEL COMPANY LIMITED
STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2022

DESCRIPTIONS	CAPITAL GRANTS ₦	LONG TERM LOAN ₦	ACCUMULATED FUND ₦	TOTAL ₦
Opening Balance	1,107,224,162	80,656,142,419	(19,417,585,019)	62,345,781,562
Opening Balance Restated	**1,107,224,162**	**80,656,142,419**	**(19,417,585,019)**	**62,345,781,562**
Loan Repayment				-
Surplus/(Deficit) during the year			(484,889,210)	(484,889,210)
	1,107,224,162	**80,656,142,419**	**(19,902,474,229)**	**61,860,892,352**
Addition During the Year	318,847,247		-	318,847,247
	1,426,071,409	**80,656,142,419**	**(19,902,474,229)**	**62,179,739,599**
Adjusted Balance During the Year	-	-	(9,718,676,687)	(9,718,676,687)
	1,426,071,409	**80,656,142,419**	**(29,621,150,916)**	**52,461,062,912**

AJAOKUTA STEEL COMPANY LIMITED
STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31ST DECEMBER, 2022

CODE		2022 ₦	2021 ₦
	Cashflows from Operating Activities		
	Internally Generated Revenue	-	4,764,800
	Overhead Subvention	65,720,353	63,836,899
	Personnel Subvention	3,556,287,347	3,767,245,417
	Hazard, Medical Shift & Overtime (Arrears)	-	-
21	Personnel Cost	(3,556,287,347)	(3,768,843,898)
220205	Training and Development	(1,930,272)	(5,378,880)
220210	Administrative Expenses	(336,462,527)	(259,374,287)
	Constituency Projects	(223,916,750)	(128,830,769)
220209	Financial Charges	(11,072)	(61,781)
	Increase/Decrease in Operation	**(496,600,268)**	**(326,642,499)**
	Changes in Working Capital		
310501	(Increase)/Decrease in Inventories	(1,738,422)	(894,646)
310601	(Incraese)/Decrease in Receivables	44,550,641	71,683,445
410401	Increase/(Decraese) in Payables	9,841,100,936	11,682,363,935
	Net Cashflow from Operating Activities	**9,387,312,887**	**11,426,510,235**
	Cashflows from Investing Activities		
3201	Purchase of Property,Plant & Equipment	(54,933,040)	(80,234,028)
	Net Cashflow from Investing Activities	**(54,933,040)**	**(80,234,028)**
	Cashflows from Financing Activities		
	Federal Government Grants	318,847,247	253,868,879
	Cash Inflow from other Sources	69,429,793	102,008,384
	Special Loan		1,341,480,809
	Loan Repayment		(4,857,544)
43020102	Adjusted Balance During the Year	(9,718,676,687)	(13,049,303,680)
	Net Cashflow from Financing Activities	**(9,330,399,647)**	**(11,356,803,152)**
	Net Increase/(Decrease) in Cash & Cash Equivalents	**1,980,201**	**(5,148,065)**
310201	Cash & Cash Equivalent at the Beginning of the Year	173,521	5,321,586
310201	**Cash & Cash Equivalent at the End of the Year**	**2,153,722**	**173,521**

The accounting policies on page 7 and notes on pages 12 to 31 form an integral part of these accounts

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Compliance and Basis of Preparation – IPSAS 1

The Ajaokuta Steel Company Limited (ASCL) financial statements have been prepared in accordance and compliance with the International Public-Sector Accounting Standards (IPSAS). The financial statements are presented in Nigeria Naira, which is the functional and reporting currency of the company and all values are rounded to the nearest thousand (₦000). The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

2. Summary of Significant Accounting Policies

a) Revenue Recognition

i) Revenue from Non-Exchange Transactions – IPSAS 23

Fees, Taxes and Fines

The establishment recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Transfers from other Government Entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to Ajaokuta Steel Company Limited and can be measured reliably.

ii) Revenue from Exchange Transactions – IPSAS 9

Rendering of Services

Ajaokuta Steel Company Limited recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the establishment.

Interest Income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Company's right to receive payments is established.

Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget Information – IPSAS 24

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

c) Taxes -- IAS 12

Current Income Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the areas where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit.

Deferred tax items are recognized in correlation to the underlying transaction in net assets.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable company.

Sales Tax

Expenses and assets are recognized net of the amount of sales tax, except:

When the sales tax incurred on a purchase of assets or services is not recoverable from the taxable company, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable

When receivables and payables are stated with the amount of sales tax included the net amount of sales tax recoverable from, or payable to, the taxable company is included as part of receivables or payables in the statement of financial position.

d) Investment Property – IPSAS 16

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

e) Property, Plant and Equipment – IPSAS 17

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases – IPSAS 13

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the company. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The company also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

- Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

- An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the company. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible Assets – IPSAS 31

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

i) Research and Development Costs

The company expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the company can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

h) Financial Instruments – IPSAS 29

Financial Assets

Initial Recognition and Measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. Ajaokuta Steel Company Limited determines the classification of its financial assets at initial recognition.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-Maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the company has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of Financial Assets

The entity assesses at each reporting date whether there is objective evidence that a financial asset or a company of financial assets is impaired. A financial asset or a company of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the company of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a group of debtors are experiencing significant financial difficulty Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

ii) *Financial Liabilities*

Initial Recognition and Measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and Borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

i) Inventories – IPSAS 12

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

Raw materials: purchase cost using the weighted average cost method

Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the establishment.

j) Provisions – IPSAS 19

Provisions are recognized when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where Ajaokuta Steel Company Limited expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent Liabilities

The company does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent Assets

The entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

k) Nature and Purpose of Reserves

Ajaokuta Steel Company Limited creates and maintains reserves in terms of specific requirements. entity to state the reserves maintained and appropriate policies adopted.

l) Changes in Accounting Policies and Estimates – IPSAS 3

The company recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

m) Employee Benefits – IPSAS 25

Retirement Benefit Plans

The entity provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which a company pays fixed contributions into a separate company (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

n) Foreign Currency Transactions – IPSAS 4

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

o) Borrowing Costs – IPSAS 5

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

p) Related Parties – IPSAS 20

The entity regards a related party as a person or a company with the ability to exert control individually or jointly, or to exercise significant influence over the establishment, or vice versa. Members of key management are regarded as related parties and comprise the councilors, the executive mayor, mayoral committee members, the city manager, deputy city manager and senior managers.

q) Service Concession Arrangements – IPSAS 32

The entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the establishment recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the company also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

r) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Nigeria (CBN) and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash impressts and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

s) Comparative Figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

t) Significant Judgments and Sources of Estimation Uncertainty – IPSAS 1

The preparation of the company's financial statements in conformity with IPSAS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

State all judgements, estimates and assumptions made: e.g

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Useful Lives and Residual Values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the company
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed

- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

u) Subsequent Events – IPSAS 14

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 31st December, 2022.

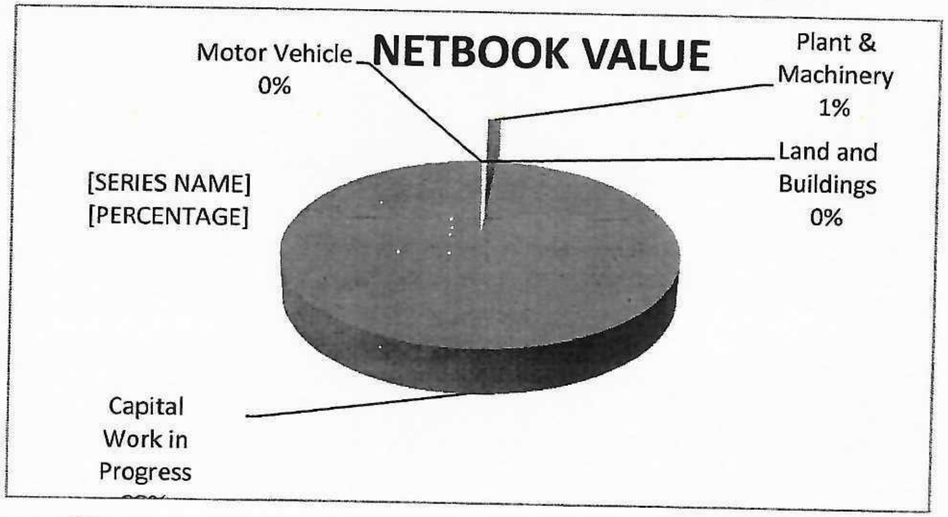
AJAOKUTA STEEL COMPANY LIMITED
NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2022

1 NON-CURRENT ASSETS

	Land and Buildings	Motor Vehicles	Plant & Machinery	Furniture, Fittings & Equipment	Capital Work in Progress	Total
Rate		25%	10%	25%		
	₦	₦	₦	₦	₦	₦
Cost						
At 1 January, 2022	411,065,117	246,844,148	2,689,882,909	665,927,619	78,021,875,904	82,035,595,697
Additions during the year	-	-	34,347,791	20,585,250	-	54,933,040
At 31 December, 2022	411,065,117	246,844,148	2,724,230,700	686,512,868	78,021,875,904	82,090,528,737
Depreciation						
At 1 January, 2022	372,178,946	239,908,318	1,750,928,809	590,057,038	-	2,953,073,111
Charge for the year	57,208	3,457,310	39,171,763	15,032,455	-	57,718,735
At 31 December, 2022	372,236,154	243,365,628	1,790,100,572	605,089,493	-	3,010,791,846
Net Book Value						
At 31 December, 2022	38,828,963	3,478,520	934,130,128	81,423,375	78,021,875,904	79,079,736,890
At 31 December, 2021	38,886,171	6,935,830	938,954,100	75,870,581	78,021,875,904	79,082,522,586

2 INTANGIBLE ASSETS

	Accounting Software	Total
Cost		
At 1 January, 202	20,919,552	20,919,552
Additions during the year	-	-
At 31 December, 2020	20,919,552	20,919,552
Amortization		
At 1 January, 2020	20,919,542	20,919,542
Charge for the year	-	-
At 31 December, 2020	20,919,542	20,919,542
Net Book Value		
At 31 December, 2020	10	10
	10	10



CODE		2022 ₦	2021 ₦
310201	**3. CASH AND CASH EQUIVALENTS**		
	Budget Line Fund - Capital	1,516,248	3,202
	Budget Line Fund - Overhead	1,296	-
	FBN Plc - Ajaokuta 2010371336	-	34,394
	UBA IMC Overhead A/C 1011690758		135,926
	CBN: ASCL A/c - 3000049614	521,368	-
	FBN Plc Ajao - 2010371336	105,970.83	-
	UBN (IMC/Overhead Acct) - 1011690758	8,839	-
		2,153,722	**173,521**

CODE		2022 ₦	2021 ₦
310601	**4. RECEIVABLES**		
	NIOMCO Ltd Itakpe		37,691,084
	Interim Management Committee	1,157,567	1,157,567
	Nigerian Staff Advances	16,453,750	20,215,012
	Other Staff Loans and Advances	-	-
	Sundry Creditors - Contract Labour	6,504,736	13,894,247
	Sundry Creditors for Expenses	4,849,070	4,849,070
	Sundry Creditors for Purchases	18,303,152	14,649,686
	Sundry Creditors for Legal Expenses	600,000	600,000
	Cash Imprest	1,828,394	1,111,414
	Salary Related Receivables	79,418	158,648
		49,776,086	**94,326,727**

CODE		2022 ₦	2021 ₦
310501	**5. INVENTORIES**		
	Stores and Spares	195,596,004	193,857,582
	Raw Materials	68,426,126	68,426,126
		264,022,130	**262,283,708**

AJAOKUTA STEEL COMPANY LIMITED
NOTES TO THE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 2021

CODE		2022 ₦	2021 ₦
4010441	**6. PAYABLES**		
	Salary Related Liabiliies	1,174,967,749	1,174,705,149
	Duties & Taxes	76,432,134	62,296,131
	Sundry Creditors - Contract Labour	148,963,331	57,679,617
	Sundry Creditors for Expenses	97,356,456	23,156,616
	Sundry Creditors for Purchase	17,701,710,360	10,169,561,537
	Sundry Creditors for Legal Expenses	186,449,500	186,449,500
	Cash Imprest	2,885,071	2,503,267
	Nigerian Staff Advances	22,744,663	20,161,031
	Other Staff Loans & Advances	-	76,296
	Pension Fund Administrator	-	1,097,405
		19,411,509,263	**11,697,686,549**
	7. CONTINGENT LIABILITIES		
	External Solictors	-	-
		-	-
	8. ENERGY CONSUMPTION ACCOUNT		
	Energy and Capacity	1,404,313,067	2,384,398,041
	Energy Consumption A/c	5,870,713,289	2,595,774,295
	Wheeling and Adminstrative Charges	248,090,307	415,666,104
		7,523,116,663	**5,395,838,441**
	9. LONG TERM LOAN		
	Balance B/F 1/1/2021	80,656,142,419	79,319,519,154
	Loan Repayment	-	**(4,857,544)**
	Special Loan	-	**1,341,480,809**
	Balance C/F 31/12/2021	**80,656,142,419**	**80,656,142,419**
430201	**10. ACCUMULATED FUND**		
43020101	Balance Brought Forward	(19,417,585,019)	(6,086,052,620)
	Surplus/(Deficit) during the year	(484,889,210)	(282,228,719)
	Adjusted Balance During the Year	(9,718,676,687)	(13,049,303,680)
	Accumulated Surplus/Deficit	**(29,621,150,916)**	**(19,417,585,019)**
430101	**11. CAPITAL GRANTS**		
43010101	Balance Brought Forward	1,107,224,162	853,355,283
	Received during the year	318,847,247	253,868,879
		1,426,071,409	**1,107,224,162**

AJAOKUTA STEEL COMPANY LIMITED
NOTES TO THE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 2022

CODE		2022 ₦	2021 ₦
	12. INTERNALLY GENERATED REVENUE		
	Internal Generated Revenue (IGR)	-	4,764,800
		-	**4,764,800**
	13. OTHER REVENUE		
	ASCL Schools Admin A/c	1,693,785	5,500,000
	Misc Income: Contr Reg Fees & Other Charges	200,000	698,000
	Misc Income: Guest Houses and Catering Services	-	100,000
	Misc Income: Other Rent	20,000	60,000
	Misc Income: Other Services	123,700	
	Misc Income: Repair Services (Engr Works)	-	533,630
	Misc Income: Salaries in Lieu of Notice	-	127,410
	Rent Received From Staffs	8,089,026	9,384,366
	Staff Utilities Deduction	58,303,282	81,704,978
	Misc Income: Surcharge of Consumable Equip.	1,000,000	3,900,000
		69,429,793	**102,008,384**
	14. OVERHEAD SUBVENTION		
	Federal Government Allocation Received	65,720,353	63,836,899
		65,720,353	**63,836,899**
	15. PERSONNEL SUBVENTION		
	Federal Government Allocation Received	3,554,958,117	3,767,245,417
		3,554,958,117	**3,767,245,417**
	16. SPECIAL LOAN		
	Fed. Govt Alloc Rec'd In settlement to KGIRS Tax Liabilities	-	1,341,480,809
		-	**1,341,480,809**

CODE		2022 ₦	2021 ₦
	17. HAZARD, MEDICAL SHIFT & OVERTIME (ARREARS)		
	Federal Government Allocation Received - PSW	-	800,536,000
		-	**800,536,000**
	18. PERSONNEL COST		
	Staff Salaries	3,554,958,117	3,767,245,417
	Temporary Staff Salaries	1,329,230	1,405,000
	Arrears of Peculiar Allowance	-	193,481
		3,556,287,347	**3,768,843,898**
	19. TRAINING AND DEVELOPMENT		
	Conference, Seminars and Training	1,930,272	5,378,880
		1,930,272	**5,378,880**
	20. ADMINISTRATIVE EXPENSES		
	Advertising & Business Promotions	1,114,700	550,000
	Ajaokuta Comm. Liason office Allowance	440,000	750,000
	CBN e ChargeServic	113,305	-
	Calibration of Equipments	-	-
	Catering and Staff Welfare Expenses	445,220	399,380
	Cleaning, Environmental Sanitation and Pest Control	16,202,306	17,429,573
	Consumable - Electrical	26,221,000	6,657,089
	Consumable - General	177,950	518,292
	Consumable - Engr. Works		
	Consumable - Chemicals and Insecticides	27,870,000	21,370,000
	Land Survey Expenses	-	149,890
	Fire Service Related Expenses	300,000	-
	Donation and Gifts	195,000	2,670,000
	Electricity Bills (PHCN)	213,800	624,110
	Entertainment Expenses	4,768,075	9,626,666
	Fuel & Lubricant	12,398,870	10,678,239
	Gas for Plant	-	94,020

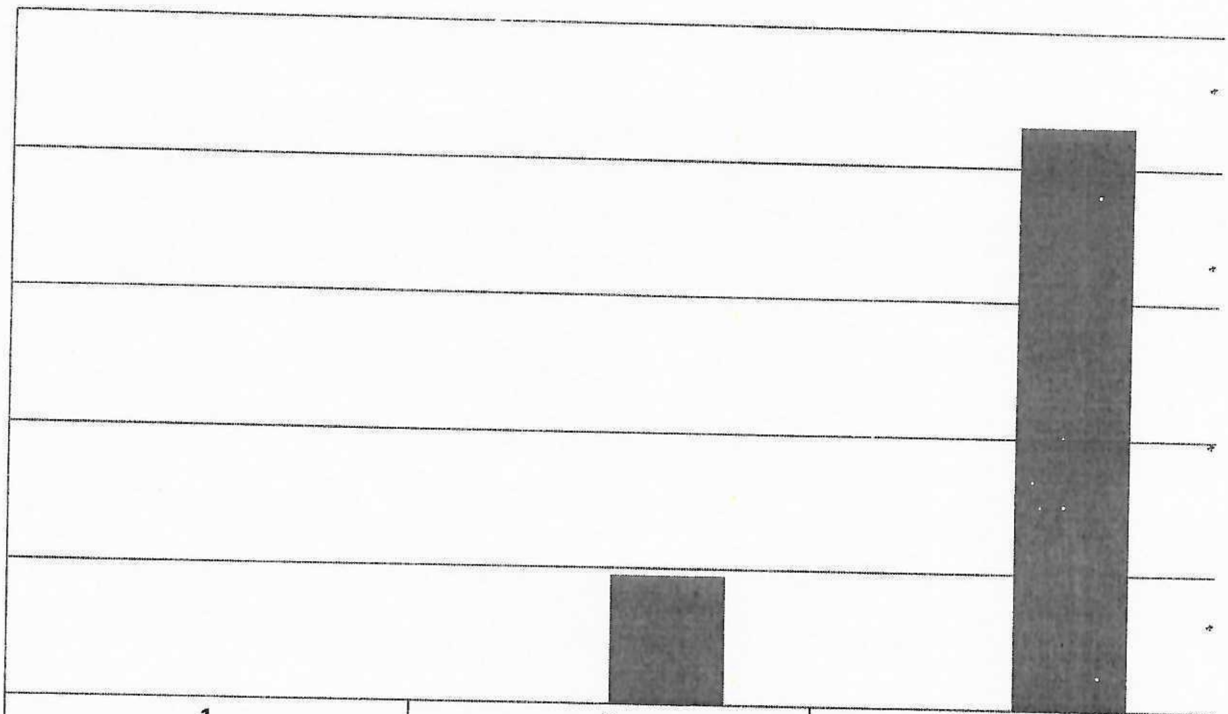
CODE			2022 ₦	2021 ₦
	Hiring of Equipments & materials		-	-
	Loan Refund to ASCL Medical Schools Services A/c		-	-
	Medical Drug Account		-	-
	Hotel Accommodation			
	Information Technology Related Expenses		818,358	162,000
	Port Clearance Fees		-	-
	Legal Expenses		110,000	540,000
	Newspapers, Books, Journals and Magazines		294,400	100,000
	Photo & Video Coverage Expenses		7,950	2,035,500
	Kilometer and Disengagement Allowance		-	-
	Postages, Telephone and Cables		4,643,464	3,847,420
	Printing and Stationary		3,284,637	3,454,142
	Professional & Consultancy Services		-	956,610
	Rent and Rate		8,009,000	37,401,000
	Licence and Operation Fees		-	-
	Security Expenses		61,640,163	63,527,756
	Soft Office Materials		25,000	23,500
	Staff Burial Expenses		-	50,000
	Staff Medical Expenses		100,000	-
	Staff Hazard Allowance		-	-
	Staff Leave Allowance		-	35,118
	Staff Medical Allowance		-	-
	Staff Welfare and Insurance		261,006	211,502
	Staff Overtime		-	-
	Staff Shift Allowance		-	-
	Subscriptions		-	-
	Water Rate		152,374	105,661
	Transportation Expenses/Logistics Expenses		3,500	528,000
	Travelling Expenses (Local)		8,036,400	32,312,873
	Travelling Expenses (Oversea)		-	-
	Household Items - Ajaokuta		85,000	-
	Uniform and Safety Wears Expenses		983,442	-
	NYSC Allowance		730,000	195,000
	Staff Biometric Verification		-	9,040,378
	Repairs and Maintenance	(Note 20.1)	29,726,230	16,690,390
	Themal Power Plant	(Note 20.2)	26,080,500	-
	Labour Cost	(Note 20.3)	101,010,877	16,640,179
			336,462,527	**259,374,287**

CODE		2022 ₦	2021 ₦
	20.1 REPAIRS AND MAINTENANCE		
	Repair and Maintenance - General	22,302,336	2,128,250
	Repair and Maintenance - Power Plant	-	750,000
	Repair and Maintenance - Furniture & Fittings	49,000	13,500
	Repair and Maintenance - Electrical	116,000	159,640
	Repair and Maintenance - Motor Vehicles/Cycle	2,317,434	2,810,880
	Repair and Maintenance - Office Building	496,260	8,155,565
	Repair and Maintenance - Office Equipment	187,500	158,100
	Repair and Maintenance - Plant & Machinery	-	540,000
	Repair and Maintenance - Residental Building	942,225	684,655
	Repair and Maintenance - Residential Equipments	-	116,750
	Repair and Maintenance - Water Supply Facilities	3,315,475	1,173,050
	Repair and Maintenance - Telecom Equipment	-	-
	Repair and Maintenance - Factory Equipments	-	-
		29,726,230	**16,690,390**
	20.2 THERMAL POWER PLANT		
	Consumables: Power Plant - Electrical	26,080,500	-
	Consumables: Power Plant - General	-	-
	Consumables: Power Plant - Lubricant	-	-
		26,080,500	**-**
	20.3 LABOUR COST		
	Labour Cost: Abuja Office	4,798,000	-
	Labour Cost: Commerce	15,719,600	-
	Labour Cost: Engr. Works	4,854,304	1,724,404
	Labour Cost: Finance	10,326,000	-
	Labour Cost: Guest House/Catering	-	-
	Labour Cost: Lagos Liason Office	551,200	240,000
	Labour Cost: LSM	3,131,405	-
	Labour Cost: MD/CEO	12,384,892	-
	Labour Cost: Plant Site Admin Welfare Building	16,190,420	12,900,896
	Labour Cost: Security	7,768,694	-
	Labour Cost: STA	9,442,507	-
	Labour Cost: School	5,231,775	-
	Labour Cost: Utilities	7,417,732	1,714,879
	Labour Cost: Gen. Admin	2,699,467	-
	Labour Cost: General	494,882	60,000
		101,010,877	**16,640,179**

AJAOKUTA STEEL COMPANY LIMITED
NOTES TO THE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 2022

CODE		2022	20201
220209	**21. FINANCIAL CHARGES**		
22020901	Bank Charges (VAT, COT, INT)	11,072	61,781
		11,072	**61,781**
2401	**22. DEPRECIATION**		
24010101	Land and Buildings	57,208	57,208
24010405	Motor Vehicles	3,457,310	3,457,310
24010301	Plant and Machinery	39,171,763	41,438,345
24010601	Furniture, Fittings & Equipment	15,032,455	12,641,741
		57,718,735	**57,594,604**
	23. Constituency		
	Empowerment Tools and Equipement	189,149,000	
	Renovation of Class rooms and Office Buildinds	17,381,750	
	Sewages and Erosion Control System	17,386,000	13,924,500
	Borehole and Agric Equip	-	114,906,269
		223,916,750	**128,830,769**

ANALYSIS OF THREE (3) YEARS REVENUE



	1	2	3
Series1	2022	2021	2020
Series2	-	4,764,800	21,534,136

ANALYSIS OF 2022 EXPENDITURE