



GEREGU
POWER PLC

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2023

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GEREGU POWER PLC
INTERIM STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2023

	Notes	31-Mar-23 N'000	31-Dec-22 N'000
Assets			
Non-current assets			
Property, plant and equipment	13.	37,772,282	37,994,728
Intangible assets	14.	3,084	4,714
Long term employee benefits	19.	4,886	-
Total non-current assets		37,780,252	37,999,442
Current assets			
Inventories	15	485,946	506,175
Trade and other receivables	16.	66,291,173	76,944,928
Other current assets	17.	9,751,455	6,948,108
Cash and cash equivalents	18.	45,771,106	51,631,751
Total current assets		122,299,680	136,030,962
Total assets		160,079,932	174,030,404
Equity			
Share capital	20.	1,250,000	1,250,000
Retained earnings	20.	31,414,757	47,866,530
Actuarial reserves	20.	(13,261)	(13,261)
Total equity		32,651,496	49,103,269
Liabilities			
Non-current liabilities			
Long term employee benefits	19.	-	11,702
Deferred tax liabilities	11.	8,313,200	8,390,953
Borrowings	22.	27,990,799	27,990,799
Bond Payable	23.	40,085,000	40,085,000
Total non-current liabilities		76,388,999	76,478,454
Current liabilities			
Trade and other payables	21	35,016,299	33,313,381
Current tax payable	11.	8,850,122	7,646,589
Borrowings	22.	6,092,758	5,004,539
Bond Payable	23.	1,080,258	2,484,172
Total current liabilities		51,039,437	48,448,681
Total liabilities		127,428,436	124,927,135
Total equity and liabilities		160,079,932	174,030,404

These interim financial statements were approved by the Board of Directors on 27 April 2023 and signed on its behalf by:



Femi Otedola, CON
Chairman
FRC/2013/IODN/00000002426



Akin Akinfermiwa
Chief Executive Officer
FRC/2013/IODN/00000001994



Julius B. Omodayo-Owotuga
Deputy Chief Executive
FRC/2013/ICAN/00000001995



Ganiyu L. Adisa
Chief Financial Officer
FRC/2013/ICAN/00000003078

The accompanying notes and significant accounting policies form an integral part of these interim financial statements.

GEREGU POWER PLC
INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2023

	Notes	3 Months Ended 31-Mar-23 N'000	Months Ended 31-Mar-22 N'000	Year Ended 31-Dec-22 N'000
Revenue	6.	14,230,481	18,537,227	47,619,370
Cost of sales	7.	(7,246,238)	(9,230,084)	(24,478,476)
Gross profit		6,984,243	9,307,143	23,140,894
Other income	8.	1,630	1,641	157,253
Impairment loss on financial assets	9.	-	(76,467)	(3,727,473)
Administrative expenses	9.	(1,194,269)	(791,343)	(4,750,360)
Operating profit		5,791,604	8,440,974	14,820,314
Finance income	10	2,715,738	31,089	7,673,734
Finance cost	10	(3,141,943)	(318,738)	(7,325,577)
Net finance income/(cost)		(426,205)	(287,649)	348,157
Profit before income tax		5,365,399	8,153,325	15,168,471
Income tax expense	11	(1,817,172)	(2,650,238)	(4,997,017)
Profit for the period		3,548,227	5,503,087	10,171,454
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss:				
Re-measurement of defined benefit plans	19.	-	-	(6,820)
Total other comprehensive loss net of taxes		-	-	(6,820)
Total comprehensive income for the period		3,548,227	5,503,087	10,164,634
Earnings per share				
Basic earnings per share in (N)	12.	1.42	550.31	4.07
Diluted earnings per share in (N)	12.	1.42	2.20	4.07

The accompanying notes and significant accounting policies form an integral part of these interim financial statements.

GEREGU POWER PLC
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2023

	Share capital	Retained earnings	Other reserves	Total equity
	N'000	N'000	N'000	N'000
Balance at 1 January 2022	5,000	59,940,076	(6,441)	59,938,635
Changes in equity for 2022:				
Profit for the period	-	5,503,087	-	5,503,087
Defined benefit plan actuarial gain	-	-	-	-
Amount attributable to equity holders	5,000	65,443,163	(6,441)	65,441,722
Transactions with owners, recorded directly in equity				
Dividend to equity holders	-	(12,330,247)	-	(12,330,247)
Balance at 31 March 2022	5,000	53,112,916	(6,441)	53,111,475
Balance at 1 January 2023	1,250,000	47,866,530	(13,261)	49,103,269
Changes in equity for 2023:				
Profit for the period	-	3,548,227	-	3,548,227
Amount attributable to equity holders	1,250,000	51,414,757	(13,261)	52,651,496
Dividend to equity holders(note 20)	-	(20,000,000)	-	(20,000,000)
Balance at 31 March 2023	1,250,000	31,414,757	(13,261)	32,651,496

The accompanying notes and significant accounting policies form an integral part of these interim financial statements.

GEREGU POWER PLC
INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2023

	Notes	3 Months Ended 31-Mar-23 N'000	Months Ended 31-Mar-22 N'000	Year Ended 31-Dec-22 N'000
Cash flows from operating activities	24.	6,484,532	9,562,598	21,026,762
Changes in:				
Inventories	15	20,229	(20,338)	(65,373)
Trade and other receivables	16.	10,653,755	5,587,141	(5,569,852)
Other current assets	17.	(2,803,347)	(3,644,079)	(6,320,457)
Trade and other payables	21	1,702,917	205,481	2,895,990
Cash generated from/(used in) operating activities		9,573,554	2,128,205	(9,059,692)
Income taxes paid	11.	(691,394)	-	(4,143,940)
Gratuity payment during the period	19.	-	(3,049)	(6,381)
Net cash generated from operating activities		15,366,691	11,687,754	7,816,748
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	13.	-	12,600	12,600
Purchase of property, plant and equipment	13.	(458,081)	(31,205)	(588,178)
Funding of long term employee benefits	19.	(28,986)	(10,628)	(51,405)
Interest received	10.	2,715,738	31,089	2,380,964
Net cash generated/(used) from investing activities		2,228,671	1,856	1,753,981
Cash flows from financing activities				
Dividend paid	20.	(20,000,000)	(12,330,247)	(21,000,000)
Repayment of long term borrowings	22.	(620,548)	(1,174,047)	(17,126,887)
Proceeds from borrowings	22.	-	-	36,000,000
Proceeds from bond	23.	-	-	40,085,000
Repayment of bond first coupon	23.	(2,837,090)	-	-
Net cash used in financing activities		(23,457,638)	(13,504,294)	37,958,113
Net (decrease)/increase in cash and cash equivalents				
Analysis of changes in cash and cash equivalents:				
Cash and cash equivalents at 1 January		51,631,751	3,954,864	3,954,864
Increase/(decrease) in cash and cash equivalents		(5,862,275)	(1,814,685)	47,528,842
Effect of exchange rate movement on cash balances		1,630	1,641	157,253.00
Cash and cash equivalents at 31 March		45,771,106	2,141,820	51,631,751

The accompanying notes and significant accounting policies form an integral part of these interim financial statements.

GEREGU POWER PLC NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

1. General Information

1.1 Reporting Entity

Geregu Power Plc ("the Company") is a registered Company domiciled in Nigeria. The registered office of the company is Itobe-Ajaokuta Express Road, Ajaokuta, Kogi State, Nigeria.

1.2 Principal activities

The Company is principally engaged in the business of electric power generation and sale of electric power through the National Grid of the Transmission Company of Nigeria (TCN) to the Nigerian Bulk Electricity Trading Plc (NBET).

2. Security and trading policy

The Board has established an Insider Trading Policy designed to prohibit dealing in Geregu Power Plc. shares or securities on the basis of potentially price sensitive information that is not yet in the public domain. This is in line with the Rules of the NGX, the Investment and Securities Act (ISA) 2007 and the SEC Rules and Regulations. Having enquired, we can confirm that all Directors complied with the Insider Trading Policy during the period under review.

3. Basis of preparation

3.1 Statement of compliance

These interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as issued by International Accounting Standard Board (IASB), and in compliance with Financial Reporting Council of Nigeria Act No 6, 2011. Additional information required by national regulations are included where appropriate.

The interim financial statements comprise the statement of financial position, statement of comprehensive income, the statement of changes in equity, cash flows and the related notes to the interim financial statements.

The interim financial statements have been prepared in accordance with the going concern principle under the historical cost convention, as modified by financial instruments measured at fair value.

3.2 Functional and presentation currency

These interim financial statements are presented in Naira, which is the Company's functional currency. Except as indicated in these interim financial statements, financial information presented in Naira has been rounded to the nearest thousand.

3.3 Basis of measurement

These interim financial statements are prepared on the historical cost basis except as modified by actuarial valuation of staff gratuity and fair valuation of financial assets and liabilities where applicable. There are other assets and liabilities measured at amortised cost.

3.4 Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Changes in these assumptions may materially affect the financial position or financial results reported in future periods. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the interim financial statements:

4. Standards, interpretations and amendments adopted by the Company

Several other amendments and interpretations apply for the first time in 2023, but do not have an impact on the interim financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

5. Significant accounting policies

5.1 General

The accounting policies applied in these interim financial statements are the same as those applied in the company's financial statements as at and for the year ended 31 December 2022.

5.2 Income tax

Income tax expenses are recognised based on management best estimation of the weighted average expected full year effective income tax rate.

GEREGU POWER PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

	3 Months Ended 31-Mar-23	3 Months Ended 31-Mar-22	Year Ended 31-Dec-22
	N'000	N'000	N'000
6. Revenue			
Energy sold	9,081,954	11,789,512	30,252,241
Capacity charge	5,148,527	6,747,715	17,367,129
	14,230,481	18,537,227	47,619,370
7. Cost of sales			
Gas supply and transportation	6,670,884	8,263,934	22,224,910
Plant depreciation	575,354	966,150	2,253,566
	7,246,238	9,230,084	24,478,476
Gross profit	6,984,243	9,307,143	23,140,894
8. Other income			
	3 Months Ended 31-Mar-23	3 Months Ended 31-Mar-22	Year Ended 31-Dec-22
	N'000	N'000	N'000
Foreign exchange gain realised	1,630	-	157,253
Provision for inventory impairment no longer required	-	1,641	-
	1,630	1,641	157,253
9. Administrative expenses			
	3 Months Ended 31-Mar-23	3 Months Ended 31-Mar-22	Year Ended 31-Dec-22
	N'000	N'000	N'000
Repair and maintenance of plant and machinery *	60,122	38,979	212,321
Energy import and regulatory charges	5,767	2,224	24,008
Personnel cost (Note 9.1)	405,752	260,051	2,138,068
Depreciation expenses	105,173	67,938	302,611
Amortization expenses	1,629	1,629	6,515
Plant and machinery insurance	113,792	83,051	332,205
Postages, printing and stationery	8,779	2,045	9,102
Rent and rates	24,599	44,716	55,448
Other repairs and maintenance expenses	30,473	8,285	60,993
Telephone and internet expenses	15,320	18,612	83,829
Legal and listing expenses	11,188	-	180,254
Public relations, promotions and advertisement	9,411	11,878	100,329
Transport, travel costs and entertainment	159,836	73,157	438,619
Annual General Meeting Expenses	56,390	-	-
Cleaning, safety and security expenses	52,233	53,021	224,109
Audit fees	8,750	8,750	35,000
Board meeting expenses	2,100	-	27,525
Professional and consultancy fees	102,125	93,910	418,996
Other insurance expenses	15,787	8,120	40,250
Bank charges	3,592	10,320	55,110
Directors' fees and allowances	1,450	650	5,067
Foreign exchnage loss	-	4,007	-
	1,194,269	791,343	4,750,360

*Included in the repair and maintenance of plant and machinery are spare parts, tools and consumables issued from the stores.

GEREGU POWER PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

	3 Months Ended 31-Mar-23	3 Months Ended 31-Mar-22	Year Ended 31-Dec-22
	N'000	N'000	N'000
9.1 Personnel expenses			
Salaries, wages and allowances	253,266	161,122	848,312
Medical expenses	9,632	6,818	32,450
Contributions to pension fund scheme	16,280	10,379	52,634
Defined benefit plan- current service cost (Note 19)	12,398	11,081	64,326
Performance bonus, training and recruitment expenses	45,761	39,664	957,778
Contract manpower	63,095	27,554	164,572
Other personnel expenses	5,319	3,433	17,996
	405,752	260,051	2,138,068
9.2 Impairment loss on financial assets			
Impairment of trade receivable (note 16)	-	76,467	3,558,765
Impairment of receivable from related party	-	-	168,708
	-	76,467	3,727,473
10. Net finance income/(cost)			
Finance income			
Interest income on bank deposits	1,554,788	31,089	2,380,964
Interest income on related party receivables	1,160,950	-	5,292,770
	2,715,738	31,089	7,673,734
Finance cost			
Interest expense on borrowings (Note 23)	(1,708,767)	(318,738)	(4,841,405)
Interest expense on bond (Note 24)	(1,433,176)	-	(2,484,172)
	(3,141,943)	(318,738)	(7,325,577)
Net finance income/(cost)	(426,205)	(287,649)	348,157

GEREGU POWER PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

11. Income tax payable

	3 Months Ended 31-Mar-23	3 Months Ended 31-Mar-22	Year Ended 31-Dec-22
	N'000	N'000	N'000
11.1 Income tax Payable			
Income tax	1,743,043	2,445,997	8,406,954
Education tax	151,616	203,833	545,611
Police trust fund levy	268	408	758
Current tax	<u>1,894,927</u>	<u>2,650,238</u>	<u>6,953,323</u>
Deferred tax (Note 11.3)	<u>(77,755)</u>	<u>-</u>	<u>(1,956,306)</u>
Total charge to profit or loss	<u>1,817,172</u>	<u>2,650,238</u>	<u>4,997,017</u>

11.2 Reconciliation of effective tax to statutory tax

Profit before tax	<u>5,365,398</u>	<u>8,153,325</u>	<u>15,168,471</u>
Tax calculated using the domestic corporation tax rate of 30%	1,609,620	2,445,997	4,550,541
Effect of non-deductible expenses	641,932	-	2,721,135
Effect of non-taxable income	(432,161)	-	(724,344)
Effect of balancing charge and capital allowance	(76,348)	-	(140,378)
Effect of education tax	151,616	203,833	545,611
Effect of police trust fund levy	268	408	758
Effect of deferred tax (abatement)/charge	<u>(77,755)</u>	<u>-</u>	<u>(1,956,306)</u>
Total tax charge to profit or loss	<u>1,817,172</u>	<u>2,650,238</u>	<u>4,997,017</u>

The tax rate used for the year reconciliation given above is at the current statutory rate, which is payable by corporate entities on taxable profits under tax law in its jurisdiction.

GEREGU POWER PLC NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

	3 Months Ended 31-Mar-23	3 Months Ended 31-Mar-22	Year Ended 31-Dec-22
11.3 Current income tax liability	N'000	N'000	N'000
Liability at 1 January	7,646,589	4,837,206	4,837,206
Income tax for the period	1,743,043	2,445,997	6,406,954
Education tax	151,616	203,833	545,611
Police trust fund levy	268	408	758
Payment during the period	(691,394)	-	(4,143,940)
	8,850,122	7,487,444	7,646,589
11.4 Deferred tax assets and liabilities			
Deferred tax liabilities at 1 January	(8,390,955)	(10,347,259)	(10,347,259)
Charge during the period	77,755	-	1,956,306
	(8,313,200)	(10,347,259)	(8,390,953)
11.5 Analysis of deferred tax assets and liabilities			
Deferred tax assets at 1 January	(8,390,955)	(10,347,259)	(10,347,259)
Property, plant and equipment	77,755	-	1,956,306
	(8,313,200)	(10,347,259)	(8,390,953)

12. Earnings per share

12.1 Basic earnings per share

The company's basic earnings per share of N1.42 (31 March 2022: N550.31 kobo) is based on the profit attributable to ordinary shareholders of N3,548,227,000 (31 March 2022: N5,503,087,000), and on the 2,500,000,000 (31 March 2022: 10,000,000) ordinary shares of 50 Kobo each, being the weighted average number of ordinary shares in issue during the current and preceding period.

	3 Months Ended 31-Mar-23	3 Months Ended 31-Mar-22	Year Ended 31-Dec-22
Profit attributable to ordinary shareholders	N'000	N'000	N'000
Profit for the period	3,548,227	5,503,087	10,171,454
Profit attributable to ordinary shareholders	3,548,227	5,503,087	10,171,454
Issued ordinary shares			
Issued ordinary shares at 1 January	2,500,000	10,000	10,000
Creation of additional issued ordinary shares	-	-	2,490,000
Issued ordinary shares at 31 March	2,500,000	10,000	2,500,000
Basic earnings per share in (Naira)	1.42	550.31	4.07
Diluted earnings per share in (Naira)	1.42	2.20	4.07

GEREGU POWER PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

13. **Property, plant and equipment**
 The movement in the property, plant and equipment during the period 31 March 2023 was as follows:

	Gas Turbine Plant N'000	Leasehold land N'000	Buildings N'000	Trucks and vehicles N'000	Furniture & Fittings N'000	Office equipment N'000	Computer equipment N'000	Asset under construction N'000	Total N'000
Cost									
Balance at 1 January 2023	62,078,819	122,787	1,301,593	896,319	20,566	272,539	221,166	133,831	65,047,620
Additions	-	-	-	376,250	-	-	-	81,831	458,081
Balance at 31 March 2023	62,078,819	122,787	1,301,593	1,272,569	20,566	272,539	221,166	215,661	65,505,701
Depreciation									
Balance at 1 January 2023	26,105,312	11,862	356,442	307,260	16,859	90,381	164,756	-	27,052,892
Depreciation for the period	575,354	331	13,016	60,229	718	13,579	17,300	-	680,527
Balance at 31 March 2023	26,680,667	12,213	369,458	367,489	17,577	103,959	182,056	-	27,733,420
Carrying amounts									
Balance at 1 January 2023	35,973,507	110,905	945,151	589,058	3,707	182,159	56,410	133,831	37,994,728
Balance at 31 March 2023	35,398,152	110,574	932,135	905,080	2,989	168,580	39,110	215,661	37,772,282

	31-Mar-23 N'000	31-Mar-22 N'000
Depreciation charge relating to other PPE (note 13)	105,173	67,938
Depreciation charge relating to gas turbine(note 13)	575,354	966,150
	680,527	1,034,088

- 13.2 No impairment charge on property, plant and equipment during the period as there was no indication that the assets' recoverable amounts will be lower than the current carrying amounts

14. **Intangible assets**

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

	31-Mar-23 N'000	31-Dec-22 N'000
Cost		
Balance at 1 January	53,409	53,409
Balance at 31 March	53,409	53,409
Amortisation and impairment losses		
Balance at 1 January	48,695	42,180
Amortisation for the period	1,629	6,515
Balance at 31 March	50,325	48,695
Carrying amounts		
Balance at 1 January	4,714	11,229
Balance at 31 March	3,084	4,714

- 14.1 Intangible assets represent the computer software used by the company

- 14.2 The amortisation of intangible asset recognised in the administrative expenses in the statement of profit or loss and other comprehensive income is **N1,629,000** (31 December 2022: N6,515,000)

- 14.3 No impairment charge on the intangible assets during the period as there was no indication that the assets' recoverable amounts will be lower than the current carrying amounts

GEREGU POWER PLC NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

15 Inventories

Spares, tools and consumables*
Inventory impairment (Note 15.1)

31-Mar-23	31-Dec-22
N'000	N'000
835,106	855,335
(349,160)	(349,160)
485,946	506,175

*Inventories include spare parts, tools and consumables in stores.

15.1 Impairment allowance

At 1 January
At end of the period

31-Mar-23	31-Dec-22
N'000	N'000
349,160	349,160
349,160	349,160

Inventory amounting to N835,106 million (31 December 2022 : N855,335 million) were carried at net realizable value which is estimated to be lower than the cost. The amount charged to statement of profit or loss and other comprehensive income was Nil during the period (31 March 2022: Nil)

15.2 No lien on the inventories of the Company at 31 March 2023

16. Trade and other receivables

Trade receivables
impairment(Note 16.1)
Net trade receivables
Due from related party (Note 28)
Impairment on related party (Note 16.2)

31-Mar-23	31-Dec-22
51,791,847	46,107,329
(7,492,596)	(7,492,596)
44,299,251	38,614,733
22,160,630	38,498,903
(168,708)	(168,708)
66,291,173	76,944,928

16.1 Movement in impairment of trade receivables

At 1 January
Additional impairment
At period end

31-Mar-23	31-Dec-22
N'000	N'000
7,492,596	3,933,831
-	3,558,765
7,492,596	7,492,596

16.2 Movement in impairment of related party receivables

At 1 January
Additional impairment
At period end

31-Mar-23	31-Dec-22
N'000	N'000
168,708	-
-	168,708
168,708	168,708

17. Other current assets

Prepayments
Advance Payments*
Interest receivable
Receivables from directors
Withholding receivable on interest income
Prepaid staff expenses
Monetized car Benefit

573,927	475,993
6,619,019	4,616,187
1,090,818	645,845
2,000	2,000
281,573	176,982
675,817	491,151
508,300	539,950
9,751,455	6,948,108

*This relates to advance payments made to Ansaldo Energia for the major overhaul of the gas turbine scheduled for Q3 2023.

18. Cash and cash equivalents

Cash at bank
Short term deposit

31-Mar-23	31-Dec-22
3,564,630	7,392,139
42,206,476	44,239,612
45,771,106	51,631,751

GEREGU POWER PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

19. Long term employee benefits

The movement in the present value of the long term employee benefits was as follows:

	31-Mar-23	31-Dec-22
	N'000	N'000
Gratuity liability at 1 January	156,149	82,175
Charged to profit and loss	16,418	73,535
Defined benefit plan actuarial loss	-	6,820
Gratuity payment during the period	-	(6,381)
Gratuity liability at 31 March 2023	172,567	156,149
Planned asset at 1 January	(144,447)	(83,833)
Additional funding during the period	(28,986)	(51,405)
Actual return on planned assets	(4,020)	(9,209)
Balance at 31 March (over)/under funded position	(4,886)	11,702

Expenses recognised in the statement of profit or loss

	31-Mar-23	31-Dec-22
Current service costs	16,418	73,535
Return on planned assets	(4,020)	(9,209)
	12,398	64,326

Current service costs and the actual returns on planned assets are recognised in the administrative expense of the statement of profit or loss while the remeasurement gain or loss are recognised in the statement of other comprehensive income.

The actuarial valuation report was signed in January 2023 and was carried out in line with IAS 19 requirements by Miller Kingsley (FRC/2012/NAS/00000002392 of KMC Actuarial Services, a Fellow of the Society of Actuaries, USA.

The funded planned assets with Axa Mansard Investment Limited at 31 March 2023 was N177,451,918.19 (31 December 2022: N144,446,550.35).

GEREGU POWER PLC NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

Stated below are the key assumptions used:

	31-Mar-23 %	31-Dec-22 %
Discount Rate/Average rate of return on assets	13.56% p.a	13.56% p.a
Average rate of salary increase	8% p.a	8% p.a
Inflation rate	14% p.a.	14% p.a.
Mortality of members	A67/70 English Life tables	A67/70 English Life tables

The salary weighted future service of the Plan is 10.2 years. The term to maturity of the longest Nigerian bond as at the valuation date, 31st December 2022, is the 12.50% 27-April-2032 bond with a term to maturity (TTM) of 9.32 years and with a gross redemption yield of about 13.56% as at 31st December 2022. These assumptions are also adopted for the period ended 31 March 2023.

Sensitivities

We have tested the scheme liabilities against the following factors Investment Return, Mortality rates, withdrawal rates and the salary increase rate

	31-Mar-23 N'000	31-Dec-22 N'000
Revised liability		
-300 basis point change in investment return	223,295	223,295
+300 basis point change in investment return	110,867	110,867
20% higher withdrawals	195,188	195,188
20% less withdrawals	156,150	156,150
10% higher mortality	123,359	123,359
10% lower mortality	156,150	156,150
10% higher salary increase rate	157,867	157,867
10% lower salary increase rate	129,605	129,605
Percentage change from base results		
-300 basis point change in investment return	43%	43%
+300 basis point change in investment return	-29%	-29%
20% higher withdrawals	25%	25%
20% less withdrawals	-21%	-21%
10% higher mortality	1%	1%
10% lower mortality	-1%	-1%
10% higher salary increase rate	19%	19%
10% lower salary increase rate	-17%	-17%

Methodology

The approach for conducting the sensitivity was a recalculation of the accrued benefit obligation on the scheme for each revised assumption. The percentage difference between the new result and the base result provides a measure of the sensitivity to the change

Changes in sensitivity test basis

There are no changes in sensitivity to account for.

Maturity profile of active members

Future service	No of Members	Defined Benefit Obligation N'000	Total Salary N'000
Less than 5 years	6	26,672	180,965
Up to 5 and less than 10 years	3	61,541	194,203
Up to 10 and less than 15 years	4	29,733	98,733
Up to 15 and less than 20 years	12	38,205	241,447
Greater than 20 years	-	-	-
	25	156,151	715,348

The estimated additional accrual for the period was N16,417,800 (31 March 2022: N12,693,762)

There are three categories of employees in Gereg Power Plc, first category are those on direct long term contract with the company, second category are direct hire on short term contract with the company, while third category are associates on secondment to Gereg from Boomtaggold Limited. Only the first category are covered by this long term benefit.

GEREGU POWER PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

20. Equity and reserves	31-Mar-23 N'000	31-Dec-22 N'000
20.1 Issued and fully paid ordinary shares of 50k each		
Balance at 1 January	1,250,000	5,000
Increase of 2,490,000,000 in issued share capital of 50k each	-	1,245,000
	<u>1,250,000</u>	<u>1,250,000</u>
20.2 Retained earnings		
	31-Mar-23 N'000	31-Dec-22 N'000
Balance at 1 January	47,866,530	59,940,076
Profit for the period	3,548,226	10,171,455
Approved dividend	(20,000,000)	(21,000,000)
Increase of 2,490,000,000 in issued share capital of 50k each	-	(1,245,000)
	<u>31,414,756</u>	<u>47,866,530</u>
20.3 Actuarial reserves		
	31-Mar-23	31-Dec-22
Balance at 1 January	(13,261)	(6,441)
Defined benefit plan actuarial loss	-	(6,820)
	<u>(13,261)</u>	<u>(13,261)</u>
21 Trade and other payables		
	31-Mar-23 N'000	31-Dec-22 N'000
Gas accounts payable	34,270,356	32,583,490
Other payable	745,943	729,891
	<u>35,016,299</u>	<u>33,313,381</u>
21.1 Other payables include N145.459m due to other creditors; N295.348m accrued expenses ; N6.351m staff claims; N34.39m for retention; N264.282m for WHT liabilities as at 31 March 2023.		
22. Borrowings		
This note provides information about the contractual terms of the company's interest-bearing loans and borrowings which are measure at amortised cost.		
	31-Mar-23 N'000	31-Dec-22 N'000
Term loans (22.1)		
At 1 January	32,995,338	9,280,820
Addition	-	36,000,000
Interest	1,708,767	4,841,405
Repayment	(620,548)	(17,126,888)
	<u>34,083,557</u>	<u>32,995,338</u>
Non-current	27,990,799	27,990,799
Current	6,092,758	5,004,539
	<u>34,083,557</u>	<u>32,995,338</u>
22.1 Term loans represent the N36billion facility types 1 to 3 from Fidelity Bank Plc to augment working capital, finance major overhaul as well as pay down the Amperion acquisition facilities from First Bank of Nigeria Limited. The reported amount is the principal plus the accrued interest less payments during the period. The collateral for the loan from Fidelity Bank are: all-assets, debenture of the Parent Company, Corporate Guarantee of Calvados Global Services Limited, Personal Guarantee of the Chairman and domiciliation of all the Company's receivables account to Fidelity bank while the facility subsists.		

GEREGU POWER PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

	31-Mar-23	31-Dec-22
	N'000	N'000
23. Bond Payable		
At 1 January	42,569,172	-
Addition	-	40,085,000
Interest	1,433,176	2,484,172
Repayment	<u>(2,837,090)</u>	<u>-</u>
	<u>41,165,258</u>	<u>42,569,172</u>
Non-current	40,085,000	40,085,000
Current	<u>1,080,258</u>	<u>2,484,172</u>
	<u>41,165,258</u>	<u>42,569,172</u>

- 23.1** In July 2022, the company issued N40.085billion unsecured corporate bond for a 7-year tenor and at a coupon and effective interest rate of 14.5% and 14.70% respectively.

The net proceeds would be used to finance the acquisition of one of the power generation companies which is currently in the final stage of bidding processes by the Bureau of Public Enterprises (BPE).

Borrowings are initially measured at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption values is recognised in the statement of profit or loss over the years of the borrowings using the effective interest method. The carrying values of borrowings approximate their fair value.

The issuer's covenants include the below clauses amongst other:

The Issuer covenants that for so long as any of the Series 1 Bonds remain outstanding in any year, no dividends, distributions or other payments shall be made to the Shareholders of the Issuer in that year, unless the Issuer has fully discharged its payment obligations under this Deed to the Bondholders in respect of that year

The Issuer covenants with the Trustees that until such time when all outstanding Bonds have been fully redeemed and the Issuer's liability has been discharged, it shall not without the prior written consent of the Trustees (such consent not to be unreasonably withheld, delayed or conditioned) borrow or raise funds or procure any person to borrow or raise funds on its behalf, by any means whatsoever except by the issuance of bonds under the Programme Trust Deed or this Series Trust Deed.

GEREGU POWER PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

24. Cash generated from operating activities

	31-Mar-23 N'000	31-Mar-22 N'000
Cash flows from operating activities		
Profit for the period	3,548,226	5,503,087
Adjustment for non-cash operating items:		
Foreign exchange gain	(1,630)	-
Depreciation of property, plant and equipment	680,527	1,034,088
Amortization of intangible assets	1,629	1,629
Return on employee benefits planned assets re-invested	(4,020)	(1,613)
Interest Income	(2,715,738)	(31,089)
Interest Expense	3,141,943	318,738
Impairment loss on financial assets	-	76,467
Impairment on inventory no longer required	-	(1,641)
Current service costs	16,418	12,694
Deferred tax charged(abatement)	(77,755)	-
Income taxes	1,894,927	2,650,238
Cash from Operating activities before working capital changes	<u>6,484,532</u>	<u>9,562,598</u>

25. Financial Instruments

25.1 Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was:

	31-Mar-23 N'000	31-Dec-22 N'000
Cash and cash equivalents (Note 18)	45,771,106	51,631,751
Trade and other receivables (Note 16)	<u>66,291,173</u>	<u>76,944,928</u>
	<u>112,062,279</u>	<u>129,580,645</u>

The aging of trade and other receivables at the reporting date was:

0-2 months	9,245,713	7,097,976
2-3 months	4,124,225	254,600
3-6 months	4,449,822	1,484,632
6-12 months	35,583,750	49,793,368
More than 12 months	<u>12,887,663</u>	<u>18,314,352</u>

25.2 Market risk

Foreign exchange exposure

Bank balances denominated in other currencies

	6,889	7,892
	<u>6,889</u>	<u>7,892</u>

**GEREGU POWER PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

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Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount N'000	Contractual cash flows N'000	6 months or less N'000	6-12 months N'000	1-2 years N'000	2-5 years N'000	More than 5 years N'000
31-Mar-23							
Non-derivative financial liabilities							
Medium term bond	41,165,258	67,706,287	2,930,049	2,882,276	5,820,331	37,127,892	18,945,740
Secured bank loans	34,083,557	45,195,732	1,550,658	6,165,680	15,827,124	21,652,270	-
Trade and other payables	35,016,298	35,016,298	5,462,058	7,177,832	13,023,485	9,352,922	-
	110,265,113	147,918,317	9,942,765	16,225,788	34,670,940	68,133,084	18,945,740
31-Dec-22							
Non-derivative financial liabilities							
Secured bank loans	9,280,821	9,280,821	475,884	2,339,004	1,518,259	4,947,674	-
Trade and other payables	30,417,393	30,417,393	13,008,554	12,903,692	1,071,340	2,867,618	593,577
	39,698,214	39,698,214	13,484,438	15,242,696	2,589,600	7,815,292	593,577

It is not expected that the cash flows included in the analysis could occur significantly earlier, or at significantly different amounts.

GEREGU POWER PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

	31-Mar-23	31-Mar-22
	N'000	N'000
27. Transactions with key management personnel		
27.1 Directors emoluments	1,450	650
Chairman	1,000	1,000
Directors	800	800
Executive Directors are not entitled to and do not get paid directors fees:		
Directors earned fees in the following ranges:		
N	-	N
250,000	-	800,000
801,000	-	1,000,000

	Number	Number
	6	2
	1	1
	7	1

27.2 Key management personnel and compensation

The company has 130 employees as at 31 March 2023 (31 March 2022: 126 employees)

	31-Mar-23	31-Mar-22
Chief Executive Officer	Akin Akinfemiwa	Akin Akinfemiwa
Deputy Chief Executive	JB Omodayo-Owotuga	JB Omodayo-Owotuga
Chief Technical Officer	Ezeh Ferdinand	Ezeh Ferdinand
Chief Financial Officer	Ganiyu Lamidi Adisa	Ganiyu Lamidi Adisa
General Counsel & Chief Compliance Officer	Akinleye Olagbende	Akinleye Olagbende
Head, Business Assurance	Iyimola Akinbola	Iyimola Akinbola

Key management of the company are the Six management staff stated above.

Key management personnel compensation comprised:

Short - term employee benefits:

Short - term employee benefits:

	31-Mar-23	31-Mar-22
	N'000	N'000
	89,091	89,091
	89,091	89,091

Post-employment benefits:

Defined contribution to compulsory pension fund scheme
 Defined benefit gratuity scheme

	4,975	4,975
	7,424	7,424
	101,490	101,490

Staff numbers and costs:

The average number of persons employed (excluding Directors) in the Company during the year were as follows:

Management
 Senior
 Junior

	Number	Number
	12	12
	47	45
	72	69
	131	126

27.3 The table below shows the number of employees of the Company (other than Directors) who earned over N1,000,000 during the period and which fell within the bands stated below:

GEREGU POWER PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

N	N	31-Mar-23 Number	31-Mar-22 Number
1 -	1,000,000	16	13
1,000,001 -	2,000,000	58	58
2,000,001 -	4,000,000	26	24
4,000,001 -	8,000,000	15	15
8,000,001 -	and above	16	16
		131	126

28. Related party transactions

The aggregate value of transactions and outstanding balances relating to these entities were as follows:

Name of entity	Nature of transaction	Relationship	Transaction value during the period		Balance outstanding as at:	
			31-Mar-23 N'000	31-Dec-22 N'000	31-Mar-23 N'000	31-Dec-22 N'000
Receivables from Amperion Power	Loan	Parent	1,132,267	30,145,736	39,631,170	59,471,767
Amperion Power	Dividend	Parent	1,132,267	30,145,736	39,631,170	59,471,767
			(17,470,540)	(21,000,000)	(17,470,540)	(21,000,000)
Other Related Party	Advances			27,136		27,136
			(16,338,273)	9,172,872	22,160,630	38,498,903

28.1 Included in the related balance of N22.16billion was N16 billion loan taken (31 March 2022:N22.32billion) on behalf of Amperion Power Distribution Company Limited which is at no cost to Geregu Power Plc.

29. Contractual commitments

The next major overhaul is estimated to cost N20billion, 50% of the estimated costs will be financed from the cash generated from operations while the balance would be through debt. The sum of N6.67billion is still being used as cash collateral for the Letter of Credit established for the next gas turbines major overhaul after 41% LC down payment.

30. The Company is not subjected to claim and other liabilities from litigation and legal action arising from ordinary course of business as at 31 March 2023, (31 March 2023: Nil). Based on legal advice, the Directors are of the opinion that the Company has a good defence against these claims, and that no material loss is anticipated to arise therefrom.

31. Events after the financial position date

The sum of N2,513,435,340.05 was paid directly to gas suppliers on behalf of Geregu Power Plc on 20 April 2023 by the Gas Aggregation Company Nigeria (GACN) being part of the reported trade receivables and trade payables.

The sum of N349,739,558.74 was also received on 22 April 2023 from the Nigerian Bulk Electricity Trading Plc (NBET) being part of the reported trade receivables.

No other event or transaction has occurred since the reporting date, which could have had a material effect on these financial statements at that date or which needs to be mentioned in these financial statements in the interest of fair presentation of the Company's financial position at the reporting dates or its results for the period then ended.

Other National Disclosures

GEREGU POWER PLC
INTERIM STATEMENTS OF VALUE ADDED
FOR THE PERIOD ENDED 31 MARCH 2023

	Notes	31-Mar-23 N'000	31-Mar-22 N'000	%
Turnover	6	14,230,481	18,537,227	
Other income	8	1,630	1,641	
Finance income	10.1	2,715,738	31,089	
		16,947,848	18,569,957	
Brought in material and services - local		(10,494,542)	(5,538,759)	
Value added		6,453,306	13,031,199	100
Applied as follows:				
To pay employees:				
Salaries, welfare and staff retirement benefits	9.2	405,752	260,051	2
To pay Government:				
Taxation	11.1	1,817,172	2,650,238	20
To provide for replacement of assets:				
- Depreciation of property plant and equipment	7	682,156	4,617,823	35
- Profit for the period	12.1	3,548,226	5,503,087	42
Value added		6,453,306	13,031,199	100

Value added represents the additional wealth created by the Company during the period. This statement shows the allocation of that wealth among employees, shareholder, capital providers, and that retained for the future creation of more wealth.

GEREGU POWER PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

For management use only

GEREGU POWER PLC
DETAILED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2023

	3 Months Ended 31-Mar-23	3 Months Ended 31-Mar-22	Year Ended 31-Dec-22
	N'000	N'000	N'000
Revenue	14,230,481	18,537,227	47,619,370
Cost of sales	(7,246,238)	(9,230,084)	(24,478,476)
Gross profit from operation	6,984,243	9,307,143	23,140,894
Impairment loss on financial assets	-	(76,467)	(3,727,473)
Other income	1,630	1,641	157,253
Net finance cost	(426,206)	(287,649)	348,157
Gross profit and other incomes	6,559,667	8,944,668	19,918,831
Administrative expenses			
Repair and maintenance of plant and machinery	60,122	38,979	212,321
Energy import and regulatory charges	5,767	2,224	24,008
Personnel cost (Note 9.1)	405,752	260,051	2,138,068
Depreciation expenses	105,173	67,938	302,611
Amortization expenses	1,629	1,629	6,515
Plant and machinery insurance	113,792	83,051	332,205
Postages, printing and stationery	8,779	2,045	9,102
Rent and rates	24,599	44,716	55,448
Other repairs and maintenance expenses	30,473	8,285	60,993
Telephone and internet expenses	15,320	18,612	83,829
Legal and listing expenses	11,188	-	180,254
Public relations, promotions and advertisement	9,411	11,878	100,329
Transport, travel costs and entertainment	159,836	73,157	438,619
Annual General Meeting Expenses	56,390	-	-
Cleaning, safety and security expenses	52,233	53,021	224,109
Audit fees	8,750	8,750	35,000
Board meeting expenses	2,100	-	27,525
Professional and consultancy fees	102,125	93,910	418,996
Other insurance expenses	15,787	8,120	40,250
Bank charges	3,592	10,320	55,110
Directors' fees and allowances	1,450	650	5,067
Foreign exchange Loss	-	4,007	-
	1,194,269	791,343	4,750,360
Profit before taxes	5,365,398	8,153,325	15,168,471
Income tax expense	(1,817,172)	(2,650,238)	(4,997,017)
Total comprehensive income for the period	3,548,226	5,503,087	10,171,454



GEREGU
POWER PLC

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