

AFAM POWER PLC
ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

AFAM POWER PLC
Annual Report and Financial Statements
For the Year Ended 31 December 2015

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Corporate Information

Directors: Ms Bolanle Onagoruwa - Resigned 28.01.2013
Mohammed Kyari Dikwa - Appointed 28.03.2011
Benjamin Ezra Dikki - Appointed 28.03.2013
Engr. Obademi O.N - Appointed 05.12.2015

Registered Office: Afam Power Station Complex,
Afam,
Rivers State

Company Secretary: Barrister (Mrs.) J.M Iniedu
Afam Power Station Complex,
Afam,
Rivers State

Independent Auditors: Sada, Idris & Co.,
(Chartered Accountants)
2nd Floor, B Wing, FMBN Building,
Central Business District,
Abuja

Bankers: Central Bank of Nigeria
Union Bank Plc
Keystone Bank Limited

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DIRECTORS' REPORT

The directors submit their report together with the audited financial statements for the year ended 31 December 2015, which disclose the state of affairs of the company.

Incorporation and address

Afam Power Plc ("*the Company*") was incorporated in Nigeria on 9 November 2005 under the Companies and Allied Matters Act CAP (C20) LFN 2004 as a public limited liability company. The address of its registered office is:

Afam Power Station Complex,
Afam,
Rivers State

Principal activities

The company is mainly engaged in generation of electric power.

Results

The company's results for the year are set out on page 10. The profit after taxation for the year of (N832,454) has been transferred to accumulated deficits. During the year, no interim dividend was paid. The directors do not recommend the payment of any dividend.

Directors

The directors who held office since incorporation to date of this report were:

Ms Bolanle Onagoruwa	-	<i>Resigned 28.01.2013</i>
Mohammed Kyari Dikwa	-	<i>Appointed 28.03.2011</i>
Benjamin Ezra Dikki	-	<i>Appointed 28.03.2013</i>
Engr. Obademi O.N	-	<i>Appointed 05.12.2015</i>

Directors' interests in contracts

None of the directors has notified the company for the purpose of section 277 of the Companies and Allied Matters Act CAP (C20) LFN 2004 of their direct or indirect interest in contracts or proposed contracts with the company during the year.

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DIRECTORS' REPORT (continued)

Directors' interests in shares

None of the directors had any interest in the equity of the company as at 31st December 2014.

Shareholding structure

As at 31 December 2015, the issued share capital of the company as recorded in the register of shareholders were as follow:

Shareholders	No of shares held	Percentage %
Bureau of Public Enterprises (BPE)	8,000,000	80
Ministry of Finance Incorporated (MOFI)	2,000,000	20
	<u>10,000,000</u>	<u>100</u>

Equal employment opportunity

The company pursues an equal employment opportunity policy. It does not discriminate against any person on the ground of race, religion, colour, or physical disability.

Employment of physically disabled persons

The company maintains a policy of giving fair consideration to applications from physically disabled persons, bearing in mind their respective aptitudes and abilities. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that the appropriate training is arranged.

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DIRECTORS' REPORT (continued)

Industrial/Employees relations

The company places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and the various factors affecting the performance of the company. This is achieved through management's open door policy and improved communication channels. These channels include the e-mail and an intranet, the revised in house magazine, the entrenchment of regular departmental meetings and executive management's divisional town hall meetings. The relationship between management and the house unions remains very cordial. Regular dialogue take place at informal and formal levels.

Training and development

The company places great emphasis on the training and development of its human capital and believes that its employees are its greatest assets. Training courses are geared towards the developmental needs of staff and the improvement in their skill sets to face the increasing challenges in the industry. We will continue to invest in our human capital to ensure that our people are well motivated and positioned to compete in the industry.

Donations/Charitable gifts

The company made no donation during the year ended 31 December 2014 (2012:Nil).

Auditors

Messrs Sada, Idris & Co., (Chartered Accountants) have indicated their willingness to continue in office as auditors in accordance with section 357(2) of the Companies and Allied Matters Act CAP C20 LFN 2004.

By Order of the Board



Barr. Mrs. J.M. Iniedu

Company Secretary

29th December, 2016

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies and Allied Matters Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the company at the end of the year and of its profit or loss. The responsibilities include ensuring that the company:

- (a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004.
- (b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- (c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with Nigerian Accounting Standards and the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004.

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

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



Engr. Obademi O.N
Ag. Managing Director / Chief Executive
29th December 2016

Report of Independent Auditors to the Members of Afam Power Plc

We have audited the accompanying financial statements of Afam Power Plc which comprise the balance sheet as at 31st December 2015, the profit and loss accounts, the statement of cash flows for the year then ended, summary of significant accounting policies and other explanatory notes.

Respective Responsibilities of the Board and Auditors

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the relevant standards issued by the Financial Reporting Council of Nigeria, the provisions of the Companies and Allied Matters, CAP C20 Laws of the Federation of Nigeria 2004 and for such internal control as the directors determines necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Basis of Opinion

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risks assessments, the auditors consider internal controls relevant to the entity's preparation and a fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for the audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Afam Power Plc as at 31st December, 2015, and of the Company's financial performance and cash flows for the period then ended in accordance with the relevant standards issued by the Financial Reporting Council of Nigeria, provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004.

Emphasis of Matters

We draw attention to the letter of credit on the Financial Statements which indicates that the sum of N4,974,457,000, we could not confirm and/or any document to as its validity and existence as such we could not express an opinion on the appropriateness of the transaction.

Report on other legal and regulatory requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20

- i We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books;
- iii The Company's balance sheet and income and expenditure account are in agreement with the books of account.

Abuja, Nigeria

Date: 29/12/2016




Sada, Idris & Co.
Chartered Accountants
Partner: Nkem Onyekawa
FRC/2013/ICAN/00000001804

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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
31 DECEMBER 2015

1 Basis of preparation

The financial statements are prepared in compliance with Nigerian Statements of Accounting Standards (SAS). The financial statements are presented in the functional currency, Nigeria Naira (N), rounded to the nearest thousand, and prepared under the historical cost convention.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

2 Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost, and subsequently recorded at historical cost less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or recognised 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 of the item can be measured reliably. All other repairs and maintenance costs are charged to the profit and loss account during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation are credited to a revaluation surplus reserve in equity. Decreases that offset previous increases of the same asset are charged against the revaluation surplus; all other decreases are charged to the profit and loss account. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the profit and loss account) and depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
31 DECEMBER 2015

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

Depreciation

Depreciation is calculated using the straight-line method to allocate their costs over their estimated useful lives, as follows:

Land	Not depreciated
Buildings	2%
Plants and machinery	2.5%
Furniture, fittings and office equipment	10%
Motor vehicles	20%

3 Revenue

Capacity charge is recognized monthly based on the available capacity declared at the beginning of the month. Revenue from energy sent out is calculated on the basis of GWh of electricity pushed to the transmission grid. The capacity charge and energy sent out are included in revenue reported in the profit and

4 Natural gas/fuel costs

These comprise the costs of natural gas used in generation of electric power including costs incurred to transport natural gas to the power plant. These form part of the operating costs of the company which are accounted for in the profit and loss account.

5 Impairment of assets

Assets 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 an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
31 DECEMBER 2015

6 Inventories (stock)

Inventories primarily consist of spare parts and are stated at lower of cost and net realisable value. Costs include expenditure incurred in acquiring and transporting the inventory to their present location. Costs are expensed to operating costs or capitalized to property, plant and equipment as the parts are utilised and consumed.

7 Trade receivables

Trade receivables are stated after provisions have been made for debts considered doubtful of recovery. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income

8 Staff retirement benefits

The company operates a defined retirement benefit plan for its staff and contributes 100% of the fund based on 25% of staff basic salary and payroll allowances other than hazard, furniture, electricity, leave grant, extra duty and shift allowances.

9 Government grants

These are receipts from the Federal Government for capital projects and are accounted for in the year they are received. Grants applied to fund revenue operations are treated as government subsidies in income statement.

10 Foreign currency translation

Transactions in foreign currencies during the year are converted into the functional currency, Nigeria Naira, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

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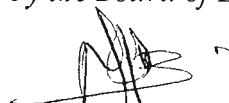
PROFIT AND LOSS ACCOUNT		2015	2014
FOR THE YEAR ENDED 31 DECEMBER 2015	NOTES	N'000	N'000
Turnover	2	81,324 /	2,805,755
Operating cost	3	<u>(873,959) /</u>	<u>(1,732,333)</u>
Gross profit		(792,635) /	1,073,422
Other operating income	4	<u>549,974 /</u>	<u>39,247</u>
Operating profit		(242,661) /	1,112,669
Administrative expenses	5	<u>(589,793) /</u>	<u>(866,050)</u>
Loss before taxation		(832,454) /	246,619
Taxation	13	<u>0</u>	<u>(5,686)</u>
Profit / Loss after taxation transferred		(832,454) /	240,933
Basic loss per share (Naira)	6	(83)	24

The statement of significant accounting policies on pages 7 to 9 and notes on pages 14 to 22 form an integral part of these financial statements.

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BALANCE SHEET		2015	2014
AS AT 31 DECEMBER 2015		N'000	N'000
Non-current assets			
Property, plant and equipment	7	12,244,356	11,815,840
Total non-current assets		12,244,356	11,815,840
Current assets			
Inventories (stock)	8	524,481	515,569
Prepayments and other receivables	9	6,897,993	7,681,656
Cash and bank balances	10	76,437	202,666
Total current assets		7,498,911	8,399,891
Total assets		19,743,267	20,215,731
Current liabilities			
Trade payables	11	(756,462)	(829,309)
Other payable and accruals	12	(523,999)	(191,495)
Tax payable	13	(206,318)	(206,318)
Total current liabilities		(1,486,779)	(1,227,122)
Net current assets		6,012,132	7,172,769
Total assets less current liabilities		18,256,488	18,988,609
Non-current liabilities			
Employee retirement benefits	14	(1,790,029)	(1,790,029)
Total non-current liabilities		(1,790,029)	(1,790,029)
Net assets		16,466,459	17,198,580
Capital and reserves			
Share capital	15	5,000	5,000
Federal government funding	16	21,022,219	20,921,886
NELMCO	27	1,899,796	1,899,796
Accumulated deficit	17	(6,460,556)	(5,628,102)
Shareholders' funds		16,466,459	17,198,580

*The financial statements and notes on pages 14 to 22 were approved
by the Board of Directors and signed on its behalf by:*



Obademi O.N
Ag. Managing Director / Chief Executive
29th December 2016



Ohagwu Chinweolu
Chief Financial Officer
29th December 2016

*The statement of significant accounting policies on pages 7 to 9 and notes on pages 14 to 22
form an integral part of these financial statements.*

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STATEMENT OF CASH FLOWS		2015	2014
FOR THE YEAR ENDED 31 DECEMBER 2015	NOTE	N'000	N'000
Cash flows from operating activities:			
Net cash flow from operating activities before changes in working capital	18	(415,868)	642,078
Net decrease in working capital	19	1,034,407	(655,439)
Net cash from operating activities		618,538	(13,361)
Cash flows from investing activities:			
Purchase of property, plant and equipment	7	(845,102)	(331,711)
Net cash used in investing activities		(845,102)	(331,711)
Cash flows from financing activities:			
Federal government funding	16	100,333	399,823
NELMCO		0	5,919
Net cash generated from financing activities		100,333	405,742
Increase/(Decrease) in cash and cash equivalents		(126,229)	60,672
Analysis of changes in cash and cash equivalents			
Cash and cash equivalent at the beginning of the year	10	202,666	141,994
Cash and cash equivalents at end of the year	10	76,437	202,666
		(126,229)	60,672

The statement of significant accounting policies on pages 7 to 9 and notes on pages 14 to 22 form an integral part of these financial statements.

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STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2015	NOTE	2015 N'000		2014 N'000	
Turnover	2	81,324		2,805,755	
Bought-in materials and services:					
Local	21	<u>(228,081)</u>		<u>(1,208,275)</u>	
		(146,757)	(36)	1,597,480	98
Other operating income	4	<u>549,974</u>	136	<u>39,247</u>	2
Value added/(absorbed)		<u><u>403,217</u></u>	<u>100</u>	<u><u>1,636,727</u></u>	<u>100</u>
Distributed as follows					
Employees:					
To pay salaries, wages and other staff costs	20	819,086	203	988,149	61
Government:					
To pay tax	13	0	0	5,686	0
Maintenance of assets:					
Depreciation	7	416,585	103	395,458	24
Retained for future growth:					
Loss for the year	17	<u>(832,454)</u>	(206)	<u>240,933</u>	15
Value added/(absorbed)		<u><u>403,217</u></u>	<u>100</u>	<u><u>1,630,226</u></u>	<u>100</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015	2015 N'000	2014 N'000
1 General information		
The company was incorporated in Nigeria as a public limited liability company to operate as an electric power generation company. Its principal activity is the generation and sale of electric power to the electricity distribution companies.		
2 Turnover		
Energy sent out	81,324	2,805,755
Total Turnover	81,324	2,805,755
3 Operating cost		
Natural gas/fuel costs	28,461	869,044
Salaries and allowances	362,853	401,156
Industrial training fund levy	3,629	4,012
Employee's compensation levy	3,629	4,012
Employment benefit	9,357	12,948
Repairs and maintenance	80,070	63,283
Depreciation	376,585	355,458
Other direct expenses	9,375	22,421
Total operating cost	873,959	1,732,333
4 Other operating income		
Rental income	17,019	12,048
Asset disposed	0	26,199
NAPTIN training	0	1,000
Market operator (MYTO)	532,955	0
Total other operating income	549,974	39,247

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015	2015 N'000	2014 N'000
5 Administrative expenses		
Salaries and wages	407,841	481,199
Staff training and seminars	0	24,650
Staff welfare	13,348	31,127
Industrial training fund levy	4,078	4,812
Employee's compensation levy	4,078	4,812
Employment benefit	10,273	19,422
Hotel expenses	6,485	19,459
Transport and travels	7,001	16,984
Entertainment	6,427	19,181
Printing and stationery	2,177	3,537
Books, newspapers and periodicals	432	495
Subscriptions and fees	1,089	3,405
Security services	31,833	44,280
Telephone and postages	1,339	1,634
Office repairs and maintenance	9,879	12,097
Vehicle repairs and maintenance	4,909	8,667
Office equipment and maintenance	20,654	75,060
Medical expenses	9,470	19,077
Internal audit expenses	0	9,335
Audit fees	6,500	6,500
Bank charges	1,390	4,485
Rent and rates	590	15,832
Depreciation	40,000	40,000
	<u>589,793</u>	<u>866,050</u>
Depreciation expenses is charged as follows:		
Operating cost	376,585	355,458
Administrative expenses	40,000	40,000
	<u>416,585</u>	<u>395,458</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015	2015 N'000	2014 N'000
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6 Earnings per share

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

Loss attributable to equity holders of the company	(832,454)	240,933
Weighted average number of shares in issue	10,000	10,000
Basic loss per share (Naira)	<u>(83)</u>	<u>24</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015	2015 N'000	2014 N'000
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7 Property, plant and equipment

	Land N'000	Building N'000	Plant & Machinery N'000	Furniture, Fittings & Equipment N'000	Motor Vehicles N'000	Total N'000
Cost:						
At 1 January 2015	280,000	42,037	14,218,310	175,690	107,952	14,823,989
Addition for the year	0	0	845,102	0	0	845,102
At 31 December 2015	280,000	42,037	15,063,412	175,690	107,952	15,669,091
Depreciation:						
At 1 January 2015	0	3,914	2,803,240	124,658	76,338	3,008,150
Charge for the year	0	841	376,585	17,569	21,590	416,585
At 31 December 2015	0	4,755	3,179,826	142,227	97,928	3,424,735
Net book value:						
At 31 December 2015	280,000	37,282	11,883,586	33,463	10,024	12,244,356
At 31 December 2014	280,000	38,123	11,415,070	51,032	31,614	11,815,839

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015	2015 N'000	2014 N'000
8 Inventories (stock)		
Spare parts	118,238	118,240
General stores	290,940	281,585
Stationery	4,303	4,744
Tools and lubricants	111,000	111,000
Balance as at 31 December 2015	524,481	515,569
9 Prepayment and other receivables		
Headquarter letter of credit	4,974,457	4,974,457
Temporary advances	8,004	35,448
Trade Debtors	1,915,532	2,671,751
Balance as at 31 December 2015	6,897,993	7,681,656
10 Cash and bank balances		
Cash in hand	565	1,266
Cash at bank	75,830	195,656
CBN: Emergency fund	0	776
CBN: Capital appropriation account	0	199
Keystone: MYTO account	42	4,769
Balance as at 31 December 2015	76,437	202,666
11 Trade payable		
Opening Balance	829,309	120,600
Add: Invoices	28,461	869,044
Less: Settlement of bill	(101,308)	(160,335)
Balance as at 31 December 2015	756,462	829,309

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015	2015 N'000	2014 N'000
12 Other payables and accruals		
Wages and salaries payable	140,307	0
WHT payable	11,313	3,933
VAT payable	11,313	3,577
Pay as you earn	22,228	9,625
Industrial training fund levy	74,348	66,641
Employees' compensation levy	50,099	42,392
Employees' retirement savings	63,563	37,207
Audit fees	22,334	15,834
Sundry creditors	128,494	12,286
Balance as at 31 December 2015	523,999	191,495
13 Tax payable		
Based on the result of the year as adjusted for tax purposes		
Income tax (minimum tax)	0	5,686
Education tax	0	0
Per profit and loss account	0	5,686
Balance brought forward	206,318	200,632
Tax paid during the year	0	0
Per balance sheet	206,318	206,318
14 Employee retirement benefits		
Opening balance	1,790,029	1,790,029
Charge for the year	0	0
Less payment during the year	0	0
Balance as at 31 December 2015	1,790,029	1,790,029

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015	2015 N'000	2014 N'000
15 Share capital		
Authorised:		
10,000,000 Ordinary shares of N0.50 each	<u>5,000</u>	<u>5,000</u>
Issued and fully paid:		
<i>Bureau of Public Enterprises (BPE)</i> - 8,000,000 ordinary shares of N0.50 each	4,000	4,000
<i>Ministry of Finance Incorporated (MOFI)</i> - 2,000,000 ordinary shares of N0.50 each	1,000	1,000
Balance as at 31 December 2015	<u>5,000</u>	<u>5,000</u>
16 Federal government funding		
Opening balance	20,921,886	20,522,063
Additions during the year	101,308	399,823
Mop up viz CBN	<u>(975)</u>	<u>-</u>
Balance as at 31 December 2015	<u>21,022,219</u>	<u>20,921,886</u>
17 Accumulated deficits		
Opening balance	(5,628,102)	(5,869,035)
Loss for the year	(832,454)	240,933
Balance as at 31 December 2015	<u>(6,460,556)</u>	<u>(5,628,102)</u>
18 Net cash flow from operating activities before changes in working capital		
Operating profit	(832,454)	246,620
Adjustments for non-cash items and interests:		
- Depreciation	416,585	395,458
Balance as at 31 December 2015	<u>(415,868)</u>	<u>642,078</u>

AFAM POWER PLC
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015	2015 N'000	2014 N'000
19 Net increase/(decrease) in working capital		
Inventories (stock)	(8,912)	108,083
Prepayments and other receivables	783,662	(1,492,991)
Trade payables	(72,847)	708,709
Other payables and accruals	332,504	20,760
Balance as at 31 December 2015	1,034,407	(655,439)
20 Staff costs		
i. Employees' costs during the year amounted to:		
Salaries and wages	770,694	882,355
Industrial training fund levy	7,707	8,824
Employees' compensation levy	7,707	8,824
Employees' benefits	19,630	32,370
Welfare and training	13,348	55,777
	819,086	988,149
ii. The average number of full-time persons employed by the company during the year was as follows:		
	Number	Number
Management staff	13	15
Senior staff	64	66
Junior staff	138	166
	215	247
iii. Higher-paid employees of the company, other than directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions) in the following ranges:		
	Number	Number
Below N1,000,000	25	30
N1,000,001 - N1,500,000	20	25
N1,500,001 - N2,000,000	25	31
N2,000,001 - N2,500,000	48	52
N2,500,001 - N3,000,000	24	28
N3,000,001 - N3,500,000	22	30
N3,500,001 - N4,000,000	21	21
N4,000,001 - N4,500,000	15	15
N4,500,001 - N5,000,000	10	10
Above N5,000,000	5	5
	215	247

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015	2015 N'000	2014 N'000
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21 Bought-in materials and services

Operating costs	873,959	1,732,333
Administrative expenses	589,793	859,549
Salaries and wages	(819,086)	(988,149)
Depreciation	<u>(416,585)</u>	<u>(395,458)</u>
	<u>228,081</u>	<u>1,208,275</u>

22 Contingent liabilities

As at the end of the year, there were no contingent liabilities standing against the company.

23 Pending litigation

As at the end of the year, there were no pending litigations standing against the company.

24 Related party transactions

There were no significant related party transactions relating to the company's financial statements.

25 Post balance sheet events

In accordance with the Federal Government Power Sector Reform Programme, Taleveras Group successfully acquired 100% stake in the equity share capital of Afam Power Plc on 30th July 2013 and made a part payment of 25% on 12th February, 2014. Taleveras Group will take over the management and control of the company upon full and final payment of the remaining 75% balance. Apart from the above, no events or transactions have occurred since the balance sheet date which could have a material effect upon the financial statements at that date or which need to be mentioned in the financial statements in order to make them not misleading as to the financial position or result of operations at the balance sheet date.

26 Segment information

There are no separately identifiable business segments that met the criteria for disclosure in accordance with SAS 24. The entity has only one geographical location in Nigeria.

27 NELMCO

Opening balance	1,899,796	1,893,877
Add: unpaid invoice	0	5,919
Less: Amount from Asset disposal remit to NELMCO	<u>0</u>	<u>(4,200)</u>
	<u>1,899,796</u>	<u>1,899,796</u>

28 Comparative Figures

Certain figures have been restated in line with current year's presentation to make more meaningful comparison.

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FIVE-YEAR FINANCIAL SUMMARY	2015	2014	2013	2012	2011
	N'000	N'000	N'000	N'000	N'000
Balance Sheet					
Non-current assets	12,244,356	11,815,840	11,879,588	11,815,466	11,679,606
Current assets	7,498,911	8,399,891	6,954,313	6,269,569	6,030,284
Current liabilities	(1,486,779)	(1,227,122)	(491,967)	(1,606,748)	(1,282,294)
Non-current liabilities	(1,790,029)	(1,790,029)	(1,790,029)	(1,404,367)	(1,197,410)
Net assets	16,466,459	17,198,580	16,551,905	15,073,920	15,230,186
Share capital	5,000	5,000	5,000	5,000	5,000
Federal government funding	21,022,219	20,921,886	20,522,063	20,001,627	19,745,099
NELMCO	1,899,796	1,899,796	1,893,877	0	0
Retained earnings	(6,460,556)	(5,628,102)	(5,869,035)	(4,932,707)	(4,519,913)
Total equity	16,466,459	17,198,580	16,551,905	15,073,920	15,230,186
Profit and loss account					
Turnover	81,324	2,805,755	3,011,912	3,524,748	1,768,429
Loss before taxation	(832,454)	246,619	(932,481)	(552,206)	(1,543,701)
Taxation	0	(3,847)	(3,847)	(4,480)	0
Loss after taxation transferred to accumulated deficits	(832,454)	242,772	(556,686)	(1,543,701)	(1,427,420)
Basic loss per share (Naira)	(83)	24	(56)	(154)	(143)