TRANSMISSION COMPANY OF NIGERIA PLC.

Annual Reports and Accounts for the year ended 31 December 2019.

Contents

CORPORATE INFORMATION

Company registration number
RC 639052

Directors

		Appointment Date	Resignation Date
Engr. S. A. Abdulaziz	Ag. Managing Director/CEO	20 May 2020	Not applicable
Usman Gur Mohammed	Managing Director/CEO	1 Feb 2018	May 19 2020
Engr. Adewumi Gbadebo Victor	Executive Director (TSP)	29 Dec. 2019	Not applicable
Isah-Dutse Ahmed	Executive Director (F&A)	29 Dec. 2019	Not applicable
Dodo Justin Ishaya	Executive Director (HR&CS)	29 Dec. 2019	Not applicable
Engr. Lawal Maman Jimoh	Executive Director (ISO)	29 Dec. 2019	Not applicable
Fatima Lawan Muhtar	Company Secretary/ Legal Adviser	1 Nov 2013	Not applicable

Independent auditor
Ahmed Zakari & Co (Chartered Accountants)
2nd Floor
Akintola Williams House
Plot 2048 Micheal Okpara Way
Wuse Zone 7
Abuja.

Corporate office
Plot 14, Zambezi Crescent
Maitama
Abuja, FCT
Nigeria.

Principal Banker
Central Bank of Nigeria

Company Secretary
Mrs Fatima Lawan Muhtar
Plot 14, Zambezi Crescent
Maitama District
Abuja, FCT
Nigeria.

Report of the directors

The directors submit their report together with the audited financial statement for the year ended 31 December, 2019 to the members of the Transmission Company of Nigeria Plc. (''the Company''). This report discloses the financial performance and state of affairs of the Company.

Principal activities

The Company is principally engaged in the transmission of electric power. The Company was issued two transmission licenses, one on 1 July 2006 and the other on 10 June 2013. Its licensed activities include electricity transmission and system operations.

Operating Environment

The year 2019 was a year of acute and chronic financial liquidity for the Nigeria Electricity Supply Industry and TCN being a key player in the industry was not spared. TCN's revenue improved slightly from its customers, the 11 Discos, 2 International Customers and others. The financial operation was very difficult due to chronic default of payment of services rendered by TCN. The financial situation hindered TCN from expanding the Grid and adequately maintaining the grid through expected revenue from the Discos and International Customers. However, despite the financial challenges that bedeviled the organization, TCN Management took an innovative approach to maintaining and expanded the transmission network. TCN embarked on using in house capacity to install transformers that were hitherto part of failed Projects not delivering electricity to the Nigerian populace.

TCN in the year 2019 initiated a Transmission and Rehabilitation Expansion Plan (TREP) to design and implement the expansion of the grid. To take a scientific look at the expansion and rehabilitation plan, Messrs. Fitchner were commissioned to develop a Power System Master Plan for TCN to guide it in its TREP activities. The developed Master Plan will be used as a basis for planning and attracting Donor project funding. TCN is in talks with concessionary financiers like AfDB and JICA to finance the projects identified in the TREP, however World Bank Project (NETAP) and AFD have commenced.

Results and dividends

The Company's results for the year ended 31 December, 2019 are set out on page 8. The profit for the year has been transferred to retained earnings. The summarised results are presented below:

	31 December 2019 ₦'000	31 December 2018 ₦'000
Revenue	112,298,607	109,866,110
Profit before tax	4,995,024	13,040,175
Tax credit/ (expense)	(6,760,424)	(8,419,301)
Profit/(loss) for the year	**(1,765,400)**	4,620,874
Other comprehensive gain	NIL	NIL
Total comprehensive profit/(loss) for the year	**(1,765,400)**	**4,620,874**

The directors did not recommend payment of dividend to the shareholders in 2019 (2018: Nil).

Report of the directors (Cont'd)

Directors
The directors who held office during the year and to the date of the approval of this report are set out on page 1.

Shareholding
As at 31 December 2019, the shareholders of the Company were as follows:

Shareholders	**Number of shares (Unit)**	**Percentage holding (%)**
Bureau of Public Enterprise	8,000,000	80%
Ministry of Finance Incorporated	2,000,000	20%
Total	**10,000,000**	**100%**

Directors' interest in contracts
None of the directors has notified the Company for the purpose of Section 303 of the Companies and Allied Matters Act (CAMA) 2020 of their direct or indirect interest in contracts or proposed contracts with the Company during the year.

Directors' shareholding
For the purpose of Sections 301 and 302 of the Companies and Allied Matters Act (CAMA) 2020, none of the Directors had direct and indirect holding in the Company.

Employment and employees
(a) Employment of disabled persons
Applications for employment by disabled 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 disabled, 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 the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.
(b) Employee health, safety and welfare
The Company places a high premium on the health, safety and welfare of its employees in their place of work. To this end, the Company has various forms of insurance policies, including workmen's compensation and group life.
(c) Employee training and involvement
The Company places considerable value on the involvement of its employees in major policy matters and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through meetings with employees and consultations with their representatives.
The Company has in-house training facilities, complemented when necessary with additional outsourced facilities for the training of its employees.

Property, plant and equipment
The Company invests in property, plant and equipment which are used in the course of its business. These items have been recorded at cost less any accumulated depreciation and accumulated impairment. The Company's property, plant and equipment have been appropriately disclosed in Note 14.

Donations and gifts
No donation was made to charitable institutions and organizations during the year (2018: Nil). In accordance with Section 43 of the Companies and Allied Matters Act (CAMA) 2020, the Company did not make any donation or gift to any political party, political association or for any political purpose during the year (2018: Nil).

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Report of the directors (Cont'd)

Auditors
Messrs. Ahmed Zakari & Co (Chartered Accountants) have indicated their willingness to continue in office as auditors in accordance with Section 401(2) of the Companies and Allied Matters Act (CAMA) 2020.

By Order of the Board

Mrs. Fatima Lawan Muhtar
Company Secretary, Abuja, Nigeria
FRC/2017/NBA/00000016329

10th June 2021
Date

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Statement of Directors' Responsibilities

The directors accept responsibility for the preparation of the financial statements set out on pages 12 to 48 that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act, (CAMA) 2020 and Financial Reporting Council of Nigeria Act, 2011.

The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act, (CAMA) 2020 and for such internal control as the directors deemed necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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 years ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Engr. S. A. Abdulaziz Ag. Managing Director/CEO FRCN NO: FRC/2020/002/00000021756	Mr. Ahmed Isah-Dutse Executive Director, Finance & Accounts FRCN NO: FRC/2018/ANAN/00000018748
Signature	Signature
15/06/2021 Date	07/06/2021 Date

Transmission Company of Nigeria Plc.
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Statement of Corporate Responsibility for the financial reports

In line with the provision of Section 405 of the Companies and Allied Matters Act (CAMA) 2020, we have reviewed the audited financial statements of the company for the year ended 31 December 2019 and based on our knowledge, we certify as follows:

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

b) 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 periods covered by the audited financial statements.

c) The company's internal control has been designed to ensure that material information relating to the company is received and provided to the auditors during the course of their audit.

d) We have evaluated the effectiveness of the company's internal controls within 90 days prior to the date of this audited financial statements and herby certify that the company's internal controls are effective as of 31 December 2019.

e) That we have disclosed to the Auditors and the Audit Committee the following information:
- The absence of significant deficiencies or material weaknesses in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarise and report financial data.
- That to the best of our knowledge, there were no fraud involving management or other employees who have a significant role in the company's internal control.

f) There were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of the date of the audit, including any corrective actions with regard to significant deficiencies and material weaknesses.

Engr. S. A. Abdulaziz	**Mr. Ahmed Isah-Dutse**
Ag. Managing Director/CEO	**Executive Director, Finance & Accounts**
FRCN NO: FRC/2020/002/00000021756	**FRCN NO: FRC/2018/ANAN/00000018748**
Signature	**Signature**
10/06/2021	07/06/2021
Date	**Date**

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Ahmed Zakari & Co.
(CHARTERED ACCOUNTANTS)

Independent auditor's report
To the members of Transmission Company of Nigeria Plc.

Opinion
We have audited the financial statements of Transmission Company of Nigeria Plc. ("The Company") which comprise the statement of financial position as at 31 December 2019, 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 the notes to the financial statements including a summary of significant accounting policies, as set out on pages 12 to 48.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2019 and of the financial performance and cash flows for the year then ended in accordance with the Companies and Allied Matters Act, (CAMA) 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and the International Financial Reporting Standards.

Basis of opinion
We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Responsibilities of the Auditor for the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. 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 which, in our professional judgement, were of most significance in our audit of the financial statements for the year ended 31 December 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below as the key audit matters to be communicated in our report.

1. Expected Credit Loss (ECL) on trade receivables

The ECL allowance on trade receivables from market operators is one of our key audit focus areas due to the level of subjectivity and judgements involved in estimating the key assumptions that impact the recoverability of the receivables. There was also a significant decline in the ECL rate applied in the current year which moved from an average of 65 percent in 2018 to 46 percent in 2019.

Key ECL indicators such as the liquidity challenge currently faced by the Nigerian Electricity Supply Industry (NESI), the impact of government policies and regulations as well as the effect of other prevailing macroeconomic factors are areas with inherent significant management judgements and assumptions which our audit focused on.

Our audit procedures thereon

i. We assessed the methodology used in the impairment of trade receivables and tested the consistency of management application of its policy on impairment allowance with those of prior year.

ii. We reviewed the computation model used by management together with all relevant input and re-performed the computation of the provision using the adjusted Historic Loss Rate (HLR).

Partners: **Shuaibu A. Ahmed | Isma'ila M. Zakari | Tajudeen Adetokunbo Oni | Najib Imam | Wazir Olukayode Lawal**
Central Office: 5th Floor, African Alliance House, F1Sani Abacha Way, P.O. Box 6500, Kano, Nigeria.
Lagos Office: 22B Oladipo Diya Crescent, 2nd Avenue Estate, Ikoyi, Lagos. P. O. Box 54478, Falomo, Ikoyi, Lagos.
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E-mail: info@ahmedzakari.com *Url:* www.ahmedzakari.com

1. Expected Credit Loss (ECL) on trade receivables (Cont'd)

Our audit procedures thereon

iii. *We made enquiries from management and obtained information that the significant decline in ECL rate was largely due to the new regulation issued by the Nigerian Electricity Regulatory Commission (NERC) - " 2016 – 2018 Minor Review of the Multi Year Tariff Order (MYTO) 2015 and Minimum Remittance Order for the year 2019". The order mandates all the Discos who have hitherto been remitting an average payments of about 30 percent on invoices received from Operators of Nigerian Electricity Market (ONEM) to now commence a 100 percent monthly remittance.*

iv. *We obtained and reviewed the NERC order to gain a good understanding of the minimum remittance order. In addition, we reviewed payments received from ONEM to confirm the significant increase in cash inflows expected as a result of this order.*

We reviewed the report from market operators and were satisfied that the NERC order were largely complied with as collection had increased significantly compared to prior years.

v. *We checked the accuracy of the ECL rate by ensuring all relevant data such as the inflation rates have been factored into the computation of the ECL rate applied.*

2. Loans to related parties

The loan advanced to related parties is another audit focus area due to the disclosure requirements associated with the nature of the transaction and our plan to assess the risks of material misstatement on the carrying amount.

Kaduna Electricity Distribution Plc. (KEDC) and Abuja Electricity Distribution Plc. (AEDC) were the beneficiaries of the loans. It came to our attention during the audit that KEDC defaulted on all loan instalments payments obligation during the year. As a result, TCN imposed a 9 percent penalty fee per annum in accordance with the provision of the loan agreement. KEDC raised an objection to the penalty fee and after several failed resolution attempts, KEDC instituted legal proceedings against the company. The matter is pending before an arbitration tribunal as at the reporting date. Also, the industry in which both borrower companies operate is currently experiencing a significant liquidity constraint which cast doubt on their ability to meet repayments obligations as and when due.

Management has appropriately made an ECL allowance of 70 percent and 20 percent on the current carrying amounts for KEDC and AEDC respectively in the current year financial statements.

Our audit procedures thereon

i. *We reviewed the loan agreements including the agreed loan amortisation schedule to enable us gain sufficient understanding on the agreed terms and assessed the extent of parties adherence to those terms.*

ii. *We reviewed borrowers' financial records as well as other relevant documents and borrowers' industry related information to assess their ability to meet repayments obligation as and when due.*

iii. *We reviewed the impairment assessment carried out on the loans advanced to both companies to ensure all relevant information required for proper assessment were taken into consideration.*

iv. *We sent balance confirmation circularisations to the borrowers and validated their responses to the carrying amounts on the financial statements.*

v. *We assessed the company's credit loss classification for each of the borrower in line with IFRS 9 credit loss stages to enable us conclude whether or not they are fairly classified.*

Other information

The Directors are responsible for the other information. The other information comprises the Report of the Directors, Statement of Directors' Responsibilities, Statement of Corporate Responsibility for the financial reports, value added statement and five-year financial summary. Other information does not include the financial statements and our audit 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.

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.

Directors' responsibility for the financial statements

The Directors are responsible for overseeing the company's financial reporting process including the preparation and fair presentation of the financial statements in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, (CAMA) 2020. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

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.

Responsibilities of the Auditor for 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 International Standards on Auditing 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 International Standards on Auditing, 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.

Responsibilities of the Auditor for the financial statements (Cont'd)

- 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 audit 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.

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 the audit.

Report on Other Legal and Regulatory Matters

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA) 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 purposes of the audit;

(ii) Proper books of account have been kept by the company, so far as appears from our examination of those books and adequate returns have been received from branches not visited;

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

MZakari

Isma'ila Muhammadu Zakari, FCA
FRC/2013/ICAN/00000002077
For: Ahmed Zakari & Co.
(Chartered Accountants)
Abuja, Nigeria

7 June 2021

A1004858

TRANSMISSION COMPANY OF NIGERIA PLC

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

ASSETS	Notes	2019 ₦'000	2018 ₦'000
Non current assets			
Property plant and equipment	16	560,160,276	547,876,760
Loans to related parties	18	4,279,317	11,051,674
Intangible assets	17	-	-
Deferred tax assets	22.3	48,698,460	51,395,225
Total non current assets		**613,138,053**	**610,323,659**
Current assets			
Inventories	19	7,172,930	7,518,997
Trade, other receivables	20	21,781,392	22,571,661
Prepayments and other assets	21	76,547,394	55,408,912
Cash and cash equivalents	23	110,661,468	104,955,700
Total current assets		**216,163,184**	**190,455,270**
Total Assets		**829,301,237**	**800,778,929**
EQUITY AND LIABILITIES			
Equity and reserves			
Ordinary share capital	24	5,000	5,000
Capital contribution	25.1	268,919,570	266,388,612
Revaluation reserve	25.3	413,461,379	413,932,481
Retained earnings	25.2	(14,428,706)	(13,126,796)
Total equity		**667,957,243**	**667,199,297**
Non current liabilities			
Borrowings	26	138,912,870	117,112,923
Deferred tax liabilities		-	-
Total non current liabilities		**138,912,870**	**117,112,923**
Current liabilities			
Trade and other payables	28	16,285,993	14,385,236
Current tax liabilities	22.2	6,145,132	2,081,473
Total current liabilities		**22,431,125**	**16,466,709**
Total liabilities		**161,343,995**	**133,579,632**
Total liability and equity		**829,301,237**	**800,778,929**

The financial statements on pages 12 to 15 were approved and authorised for issue by the Board of Directors on 7 June 2021 and were signed on its behalf by:

Engr. S.A. Abdulaziz
Ag. Managing Director/CEO
FRCN NO: FRC/2020/02/00000021756

Mr. Ahmed Isah-Dutse
Executive Director, Finance & Accounts
FRCN NO: FRC/2018/ANAN/00000018748

The notes on pages 16 to 46 and the other national disclosures on pages 47 to 48 form an integral part of the financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

Continuing operation	**Note**	**2019**	**2018**
		₦'000	**₦'000**
Revenue	7	112,298,607	109,866,110
Cost of sales	8	(20,838,382)	(15,436,216)
Gross profit		**91,460,225**	**94,429,894**
Other Income	9	131,968	3,155,330
Administrative expenses	10	(87,680,950)	(84,105,533)
Operating profit		**3,911,243**	**13,479,690**
Net Finance (cost)/income	12	1,083,781	(439,515)
Operating profit before taxation		**4,995,024**	**13,040,175**
Taxation	22	(6,760,424)	(8,419,301)
Profit/(loss) for the year after tax		**(1,765,400)**	**4,620,874**
Other comprehensive income	39.2	-	-
Total other comprehensive income		**-**	**-**
Total comprehensive profit/(loss) for the year		**(1,765,400)**	**4,620,874**
Earnings Per Share (Expressed in Naira Per Share)			
Basic and diluted	40	**(177)**	**462**

The notes on pages 16 to 46 and the other national disclosures on pages 47 to 48 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital ₦'000	Capital contribution ₦'000	Revaluation reserve ₦'000	Retained earnings ₦'000	Total ₦'000
At 1 January 2018		5,000	241,982,781	413,932,481	(24,045,827)	631,874,435
Effect of initial application of IFRS 9 net of tax	38.2	-	-	-	6,301,580	6,301,580
Adjustment in depreciation		-		-	(3,423)	(3,423)
At 1 January 2018 (restated)		5,000	241,982,781	413,932,481	(17,747,670)	638,172,592
Comprehensive income						
Profit for the year		-	-	-	4,689,581	4,689,581
Total profit for the year		-	-	-	4,689,581	4,689,581
Other comprehensive income	39.2	-	-	-	(68,707)	(68,707)
Total comprehenive income		-	-	-	4,620,874	4,620,874
Additional capital contribution by owners		-	24,405,831	-	-	24,405,831
31 December 2018		**5,000**	**266,388,612**	**413,932,481**	**(13,126,796)**	**667,199,297**
1 January 2019		5,000	266,388,612	413,932,481	(13,126,796)	667,199,297
Effect of remeasurement of bonds	25	-	(14,735,522)	-	-	(14,735,522)
Net adjustments in revaluation reserve	25	-	-	(471,102)	-	(471,102)
Net adjustments in retained earnings	25	-	-	-	463,490	463,490
1 January 2019 (restated)		5,000	251,653,090	413,461,379	(12,663,306)	652,456,163
Comprehensive income						
loss for the year		-	-	-	(1,765,400)	(1,765,400)
Total profit for the year		-	-	-	(1,765,400)	(1,765,400)
Other comprehensive income		-	-	-	-	-
Total comprehenive income		-	-	-	(1,765,400)	(1,765,400)
Additional capital contribution by owners	14.1	-	17,365,734	-	-	17,365,734
Fair value adjustment on related party loan amortisation	25	-	(99,254)	-	-	(99,254)
		-	17,266,480	-	-	17,266,480
31 December 2019		**5,000**	**268,919,570**	**413,461,379**	**(14,428,706)**	**667,957,243**

The notes on pages 16 to 46 and the other national disclosures on pages 47 to 48 form an integral part of the financial statements.

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 ₦'000	2018 ₦'000
Cash flows from operating activities			
Profit before taxation		4,995,024	13,040,175
Adjustment for:			
Depreciation on Property, plant and equipment	16	16,929,918	11,784,900
Armotisation of intangible assets	17	-	18,293
Impairment on other assets	21	12,643,167	(3,423)
Impairment on loan to related parties	18	4,800,000	-
Impairment loss on trade and other receivable	20	33,855,753	-
Adjustment on initial application of IFRS	SCE	-	6,301,580
Adjustment in retained earnings	25.2	463,490	-
Adjustment in property, plant and equipment	16	35,021	-
Adjustment in revaluation reserve	22.3	(471,102)	-
Interest income and other gains	10.1	(1,635,920)	(450,342)
Cash flow before changes in working capital		71,615,351	30,691,183
Movement in working capital:			
Decrease/(Increase) in inventory		346,067	341,429
Decrease/(Increase) in trade and other receivables		(22,013,810)	(11,748,320)
Decrease/(Increase) in other assets		(33,781,649)	(6,131,643)
(Decrease)/Increase in trade and other payables		1,900,757	861,680
Net cash provided by operating activities		**18,066,716**	**14,014,329**
Cash flows from investing activities:			
Purchases of property, plant and equipment	16	(29,248,455)	(22,853,940)
Loans and advances	18	(9,079,317)	-
Purchase of intangible assets	36	-	(18,293)
Interest income	12.1	1,635,920	450,342
Net cash used in investing activities		**(36,691,852)**	**(22,421,891)**
Cash flows from financing activities:			
Receipts from borrowings	26	-	11,208,652
Adjustment in borrowings	26.2	21,799,947	-
Additional capital contribution by the owners	14.1	17,365,734	24,405,831
Fair value adjustment on related party loan amortisation	25.1	(99,254)	-
Adjustment in capital contribution	25.1	(14,735,522)	-
Net cash provided by financing activities		**24,330,905**	**35,614,483**
Net increase/(decrease) in cash and cash equivalents		5,705,769	27,206,921
Net cash and cash equivalents at 1 January		104,955,698	77,748,777
Net Cash and cash equivalents at 31 December	23	**110,661,468**	**104,955,698**

The notes on pages 16 to 46 and the other national disclosures on pages 47 to 48 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. General Information

1.1 Legal form

Transmission Company of Nigeria Plc ("the Company") was incorporated in Nigeria on 11 November 2005 under the Companies and Allied Matters Act as a Public Limited Liability Company (PLC). Two licenses were issued to the company on 1 July 2006 and 10 June 2013 to enable it take over as a going concern, the Transmission and System operations activities of the defunct Power Holding Company of Nigeria. ("PHCN"). The company commenced operation after the unbundling on 1 November 2013.

The shareholding structure of the company is as follows;

	%
Bureau of Public Enterprises	80
Ministry of Finance Incorporated	20

1.2 Principal Activity

The core business activities of the company is the provision of electricity transmission services, management of the flow of electricity across the Nigerian National grid and all relevant ancillary services to the Nigeria Electricity Supply Industry.

1.3 Composition of financial statements

The financial statements are drawn up in naira, the functional currency of Transmission Company Of Nigeria Plc. in accordance with International Financial Reporting Standards (IFRS).

• Statement of financial position
• Statement of profit or loss and other comprehensive Income
• Statement of changes in equity
• Statement of cash flows
• Notes to the financial statements.
• Other national disclosures

2. Basis of preparation

2.1 Statement of compliance

The Company's financial statements for the year ended 31 December 2019 and the accompanying comparative financial statement relate to the full year ended 31 December 2018 are presented in accordance with, and comply with, International Financial Reporting Standards (IFRS) and International Reporting Interpretations Committee (IFRIC) interpretations issued and effective for the periods presented.

2.2 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency and presentation currency of the Company is the Nigerian Naira (₦). Except as indicated in these financial statements, financial information presented in Naira has been rounded to the nearest thousand.

2.3 Going concern status

In preparation of financial statements, management makes an assessment of the Company's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so. This assessment is usually expected to span at least a period of 12 months after the end of the reporting period.

3. Basis of measurement

The financial statements have been prepared under the historical cost basis except for the following:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

3. Basis of measurement (cont'd)

- Investment properties measured at fair value.
- Financial assets measured at:
  - *amortized cost.*
  - *fair value through other comprehensive income (FVTOCI).*
  - *fair value through profit or loss (FVTPL)*
- Financial liabilities measured at:
  - *amortized cost.*
  - *fair value through profit or loss (FVTPL)*
- Defined benefit obligations measure at the discounted future value of all expected future obligations plus past service costs and actuarial loss less actuarial gains.
- Inventory measured at lower of cost and net realisable value.

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

4.1 New accounting standards, amendments and interpretations issued but not yet effective

The following revisions to accounting standards and pronouncements were issued but are not yet effective. Where IFRSs and IFRIC Interpretations listed below permits early adoption, the company has not applied any in the preparation of these financial statements.

The full impact of these IFRSs and IFRIC Interpretations is currently being assessed by the company, but none of these pronouncements are expected to result in any material adjustments to the financial

Standard	Pronouncement/details of	Issued Dates	Effective Date
Definition of a Business (Amendments to IFRS 3)	This relates to an amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only.	October 2018	Business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020.
IAS 1 Presentation of Financial Statements	Amended by Definition of Material (Amendments to IAS 1 and IAS 8)	January 2020	Effective for annual periods beginning on or after 1 January 2022
Definition of Material (Amendments to IAS 1 and IAS 8)	It provides a broader spectrun to the Definition of Materiality (Amendments to IAS 1 and IAS 8) clarify the definition of 'material' and align the definition used in the Conceptual	October 2018	Annual periods beginning on or after 1 January 2020
IFRS 17 Insurance Contracts	Allows insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts.	May 2017	Applicable to annual reporting periods beginning on or after 1 January 2021
	IFRS 17 supersedes IFRS 4 *Insurance Contracts* as of 1 January 2021.		
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	This is to clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.	September 2019	Annual periods beginning on or after 1 January 2020

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

4. Application of new and revised International Financial Reporting Standards (IFRSs) (Cont'd)

4.1 Accounting standards and interpretations issued but not yet effective (cont'd)

Annual Improvements to IFRS Standards 2018–2020 Cycle

Amendments to IFRS 1, First-time Adoption of IFRS

For Subsidiary as a first-time adopter. The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. Effective date is for annual periods begining 1 January 2022. Early application is permitted.

Amendments to IFRS 9, Financial Instruments

Fees in the '10 per cent' test for derecognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. Effective date is for annual periods begining 1 January 2022. Early application is permitted.

Amendments to IFRS 16, Leases

Lease incentives. The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.The amendment is only regards an illustrative example, so no effective date is stated.

Amendments to IAS 41, Agriculture

Taxation in fair value measurements. The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13. Effective date is for annual periods begining 1 January 2022. Early application is permitted.

NOTES TO THE FINANCIAL STATEMENTS

4. Application of new and revised International Financial Reporting Standards (IFRSs) (Cont'd)

4.2 New and revised IFRSs/IFRICs affecting current year financial statements

In the current year, the Company has applied a number of new and revised IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2019.

Pronouncement/amendments	Nature of change	Required to be implemented for periods beginning on or after
IFRS 16 Leases	This specifies the recognition, measurement, presentation and discolure of leases in the financial statements. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17	On or after 1 January 2019
IFRIC 23, Uncertainty over Income Tax	tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers: - Whether tax treatments should be considered collectively - Assumptions for taxation authorities' examinations - The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates - The effect of changes in facts and circumstances	On or after 1 January 2019
Prepayment Features with Negative Compensation (Amendments to IFRS 9)	This relates to an amendments to the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.	On or after 1 January 2019
Prepayment Features with Negative Compensation (Amendments to IFRS 9)	Clarifies that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	On or after 1 January 2019

NOTES TO THE FINANCIAL STATEMENTS

5. Significant accounting policies

The significant accounting policies applied in the preparation of the financial statements are set out

5.1 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at exchange rates of monetary assets and liabilities denominated in currencies other than the Company's functional currency are recognized in profit or loss within finance income/ expense. Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

5.2 Financial assets

a) Recognition and initial Measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial asset 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 receivables without a significant financing component) or financial liability is initially measured at fair value. For an item not at fair value through profit or loss (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.

b) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; Fairvalue through other comprehensive income (FVOCI)- some debt investment and equity investment and FVTPL.

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 changes in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and it is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows;

-its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outsanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and it not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and the financial assets.
- 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 fairvalue 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 requirement 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

5. Significant accounting policies

5.2 Financial instruments (Cont'd)

A debt investment is measured at FVOCI if it meets both of the following conditions and it not designated as at FVTPL: (Cont'd)

Business model assessment:- Applicable from 1 January 2018

The Company makes an assessment of the objective of a business model in which an 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:

1) The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual return revenue, maintaining a particular return rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

2) How the performance of the portfolio is evaluated and reported to management;

3) 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;

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

Assessment of whether contractual cash flows are solely payments of principal and return on principal amount outstanding Applicable from 1 January 2018

As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount). 'Return' includes 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 profit margin.

5.2.2 Financial liabilities

a) Classification

Financial liabilities are classified as financial liabilities at amortised cost. The Company has no financial liabilities in any other category. Management determines the classification of financial liabilities at initial recognition.

b) Financial liabilities at amortized costs

These include trade payables, other payables and borrowings. Trade payables are classified as current liabilities due to their short term nature while borrowings are spilt into current and non current liabilities. Borrowings included in non-current liabilities are those with maturities greater than 12 months after the reporting date.

c) Recognition and measurement

Financial liabilities are recognized initially at fair value, net of any transaction costs. Subsequently, they are measured at amortised cost using the effective interest method.

5.2.3 Derecognition

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the Company tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition).

Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

NOTES TO THE FINANCIAL STATEMENTS

5. Significant accounting policies (cont'd)

5.2 Financial instruments (Cont'd)

5.2.4 Offsetting Financial Instruments

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

The legally enforceable right must not be contigent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

5.2.5 Impairment of Financial Asets

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

Evidence of impairment may include indications that the debtors or a Company of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

5.3 IFRS 15: Revenue

The Company adopted IFRS 15 Revenue from contracts with customers on its effective date of 1 January 2018. IFRS 15 replaces IAS 18 Revenue and establishes a five-step model to account for revenue arising from contracts with customers. It applies to all contracts with customers except leases, financial instruments and insurance contracts.

The standard establishes a more systematic approach for revenue measurement and recognition by introducing a five-step model governing revenue recognition. The five-step model requires the Company

i. identify the contract with the customer,
ii. identify each of the performance obligations included in the contract,
iii. determine the amount of consideration in the contract,
iv. allocate the consideration to each of the identified performance obligations and
v. recognise revenue as each performance obligation is satisfied.

Revenue from a valid contract with a customer is recognised when the following conditions are met:

- The contract has been approved by the parties to the contract.
- The rights and obligations of the parties to the contract in relation to the goods and services to be transferred are identifiable.
- The payment terms for the goods and services to be transferred are identifiable.
- The contract has commercial substance.
- it is probable that the consideration to which the Company is entitled to in exchange for the goods or services will be collected.

Revenue from energy wheeled into national grid

Revenue represents the total tariff earned per kilowatt of energy wheeled into the national grid.

NOTES TO THE FINANCIAL STATEMENTS

5. Significant accounting policies (cont'd)

5.4 Employee Benefits

5.4.1 Wages, salaries and annual leave

Wages, salaries, bonuses, other contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by employees of the Company.

5.4.2 Defined Contribution Scheme

The Company operates a defined contribution retirement benefit scheme for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. In a defined contribution plan, the actuarial risk falls 'in substance' on the employee. The employee contributes 8% while the Company contributes 20% of the emoluments (basic, housing and transport allowance). The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods

The assets of this scheme are held by pension fund administrators, which are funded by contributions from both the employee and the Company. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The Company operates only a defined contribution pension scheme.

5.5 Cash and Cash Equivalents

Cash and cash equivalents as shown in the statement of financial position comprise cash in hand or bank, deposits held at call with banks and time deposits which are readily convertible to cash with a maturity of three months or less.

5.6 Statement of cash flows

The statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating activities, investing activities and financing activities.

The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such as changes from receivables and liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated.

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposit held at call with banks, other short term highly liquid investments with original maturities of three months or less. The cash flows from investing and financing activities are determined by using the direct method.

5.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes: expenditure that are directly attributable to the acquisition of the fixed assets. Historical costs includes expenditure that is directly attributable to the acquisition of the item. When parts of an item of fixed assets have different useful life, they are accounted for as separate items of fixed assets. Costs relating to fixed assets under construction or in the process of installation are disclosed as capital work in progress. The cost attributable to each asset is transferred to the relevant category immediately the asset is available for use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

Construction work in progress is not depreciated. All such assets, once available for use are capitalised within the appropriate class of property, plant and equipment and subjected to the applicable depreciation rate in the year they are used.

NOTES TO THE FINANCIAL STATEMENTS

5. Significant accounting policies (cont'd)

5.7 Property, Plant and equipment (cont'd)

Land is not depreciated by the Company. Depreciation of other items of property, plant and equipment is calculated using the straight-line method to allocate their cost, less their residual values over their estimated useful lives, as follows:

	Useful life Years
Buildings	60
Transmission lines	40
Plant and Machinery	60
Motor Vehicles	5
Furniture, fittings and equipment	10
Communication equipment	10

Depreciation starts when assets are available for use. The assets' residual values and useful lives are reviewed annually, and adjusted if appropriate.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the estimated selling price in the ordinary course of business less costs to sell and value in use.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and taken into account in determining operating profit. These gains or losses are recognised within "other income or loss" in profit or loss.

5.8 Impairment of Non-financial Assets

Non- financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are carried at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

5.9 Current and Deferred Taxation

a) Current Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in arriving at profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in

The current income tax charge is calculated on the basis of the applicable tax laws enacted or substantively enacted at the reporting date in the country, Nigeria, where the Company generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

b) Deferred Tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

5. Significant accounting policies (cont'd)

5.9 Current and Deferred Taxation (cont'd)

Deferred tax assets and liabilities are offset when there is a legal enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

5.10 Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

The cost of finished goods and work in progress is determined using the weighted average method and comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), incurred in bringing inventory to its present location and condition but excludes borrowing costs.

Allowance is made for excessive, obsolete and slow moving items. Write-downs to net realizable value and inventory losses are expensed in the period in which the write-downs or losses occur within administrative and overhead expenses.

5.11 Borrowings

Borrowings are recognized initially at fair value, as the proceeds received, net of any transaction cost incurred. Borrowings are subsequently recorded at amortized cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted in profit or loss using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period in which they arise.

5.12 Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Other payables are classified as current liabilities if payment is within one year or less. Otherwise, they are classified as non-current liabilities.

Payables are recognised initially at fair value and re-measured annually where they are denominated in foreign currencies.

5.13 Share Capital

The Company has only one class of shares; ordinary shares. Ordinary shares are classified as equity.

5.14 Capital Contribution

Capital contributions relate to contributions from the owners of the Company, in this case, the Federal Government of Nigeria. In their capacity as owners of the entity, these inflows are distinguished from transfers that arise from trading activities in the normal course of business. These capital contributions are non-reciprocal in nature (i.e. without a contractual obligation to repay it) and have been accounted for as an equity transaction and presented in the statement of changes in equity as a transaction with owners in their capacity as owners. In addition, day-1 gains/losses on Federal Government of Nigeria loans are recognised as capital contribution from the Federal Government of Nigeria.

5.15 Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

6. Critical accounting estimates, judgements and errors

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company’s accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

6. Critical accounting estimates, judgements and errors (cont'd)

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included together with information about the basis of calculation for each affected line item in the financial statements.

6.1 Impairment assessment of financial assets

Management assesses trade receivable balances for objective evidence of impairment based

- Trade receivables that have exceeded the credit limit days.
- Trade receivables that have exceeded the credit limit amounts
- Trade receivables with existing legal litigations
- Past relationship with customer

For the receivable balances that possess the above stated impairment triggers, the following are performed:

6'.2 Impairment of non-financial asset

The Company assesses at the end of the reporting period if there is any objective evidence that an asset or a Company of assets is impaired. The following instances may give rise to an impairment:

- A decline in the asset's market value that is significantly greater than would be expected
- Significant adverse changes that have taken place or are expected in the near future technological, market, economic or legal environment in which the entity operates.
- Increases in interest rates or other market rates of return that may materially affect the discount rate used in calculating the asset's recoverable amount.
- Obsolescence or physical damage affecting the asset.
- Deterioration in the expected level of the asset's performance.
- Management's own forecasts of future net cash inflows or operating profits may show a significant decline from previous budgets and forecasts.

6.3 Income and deferred tax

The Company is subject to income taxes within Nigeria, which does not require much judgement in terms of provision for income taxes but a certain level of judgement is required for recognition of the deferred tax assets. Management is required to assess the ability of the Company to generate future taxable economic earnings that will utilise the deferred tax assets. Assumptions over the generation of future taxable profits depends on management's estimates of future cash flows. This estimate of future taxable income are based on forecast cash flows from operations.

6.4 Borrowings

The Company is required to prepare an amortisation schedule which details the fair value of the loans till date in accordance with IFRS. Each cummulative draw down of the undisbursed loan amount has been deemed to have occurred on 1 January of that same year for the purpose of determining cash flows in the amortisation table.

6.5 Capital Contribution

Capital contributions include day-1 gains/losses on loan facilities obtained from the owners (who in this case is the Federal Government of Nigeria, being represented by the Ministry of Finance Incorporated and the Bureau of Public Enterprises), considering that the government is the equity holder of the Company, all day-1 gain/loss on loan valuations are accounted for as a capital transactions and such gains/losses accounted for in equity as part of capital contributions.

NOTES TO THE FINANCIAL STATEMENTS

		2019	2018
7.	***Revenue***	**₦'000**	**₦'000**
	Transmission Service Provider (TSP)	101,159,795	98,781,823
	System Operator (SO)	10,476,591	10,409,882
	Market Operator (MO)	662,221	674,405
		112,298,607	**109,866,110**

Recognised revenue relates to the value of energy wheeled and delivered by the company to various trading points within the Nigerian Electricity Supply Industry (NESI). This is arrived at after appropriate measurement of the delivered energy and reconciliation between the company and the Operators of Nigerian Electricity Market (ONEM) together with the application of the relevant Transmission Multi Year Tariff Order.

		2019	2018
		₦'000	**₦'000**
8.	***Cost of sales***		
	Repairs and maintenance of technical assets	4,879,741	4,287,841
	Depreciation on technical assets (See Note 16.3)	15,958,641	11,148,375
		20,838,382	**15,436,216**

.1 Cost of sales comprise of NGN6.809 Billion and NGN154.83 Million (2018: N3.045 Billion and N407.29 Million) incurred by TSP and SO respectively on network infrastructure maintenance during the period.

		2019	2018
9.	***Other income***	**₦'000**	**₦'000**
	Other non operating income	131,968	3,155,330
		131,968	**3,155,330**

Included in other income are rental income from the company's service lines and bidding fees income from prospective contractors.

		2019	2018
10.	***Administrative Expenses***		
	Salaries and other staff cost	25,629,211	20,705,584
	Lodging and accommodation	999,553	930,290
	Rent expenses	162,399	73,690
	Transport and travelling expenses	1,392,764	4,214,410
	Vehicles running and maintenance	627,531	2,489,615
	Subscription and fees	809,433	98,184
	Other administrative expenses	5,015,199	4,917,679
	Legal and consultancy fees	753,832	89,027
	Audit fees	20,829	19,950
	Impairment of trade and other receivables	33,855,754	49,911,682
	Impairment on loans to related parties	4,800,000	-
	Impairments on prepayments and other assets (See note 21)	12,643,167	-
	Depreciation on administrative assets (See Note 16.3)	971,278	655,422
		87,680,950	**84,105,533**

NOTES TO THE FINANCIAL STATEMENTS

		2019 ₦'000	2018 ₦'000
11.	***Bought in Material and Services***		
	Operating cost	20,838,382	15,436,216
	Administrative expenses	87,680,950	84,105,533
	Salaries and wages	(25,629,211)	(20,705,584)
	Depreciation	(16,929,918)	(11,784,900)
		65,960,203	**67,051,265**
12.	***Net finance cost***		
.1	**Finance income**		
	Interest and similar income (See note 12(a))	1,528,890	519,047
	Other gains (See note 12(b))	107,030	(68,705)
		1,635,920	450,342
.2	**Finance cost**		
	Interest expense	552,139	-
	Other finance cost	-	821,150
		552,139	821,150
	Net finance cost	**1,083,781**	**(370,808)**

a. Included here is the sum of ₦1.506 Billion (2018: ₦471 Million) which represent interest earned on loan advanced to related parties. (See note 18)

b. This represent net gain/(loss) realised on translating the monetary items of the financial statements at 31 December.

		2019 ₦'000	2018 ₦'000
13.	***Profit before taxation***		
	Profit before taxation is arrived at after charging/(crediting):		
	Directors emolument	-	-
	Audit fee	20,829	19,950
	Depreciation of property, plant and equipment;		
	Charged on Technical Assets	15,958,641	11,148,375
	Charged on Administrative Assets	971,278	655,422
	Interest payable and similar charges	-	-

14. Related party transactions

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in International Financial Reporting Standards - IAS 24: Related Party Disclosures. Related parties comprise companies under common ownership and/or common management and control and key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

			2019 ₦'000	2018 ₦'000
14.	***Related party transactions (cont'd)***			
	The following transactions were carried out with related parties during the year:			
.1	**Capital contribution**	**Relationship**		
	Federal Government of Nigeria	Shareholder	16,764,889	24,405,831
	Federal Ministry of Power, Works and Housing	Related	246,172	-
	Federal Ministry of Finance - World bank loan	Shareholder	354,673	-
			17,365,734	**24,405,831**
.2	**Non current loan**			
	Federal Government of Nigeria (See Note 26)	Shareholder	**138,912,870**	**117,112,923**
.3	**Other transactions with related parties during the year were:**			
	Abuja Electricity Distribution Plc (Loan advanced)	Related	6,500,000	6,500,000
	Kaduna Electricity Distribution Plc	Related	5,000,000	5,000,000
			11,500,000	**11,500,000**

15. Compensation of personnel

***.1** Compensation of key management personnel:*

The remuneration of the directors, who are the key management personnel of the company, is set out below in aggregate for each of the categories specified in International Financial Reporting Standards - IAS 24: Related Party Disclosures.

		2019 ₦'000	2018 ₦'000
	The remuneration of executive management team was as follows:		
	Short-term benefits	**215,750**	**51,487**
	The remuneration of directors during the year was as follows:		
	Short-term benefits	**-**	**-**
	No other Director received emoluments during the year.		
.2	Information regarding employees		
.2.1	*Employees remunerated at higher rates:*		
	The number of employees excluding directors, whose emoluments other than allowances are within the following ranges were:		
		Number	Number
	Up to N1,000,000	33	63
	N1,000,001 - N3,000,000	1,436	2,701
	N3,000,001 - N6,000,000	1,058	279
	Above 6,000,000	1,241	901
		3,768	**3,944**

NOTES TO THE FINANCIAL STATEMENTS			
		2019	**2018**
		₦'000	**₦'000**
15.	***Compensation of personnel (cont'd)***		
.2.2	*Number of employees by category were :*		
	Managerial	339	273
	Senior staff	2,847	2,772
	Junior staff	582	899
		3,768	**3,944**
2.3	Staff turnover		
.2.3.1	*Newly employed*	Number	Number
	Managerial	-	1
	Senior staff	200	-
	Junior staff	3	18
		203	**19**
.2.3.2	*Exited staff*		
	Managerial	37	37
	Senior staff	82	131
	Junior staff	6	32
		125	**200**
.'2.4	Staff costs excluding the Directors:-	**₦'000**	**₦'000**
	Salaries and wages	22,763,795	19,402,065
	Pension	2,865,416	1,303,549
	Other staff cost	56,524	-
		25,685,735	**20,705,614**

NOTES TO THE FINANCIAL STATEMENT

16. Property, plant and equipment

The movement on this account during the year was as follows:

	Land	Building	Transmission Lines	Plant and Machinery	Motor Vehicles	Furniture, Fittings and Equipments	Communication Equipment	Capital Work in Progress	Total
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Deemed cost:									
At 1 January 2018	31,263,767	11,630,995	389,264,104	172,092,814	3,016,388	2,363,052	3,757,913	132,771,040	746,160,073
Additions	-	845,351	1,244,895	8,448,289	37,631	259,348	42,712	11,975,714	22,853,940
Transferred (Note 16.1)	-	-	-	-	-	-	-	-	-
At 31 December 2018	**31,263,767**	**12,476,346**	**390,508,999**	**180,541,103**	**3,054,019**	**2,622,400**	**3,800,625**	**144,746,754**	**769,014,013**
At 1 January 2019	31,263,767	12,476,346	390,508,999	180,541,103	3,054,019	2,622,400	3,800,625	144,746,754	769,014,013
Additions	14,000	569,544	-	5,225,477	-	154,380	-	23,285,054	29,248,455
Adjustments (Note 16.2)	-	(1,483)	-	-	(97,196)	(875,305)	(211,302)	828,790	(356,496)
Transferred (Note 16.1)	-	574,070	6,484,740	12,691,370	-	-	-	(19,750,180)	-
At 31 December 2019	**31,277,767**	**13,618,477**	**396,993,739**	**198,457,950**	**2,956,823**	**1,901,475**	**3,589,323**	**149,110,418**	**797,905,972**
Depreciation:									
At 1 January 2018	-	5,246,197	174,292,238	24,349,395	1,649,733	902,197	2,912,593	-	209,352,353
For the year	-	238,437	9,782,764	1,108,881	411,208	95,282	148,328	-	11,784,900
At 31 December 2018	**-**	**5,484,634**	**184,075,002**	**25,458,276**	**2,060,941**	**997,479**	**3,060,921**	**-**	**221,137,253**
At 1 January 2019	-	5,484,634	184,075,002	25,458,276	2,060,941	997,479	3,060,921	-	221,137,253
For the year	-	470,310	14,410,034	1,410,962	383,205	117,762	137,645	-	16,929,918
Adjustments (Note 16.2)	-	-	-	-	(88,635)	(21,538)	(211,302)	-	(321,475)
At 31 December 2019	**-**	**5,954,944**	**198,485,036**	**26,869,238**	**2,355,511**	**1,093,703**	**2,987,264**	**-**	**237,745,696**
Carrying amount:									
At 31 December 2018	**31,263,767**	**6,991,712**	**206,433,997**	**155,082,827**	**993,078**	**1,624,921**	**739,704**	**144,746,754**	**547,876,760**
At 31 December 2019	**31,277,767**	**7,663,533**	**198,508,703**	**171,588,712**	**601,312**	**807,772**	**602,059**	**149,110,418**	**560,160,276**

.1 This represents value of completed assets ready and available for use as at 31 December 2019.

.2 This represents correction of prior years errors required to appropriately state the carrying amount.

.3 The significant increase in current year depreciation charge relates in part to the adjustment for the underprovision of depreciation charges for prior years.

NOTES TO THE FINANCIAL STATEMENTS

17. Intangible Asset

.1 The movement on this account during the year was as follows:

	Computer software licences ₦'000	Total ₦'000
Cost:		
At 1 January 2018	18,293	18,293
Additions	-	-
At 31 December 2018	18,293	18,293
At 1 January 2019	18,293	18,293
Additions	-	-
At 31 December 2019	18,293	18,293
Amortisation:		
At 1 January 2018	18,293	18,293
Charge for the year	-	-
At 31 December 2018	18,293	18,293
At 1 January 2019	18,293	18,293
Charge for the year	-	-
At 31 December 2019	18,293	18,293
Carrying amount:		
At 31 December 2018	-	-
At 31 December 2019	-	-

.2 The company acquired a software application to run the newly acquired digital communication equipment at the based stations. The amount spent on this software has been fully amortised.

NOTES TO THE FINANCIAL STATEMENTS

		2019 ₦'000	2018 ₦'000
18.	***Loans to related parties***		
	Loans and advances (See note 18.1 and Note 39.1)	**9,079,317**	**11,051,674**
	Impairment provision	**(4,800,000)**	**-**
	Total loans to related parties	**4,279,317**	**11,051,674**

.1 This represents the sum of NGN5 Billion and NGN6.5 Billion advanced to Kaduna Electricity Distribution Plc and Abuja Electricity Distribution Plc respectively at a 10 percent rate of inconvenience fee.

Management's objective is to hold the assets for the purpose of collecting the contractual cash flow at the specified dates stated on the repayment amortisation schedule. The reported amount has been measured at amortised cost using the effective interest rate method. The below market loss has been reported in reserve.

The company's assessment shows the existence of a significant credit deterioration of the beneficiary companies of the loan. While one of the companies have defaulted in all repayment obligation during the year, the other met all repayment obligation. Other adverse solvency ratios and industry related constraints amongst other factors were considered in determining the recognised amount of Expected Credit Loss on the asset.

		2019 ₦'000	2018 ₦'000
19.	***Inventories***		
	Stock of Cables and Conductors	453,986	454,297
	Transmission materials	9,012,716	9,340,838
	Stationery Stores	107,802	125,436
	Gross value of inventory	9,574,504	9,920,571
	Provision for Obsolete Stock	(2,401,574)	(2,401,574)
		7,172,930	**7,518,997**
20.	***Trade and other receivables***		
	Trade receivables	276,707,584	241,525,253
	Impairment on trade receivables (See note 38.1)	(254,931,247)	(222,504,703)
	Net trade recievable	**21,776,337**	**19,020,550**
	Other receivables	10,739,421	23,907,942
	Impairment on other receivables (See note 20.1)	(10,734,366)	(9,305,157)
		5,055	**14,602,785**
	Reclassification (See Note 39)	**-**	**(11,051,674)**
		5,055	**3,551,111**
	Net trade and other receivable	**21,781,392**	**22,571,661**
	Movement in trade receivable		
	Balance at 1 January	241,525,253	197,454,794
	Current trade receivable	35,182,331	44,106,461
	Provision for doubtful debt	(254,931,247)	(222,504,703)
	Balance at 31 December	**21,776,337**	**19,056,552**

NOTES TO THE FINANCIAL STATEMENTS

		2019	2018
20.	***Trade and other receivables (Cont'd)***	**₦'000**	**₦'000**
	Movement in impairment provisions on trade receivables;		
	Balance at 1 January	222,504,703	178,894,602
	Additions to Impairment losses	32,426,544	49,911,681
	Effect of IFRS 9 Impairment allowance as at 1 January 2018	-	(6,301,580)
	Balance at 31 December	**254,931,247**	**222,504,703**

On adoption of IFRS 9, the company has computed its impairment provision in line with the ECL model and has made disclosures in Note 38.1. the impairment on trade receivables was ₦254.9 billion as at 31 December 2019 (31 December 2018: N222.5 billion). The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected proceeds. The company does not hold any collateral over these balances.

.1 This represents the impairment provision on receivable from other services provided by the company for which the recoveries remained doubtful as at 31 December 2019. The sum of ₦10.734 billion remained outstanding from two customers Alheri Ltd and Phase 3 Telecom Ltd. These customers have instituted legal action against the company, disputing the amount and praying the court to award damages in the sum of N6.250 Billion against the company for wrongful termination of contract. The case is still pending in court as at the reporting date.

		2019	2018
		₦'000	**₦'000**
21.	***Prepayments and other assets***		
	Contractors advances (See note 21.1)	26,223,365	18,757,242
	Eurobond sinking fund - DMO (See note 21.3)	27,601,551	-
	Unutilised Letter of Credit (See Note 21.4)	35,365,645	36,651,670
		89,190,561	**55,408,912**
	Impairment provision (See note 21.2 and 21.4)	(12,643,167)	-
		76,547,394	**55,408,912**

.1 This represents payments made in advance to various providers of goods and services, the consideration of which were yet to be received and/or enjoyed by the Company as at the reporting date.

.2 Included in impairment is the amounts advanced to various contractors for which the performance obligation remained unfulfilled for a past period of at least 4 years. The recovery of the amount or the performance of the contractual obligation from the contractors remained doubful. Included also are the lagacy balances inherited from the defunct PHCN. Based on the impairment assessment, managment has classified the credit risk on this asset as "significant deterioration".

.3 This represents the sum of NGN27.6 Billion swept by the Debt Management Office (DMO) from the Company's eurobond loan Sinking Fund Accounts(SFA) maintained with the Central Bank of Nigeria. The amount was reported to have been used for investment purpose in line with the Eurobond loan agreement, which grants DMO the authority to utilise the fund for investment purpose on behalf of TCN and make the fund available in the SFA for the loan repayment on due date. The certificate of investment and other details required for appropriate disclosure and to ascertain if the company is a party to the contract were yet to be received from DMO as at the reporting date.

.4 Also included in impairment is the sum of NGN5.786 Billion on the unutilised Letters of Credit (LC) carrying amount as at 31 December 2019. The carrying amount of the LC included the lagacy balances from the defunct PHCN before TCN take over date in 2013. The sum of NGN4.033 Billion remained unconfirmed by CBN in their LC balances confirmation reponse Ref.BKS/CRO/GEN/AZC/02/04 dated 28 March 2019 for valid LC as at 31 December 2017. Additional sum of NGN1.75 Billion representing 5 percent of the carrying amount as at 31 December 2019 was impaired since our banker CBN did not provide the requested confirmation on the valid LC balances as at 31 December 2019 before the signing date of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

		2019	2018
_22._	**_Taxation_**	**₦'000**	**₦'000**
	Income taxes relating to continuing operation		
.1	**Income tax recognised in profit or loss**		
	Current tax		
	Corporate tax	3,386,118	1,357,482
	Tartiary Education Tax (TET)	677,291	150,429
	Nigerian Police Trust Fund Levy (NPTF)	250	-
		4,063,659	1,507,911
	Deferred taxation		
	Deferred tax expense recognised in the current year	2,696,765	6,911,390
	Total current income tax expense	**6,760,424**	**8,419,301**

The Company was assessed based on the provisions of both the Companies Income Tax Act amended to date and the Finance Act 2019 that mandates a minimum tax assessment, where a tax payer's tax liability computed on assessable profit is less than the minimum tax liability. This is not the case in this regard, hence no minimum tax liability is applicable.

The Nigeria Police Trust Fund (Establishment) Act, 2019 imposes a levy of 0.005% of the net profit of companies operating in Nigeria.

(13,520,848)

The income tax expense for the year can be reconciled to the accounting profit as follows:

	%	2019 ₦'000	%	2018 ₦'000
Profit before taxation		4,995,024		13,040,175
Expected income tax expense using statutory rate	30	1,498,507	30	3,912,053
Tartiary Education Tax based on profit before tax	2	99,900	2	260,804
Effect of income that is exempted from taxation	2	107,030		-
Effect of expenses that are not deductible in determining taxable profit	-	-	91	11,803,193
Effect of prior year provision derecognised	9	463,490	3	366,297
Effect of minimum tax				(1,357,482)
Effect of difference between CIT and TET rates	11	540,416		-
Effect of relief tax losses	-	-	(98)	(12,748,324)
Effect of recognised temporary difference	(54)	(2,696,765)		(6,911,390)
Effect of NPTF (see note 22.1)	0	250	-	-
Effect of claimed tax incentives		(6,773,253)	(29)	(3,744,451)
Income tax expenses recognised in comprehensive income	0	**(6,760,424)**	(0)	**(8,419,301)**

The tax rate used for 2019 and 2018 reconciliation above is the company income tax rate of 30% based on the provisions of the Companies Income Tax Act, CAP C21, LFN 2004, as amended. The rate of 2% for education tax is based on the provisions of the Education Tax Act, CAP E4, LFN 2004.

		2019 ₦'000	2018 ₦'000
.2	**Current tax liabilities**		
	Balance at 1 January	2,081,473	573,562
	Income tax expense recognised in current year	4,063,659	1,507,911
		6,145,132	2,081,473
	Payments during the year	-	-
	Balance at 31 December	**6,145,132**	**2,081,473**

NOTES TO THE FINANCIAL STATEMENTS

22. Taxation (Cont'd)

.3 Deferred tax

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax assets offset presented in the Statement of Financial Position:

31 December 2019	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	closing balance
	₦'000	₦'000	₦'000	₦'000
Deferred tax in relation to:	-	-	-	-
Property, plant and equipment	109,088,059	79,551	-	109,167,610
Unrealised foreign exchange differences	-	34,250	-	34,250
Unrelieved losses	-	-	-	-
Provisions-Assets	(25,115,643)	-	-	(25,115,643)
Utitlised against current income tax	(135,367,641)	2,582,964	-	(132,784,677)
	(51,395,225)	**2,696,765**	**-**	**(48,698,460)**

31 December 2018	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	closing blance
	₦'000	₦'000	₦'000	₦'000
Deferred tax in relation to:				
Property, plant and equipment	110,091,979	(1,003,920)	-	109,088,059
Unrealised foreign exchange differences	(5,261,137)	5,261,137	-	-
Unrelieved losses	(3,177,219)	3177219	-	-
Provisions-Assets	(25,115,643)	-	-	(25,115,643)
Utitlised against current income tax	(134,844,595)	(523,046)	-	(135,367,641)
	(58,306,615)	**6,911,390**	**-**	**(51,395,225)**

Movement at a glance	2019	2018
	₦'000	₦'000
Deferred assets		
Balance at 1 January	51,395,225	58,306,615
Recognised in profit or loss	(2,696,765)	(6,911,390)
Recognised in other comprehensive income	-	-
Balance at 31 December	**48,698,460**	**51,395,225**

	2019	2018
23. Cash and cash equivalents	**₦'000**	**₦'000**
Cash at bank	110,661,468	104,955,700
Cash in hand	-	-
	110,661,468	**104,955,700**

The carrying amount of these assets are approximately equal to their fair value.

	2019	2018
24. Ordinary share capital	**₦'000**	**₦'000**
Authorised, issued and fully paid		
10,000,000 ordinary shares at 50 kobo each	**5,000**	**5,000**

NOTES TO THE FINANCIAL STATEMENTS

		2019	2018
25.	***Reserves***	**2019**	**2018**
.1	**Capital contribution**	**₦'000**	**₦'000**
	Summary of movement during the year:		
	Balance at 1 January	266,388,612	241,982,781
	Appropriation frund (See Note 14.1)	17,365,734	24,405,831
		283,754,346	266,388,612
	Fair value gains on loan amortisation	(99,254)	-
		283,655,092	266,388,612
	Adjustment:		
	Related to correction of errors	(180,121)	-
	Remeasurement of Eurobond and NEGIP (See Note 25.1.2)	(14,555,401)	-
	Balance at 31 December	**268,919,570**	**266,388,612**

.1.1 Included in this figure is the sum of N22.681 Billion which relates to the derecognition of the value of Distribution and Generation assets included in the Nigerian Electricity and Gas Improvement Project (NEGIP) of the Federal Government of Nigeria. The assets are currently under the control of the Distribution and Generation companies. TCN has no claim or legal right to hold these assets.

.1.2 Included in the total adjustment in capital contribution is the sum of N11.9 Billion and N2.6 Billion relating to the adjustment in IFRS Day 1 fair value gain as a result of changes in the basis of computation in amortised cost.

		2019	2018
.2	**Retained earnings**	**₦'000**	**₦'000**
	Summary of movement during the year:		
	Balance at 1 January	(13,126,796)	(17,744,247)
	Profit/(loss) for the year after tax	(1,765,400)	4,620,874
	Other comprehensive loss gain or (loss)	-	-
	Derecognition of prior years provision no longer required	463,490	(3,423)
		(14,428,706)	**(13,126,796)**
.3	**Revaluation reserve**		
	Balance at 1 January	413,932,481	413,932,481
	Net adjustments from prior years	(471,102)	-
		413,461,379	**413,932,481**

		2019	2018
26.	***Borrowings***	**₦'000**	**₦'000**
	Foreign borrowings (Note 26.1)	**138,912,870**	**117,112,923**
	Local borrowings	-	-
	Total borrowings	**138,912,870**	**117,112,923**

.1 Included in borrowings are;

.1.1 A 40 year World bank loan - Nigeria Electricity and Gas Improvement Project USD300 million. Total draw down was USD265.67 million and first drawn down in year 2014. Although loan is at zero percent interest rate, a service charge payment of 0.75% per annum on the total amount drawn on the credit line is required.

NOTES TO THE FINANCIAL STATEMENTS

26. Borrowings (Continued)

.1.2 A 9.5 year Eurobond term loan obtained by Federal Government of Nigeria on behalf of TCN. The loan amount is USD135.5 million at 6.625 interest rate. Loan was received in 2014.

The loans are US Dollars denominated and has been valued at amortized cost, using effective interest rates. The below - market rate of interest gain has been recognised by the company in reserve as capital contribution.

The total loan disbursed as at 31 December 2019 was USD401.174 million (2018 USD407.534 million)

		2019	2018
		₦'000	**₦'000**
.2	*Movement during the year:*		
	1 January	117,112,923	105,904,271
	Addition during the year	-	11,208,652
		117,112,923	117,112,923
	Total adjustment in borrowings		
	Fair value interest related to current year	3,834	-
	Accrued interest for the moratorium period on Eurobond loan	2,751,411	-
	Correction of errors	3,075	-
	Omitted service charges and interest relating to prior years	3,345,979	-
	Adjustments relating to amortised cost recomputation	14,555,401	-
	Exchange rate loss	591,942	-
	Interest recognised for the year	548,305	-
		21,799,947	
	31 December	**138,912,870**	**117,112,923**

27. Retirement benefit obligations

.1 Defined contribution plan - Pension

The employees of the Company are members of a state arranged pension scheme (Pension Reform Act, 2014) which is managed by several licensed Pension Fund Administrators (PFA). The Company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Company with respect to the defined contribution plan is to make the specified contributions and remit to respective PFA nominated by each employee.

		2019	2018
		₦'000	**₦'000**
28.	***Trade and other payables***		
	Trade payables	14,918,190	**11,424,402**
	Accruals and other payables	1,367,803	**2,960,833**
		16,285,993	**14,385,235**

Items of trade payables represent obligations to contractors for supplies and services delivered to the company during the year, for which payments were yet to be made as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

29. Contingent liabilities

There were no contingent liabilities as at 31st December 2019 (2018: Nil).

30. Capital commitment

There were no capital commitments as at 31st December 2019 (2018: Nil).

31. Events after the reporting period

Covid-19 Pandemic

The coronavirus outbreak which was first reported in late 2019 gradually became a global pandemic as declared by World Health Organization (WHO) in March 2020. In response to this declaration, governments of most Nations, Nigeria inclussive began precautionary and restrictive measures to contain its further spread within their territories by introducing lockdowns, closures of borders and travel restrictions which significantly limits the movement of people, goods and services accross the globe. The Nigeria Centre for Disease Control (NCDC) has played a leading role in providing relevant awareness and education on the virus to Nigerians. There were a number of confirmed Covid -19 cases and related deaths in Nigeria. The response to this pandemic has caused significant disruption in economic activities because a lot of businesses and public facilities were either shut down or have their operations reduced significantly in a bid to reduce the spread of the virus.

The liquidity constraint that has bedeviled the Nigerian Electricity Supply Industry (NESI) in recent years have been aggravated by this pandemic.

The impacts of Covid -19 pandemic were mitigated because of the following internal and external measures;
- The company falls within the list of the country's essential commercial service providers and as such exempted from the lockdown which enables it to operate with all mitigation measures in place.
- The company has instituted measures to adhere to all NCDC recommendations on COVID-19 emergency response action plan and policies. This was implemented to ensure the health and safety of its personnel and mitigate infection risks.
- Government has pledged to support the energy sector during this crisis as an essential service provider.

The Company considers this outbreak to be a non-adjusting subsequent event. The Directors do not consider it practicable to provide a quantitative estimate of the potential impact of this outbreak and will continue to evaluate the impact of COVID-19 on the Company's operations, financial position and operating results.

As at the date of authorising these financial statements for issue, the Directors were not aware of any material adverse effects on the financial statements as a result of the COVID-19 outbreak that have not been considered.

32. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 7 June 2021

33. Capital management

The Company manages its capital to ensure that it will continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remained unchanged.

The capital structure of the Company consists of equity, comprising issued ordinary share capital, capital contribution by owners, revaluation reserve and retained earnings as disclosed on the statements of changes in equity and in the relevant notes to the financial statements.

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

The management of the Company reviews the capital structure on a frequent basis to ensure that debt to equity balance is within acceptable limit. The overall objective of capital management is to reduce debt to equity ratio to the barest minimum.

The Company debt to equity ratio at the end of the reporting period:

	2019 ₦'000	2018 ₦'000
Debt	138,912,870	117,112,923
Cash and bank balance	(110,661,468)	(104,955,700)
Net debt (i)	**28,251,402**	**12,157,223**
Equity (ii)	**667,957,243**	**667,199,297**
Net debt to equity ratio	**0.04**	**0.02**

ii. Equity includes all capital and reserves of the Company that are managed as capital.

NOTES TO THE FINANCIAL STATEMENTS

34. *Categories of financial instruments*

31 December 2019	Loans and receivables	Available for sale	Other financial assets	Total
	₦'000	₦'000	₦'000	₦'000
Financial Assets				
Cash and bank balance	110,661,468	-	-	110,661,468
Non current accounts receivable	4,279,317			
Current accounts receivable	21,781,392	-	-	21,781,392
	136,722,177	**-**	**-**	**132,442,860**

31 December 2019	Amortised cost	Other financial liabilities	Total
Financial Liabilities	₦'000	₦'000	₦'000
Borrowings	138,912,870		138,912,870
Trade and other payables	22,431,125		22,431,125
	161,343,995	**-**	**161,343,995**

31 December 2018	Loans and receivables	Available for sale	Other financial assets	Total
	₦'000	₦'000	₦'000	₦'000
Financial Assets				
Cash and bank balance	104,955,700	-		104,955,700
Trade and other receivables	22,571,661	-		22,571,661
	127,527,361	**-**		**127,527,361**

	Amortised cost	Other financial liabilities	Total
	₦'000	₦'000	₦'000
Financial Liabilities			
Borrowings	117,112,923		117,112,923
Trade and other payables	14,385,236		14,385,236
	131,498,159	**-**	**131,498,159**

35. Risk management

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

- Market
- Liquidity risk
- Credit

This note presents information about the Company's exposure to the above risks, the Company's objectives, policies and procedures for measuring and managing risk, and the Company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework, including implementation and monitoring of these policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits, controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. 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.

.1 *Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or 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 optimising the return.

NOTES TO THE FINANCIAL STATEMENTS

35. _Risk management (Cont'd)_

.1 _Market risk (Cont'd)_

.1.1 _Currency risk_

The Company undertakes transactions denominated in foreign currencies and is exposed to interest rate risk because it borrows funds at fixed and floating interest rates; consequently, exposures to exchange rate fluctuations arise.

The Company is exposed to currency risk, the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in the foreign exchange rates.

The Company monitors the movement in the currency rates on an ongoing daily basis. The company ensures that the movements in the exchange rates do not adversely affect the company's income or value of its holdings of financial instruments.

.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market interest rates. As at the reporting date, the company had no interest bearing financial instruments that are subject to fluctuations.

.1.3 Sensitivity analysis

An increase of 300 basis points in interest rates at the reporting date would have increased the profit by the amounts shown below. This analysis assumes that the other variables remain constant.

	2019	2018
Effect	**₦'000**	**₦'000**
Interest	**45,867**	**15,571**

A decrease of 300 basis points in interest rates at the reporting date would have the equal opposite effect, on the basis that all other variables remain constant.

.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages its cash position and future outflows on an ongoing, daily basis and ensures that it has sufficient cash on demand to meet expected operational expenses and liabilities as they fall due.The Company also manage liquidity risk by maintaining adequate reserves, banking facilities and accepting capital contributions from related parties, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Exposure to liquidity risk

31 December 2019	**Carrying amount**	**Contractual cashflows**	**6 months or less**	**6 – 12 Months**	**Above 12 months**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Non-derivative financial liabilities					
Trade payable (Note 28)	16,285,993	16,285,993	-	-	-
	16,285,993	**16,285,993**	**-**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

35. _Risk management (cont'd)_

.2 Exposure to liquidity risk (Continued)

31 December 2018	Carrying amount	Contractual cashflows	6 months or less	6 – 12 Months	Above 12 months
	₦'000	₦'000	₦'000	₦'000	₦'000
Non-derivative financial liabilities					
Trade payable (Note 28)	14,385,235	14,385,235			
	14,385,235	**14,385,235**	**-**	**-**	**-**

.3 Credit risk

Credit risk is the risk of financial loss to the company if a customer fails to meet its contractual obligations that arises principally from the Company's receivables from customers.

The Company's principal exposure to credit risk is in its trade and other receivables. Trade receivables principally represent amounts owing to the Company by their customers and credit risk is managed at the management level. Credit evaluations are performed on all customers requiring credit over a certain amount. The company has no significant concentration of credit risk, with exposure spread over a large number of parties.

.3.1 Exposure to credit risk

The carrying value of the Company's financial assets represents its maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

	2019	2018
	₦'000	₦'000
Trade receivables	276,707,584	241,525,253
Other receivables	10,739,421	23,907,942
Bank deposits	110,661,468	104,955,700
	398,108,473	**370,388,896**

The maximum exposure to credit risk for trade receivables at the reporting date by type of receivables was:

	2019	2018
Receivable from Operators of Nigerian Electricity Market	276,707,584	241,525,253
Receivables from other customers	10,739,421	12,856,268
	287,447,006	**254,381,521**

36. Fair value of financial instruments

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values:

37. _Segment reporting_

Nigeria is the Company's primary geographical segment as all the Company's income is derived in Nigeria. In addition, all of the Company's income comprise income from transmission of electricity from the electricity Generation Companies to the various electricity trading points in the Nigerian Electricity Supply Industry (NESI). This is in accordance with the provision of Electric Power Sector Reform Act 2005 and its licensing agreement with Nigerian Electricity Regulatory Commission (NERC). The company presents no further business or geographical segment information.

NOTES TO THE FINANCIAL STATEMENTS

38. *Disclosures on expected credit loss*

.1 Expected credit loss assessment.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values:

The company uses an allowance matrix to measure the expected credit loss (ECLs) of Trade receivables. Loss rate are based on actual credit loss experience over the past three years. The table below provides information about the exposure to credit risk and ECLs for Trade receivables 1 January and 31 December 2019

31 December 2019	**Gross carrying amount**	**Weighted Average loss rate**	**Lifetime ECL**
	₦'000		**₦'000**
0-30 days	9,547,031	31.2%	2,976,075
31-60 days	9,272,935	32.5%	3,014,115
61-90 days	655,029	34.0%	222,414
91-180 days	-	35.2%	-
181-360days	15,088,280	43.6%	6,574,335
> 360 days	242,144,308	100.0%	242,144,308
			254,931,247
31 December 2018			
0-30 days	10,243,780	51.22%	5,246,923
31-60 days	9,725,887	52.69%	5,124,728
61-90 days	9,183,517	56.42%	5,181,400
91-180 days	14,102,286	59.86%	8,441,833
181-360days	1,434,228	73.55%	1,054,869
> 360 days	197,454,949	100.00%	197,454,949
			222,504,702

.2 Impact on reserves

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non- financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

	1-Jan-18
Retained earnings	**₦'000**
Recognition of expected credit losses under IFRS 9	**6,301,580**
Related Tax	-
Impact at 1 january 2018	6,301,580

Trade and other receivables that were classified as loan and receivables under IAS 39 are now classified at amortised cost. A decrease of NGN6.3 billion in the allowance for impairment over these receivables were recognised in opening retained earnings at 1 january 2018 on transaction to IFRS 9.

NOTES TO THE FINANCIAL STATEMENTS

38. ***Disclosures on expected credit loss (Cont'd)***

.3 Impact on reserves (Cont'd)

Assets	IAS 39 carrying amount at 31 December 2017	Reclassification	Remeasurem-ent	IFRS 9 carrying amount at 1 January 2018
	₦'000	**₦'000**	**₦'000**	**₦'000**
Cash and cash equivalent	-	-	-	-
Brought forward: Loans and receivables	12,619,980	(12,619,980.00)	-	-
Remeasurement	-	-	-	-
Carried forward: Amortised cost		12,619,980	-	12,619,980
Trade and other receivables			-	-
Brought forward: Loans and receivables	197,454,794	(197,454,794)	-	-
Remeasurement	-	-	-	-
Carried forward: Amortised cost	-	197,454,794	-	197,454,794
Impairment allowance as at 31 Decemebr 2017 based on IAS 39	(188,199,759)	188,199,759	(6,301,580)	(6,301,580)
Impairment allowance as at 31 Decemebr 2017 based on IFRS 9	-	-	(175,596,599)	(175,596,599)
	21,875,015	188,199,759	(181,898,179)	28,176,595

.4 Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amotised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 are generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9, eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embeded in contracts where the host is a financial asset in the scope of the standard are never seperated. Instead, the hybrid financial instrument as a whole is assessed for classification.

The adoption of IFRS 9 has not had a significant effect on the company's accounting policies related to financial liabilities and derivative financial instruments.

Original classificattion under IFRS 39	Original carrying amount under IAS 39	New carrying amount under IFRS 9
	₦'000	**₦'000**
Loans and receivables	210,074,774	210,074,774
Loans and receivables	77,748,777	77,748,777
	287,823,551	**287,823,551**
Other financial liabilities	105,904,271	105,904,271
Other financial liabilities	13,523,554	13,523,554
	119,427,825	**119,427,825**

NOTES TO THE FINANCIAL STATEMENTS

38. ***Disclosures on expected credit loss (Cont'd)***

.4 **Classification and measurement of financial assets and financial liabilities (Cont'd)**

The effect of adopting IFRS 9, on the carrying amounts of financial assets at 1 january 2018 relates solely to the new impairment requirements.The following table summazises the impact, net of tax, of transaction to IFRS 9 on the opening balance of reserves and retained earnings.

.5		Notes	Classificattion under IFRS 39	Classification under IFRS 9	Carrying amount under IAS 39	Carrying amount under IFRS 9
	Financial assets				**₦'000**	**₦'000**
	Trade and other receivables		Loans and receivables	Amortised cost	210,074,774	210,074,774
	Cash and cash equivalent		Loans and receivables	Amortised cost	77,748,777	77,748,777
	Total financial assets				**287,823,551**	**287,823,551**
	Financial liabilities					
	Financial liabilities- Loans		Other financial liabilities	Other financial liabilities	105,904,271	105,904,271
	Other Financial liabilities		Other financial liabilities	Other financial liabilities	13,523,554	13,523,554
					119,427,825	**119,427,825**

NOTES TO THE FINANCIAL STATEMENTS

39. **_Reclassification and restatement of prior year comparative figures_**

The following prior year's comparative figures have been reclassified to conform with the current year's presentation:

	2018 Audited financial statements figure.	Reclassificat-ions	Carrying amount after reclassificat-ions
.1 reclassification on loans to related parties			
Trade and other receivables	**₦'000**	**₦'000**	**₦'000**
Other receivables (See note 20)	23,907,942	11,051,674	12,856,268
Loans to related parties			
Loans to related parties (See Note 18)	-	11,051,674	11,051,674

This relates to the non current loans to related parties wrongly reported as part of current assets in prior year.

.2 Reclassification of items charged to OCI	2018 Audited financial statements figure.	Reclassificat-ions	Carrying amount after reclassificat-ions
	₦'000	**₦'000**	**₦'000**
Other Comprehensive income	(68,707)	68,707	-
Statement of changes in equity	(68,707)	68,707	-
Profit for the year after tax	(4,689,581)	(68,707)	(4,758,288)
Net Finance (cost)/income	(370,808)	(68,707)	(439,515)

This relates to the exchange rate translation loss realised on the conversion of monetary items denominated in foreign currencies to the functional currency which were charged to Other Comprehensive Income in 2018 now reclassified.

40. **Earnings Per Share (EPS)**

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

The Company does not have ordinary shares with convertible options and therefore, there is no dilutive impact on the profit

The basic EPS of the company as at 31 December are calculated as follows

	2019 ₦'000	2018 ₦'000
Profit from continuing operations attributable to owners	**(1,765,400)**	**4,620,874**
Weighted average number of ordinary shares in issue (in thousands)	**10,000**	**10,000**
Basic EPS expressed in Naira	**(177)**	**462**

OTHER NATIONAL DISCLOSURES

VALUE ADDED STATEMENT

	2019 ₦'000	%	2018 ₦'000	%
Revenue	112,298,607		109,866,110	
Bought-in materials and services (Local and Foreign)	(65,960,203)		(67,051,265)	
	46,338,404		42,814,845	
Other Income	131,968		3,155,330	
Finance income	1,635,920		-	
	1,767,888		3,155,330	
Value Added	**48,106,292**	**100**	**45,970,175**	**100**
Applied as follows:				
To Pay employees:				
Salaries and other staff cost	25,629,211	53	20,705,584	45
To Pay providers of finance				
Finance cost and similar charges	552,139	1	370,809	1
To pay government:				
Taxation	6,760,424	14	8,419,301	18
To be retained in the business:				
To replace and maitain:				
Depreciation and amortisation	16,929,918	35	11,784,900	26
To augment reserve:				
Profit/(loss) for the year	(1,765,400)	(4)	4,620,874	10
	48,106,292	**100**	**45,901,468**	**100**

Value added represents the additional wealth created by the Company through its own and employees' efforts. This statement shows the allocation of that wealth among employees, government and that retained in the business for future wealth creation.

FINANCIAL SUMMARY

31 DECEMBER	**2019**	**2018**	**2017**	**2016**	**2015**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
ASSETS EMPLOYED					
Non current assets	613,138,053	610,323,659	595,114,335	534,926,680	521,781,563
Current assets	216,163,184	190,455,270	156,761,487	152,499,167	113,351,616
Non current liabilities	(138,912,870)	(117,112,923)	(105,904,271)	(165,076,598)	(59,430,014)
Current liabilities	(22,431,125)	(16,466,709)	(14,097,116)	(64,621,228)	(33,417,692)
Net assets	**667,957,242**	**667,199,297**	**631,874,435**	**457,728,021**	**542,285,473**
CAPITAL EMPLOYED					
Ordinary share capital	5,000	5,000	5,000	5,000	5,000
Capital contribution	268,919,570	266,388,612	241,982,781	259,652,514	227,436,094
Revaluation reserve	413,461,379	413,932,481	413,932,481	-	-
Retained Earnings	(14,428,706)	(13,126,796)	(24,045,827)	198,070,507	314,844,379
Total equity	**667,957,242**	**667,199,297**	**631,874,435**	**457,728,021**	**542,285,473**
TURNOVER AND PROFIT					
Revenue	112,298,607	109,866,110	100,721,134	83,554,144	72,792,084
Loss before income tax	4,995,024	13,040,175	(27,849,996)	(31,463,877)	(12,049,694)
Income tax expenses	(6,760,424)	(8,419,301)	151,702,649	(85,205,343)	2,860,026
Profit/(loss) for the year	(1,765,400)	4,620,874	123,852,653	(116,669,220)	(9,189,668)
Other comprehensive income	-	-	(104,652)	(104,652)	-
Total comprehensive profit/(loss)	(1,765,400)	4,620,874	123,748,001	(116,773,872)	(9,189,668)
Per share data (Kobo)					
Profit /(loss) per share	(177)	462	12,375	(11,677)	(919)
Net assets per share	66,796	66,720	63,187	45,773	54,229

NOTES

Basic earnings per share are calculated based on the profit after taxation and the number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share are based on the net assets and the number of ordinary shares in issue and fully paid at the end of each financial year.