MTN Nigeria Communications Plc

Audited consolidated and separate financial statements
for the year ended 31 December 2023
Together with Directors' and Auditor's Reports

Corporate Information

Registered Company Number 395010

Directors

Names	Nationality	Position
Dr. Ernest Ndukwe, OFR	Nigerian	Chairman
Mr. Karl Toriola	Nigerian	Chief Executive Officer
Mr. Muhammad K. Ahmad, OON	Nigerian	Independent Non-Executive Director
Mr. Michael Ajukwu	Nigerian	Independent Non-Executive Director
Mr. Andrew Alli	Nigerian	Non-Executive Director
Mr. Rhidwaan Gasant	South African	Independent Non-Executive Director
Dr. Omobola Johnson	Nigerian	Non-Executive Director
Mr. Modupe Kadri	Nigerian	Executive Director
Mr. Abubakar B. Mahmoud, SAN OON	Nigerian	Non-Executive Director
Ms. Tsholofelo Molefe	South African	Non-Executive Director
Mr Ferdinand Moolman	South African	Non-Executive Director
Mr. Mazen Mroue	Lebanese	Non-Executive Director
Mr. Ralph Mupita	South African	Non-Executive Director
Mrs. Ifueko M. Omoigui Okauru, MFR	Nigerian	Non-Executive Director
Mr. Jens Schulte-Bockum	German	Non-Executive Director

Registered office
4 Aromire road,
Off Alfred Rewane
Ikoyi Lagos

Holding company
MTN International (Mauritius) Limited
incorporated in the Republic of Mauritius

Auditor
Ernst & Young Nigeria
10th & 13th floors
UBA House
Marina
Lagos

Company Secretary
Uto Ukpanah

Registrar
Coronation Registrars Limited
9 Amodu Ojikutu Street
Victoria Island, Lagos

Tax Identification Number
00969009-0001

Contents

Financial highlights

	Notes	2023 N million	2022 restated* N million	% Change
Revenue	10	2,468,847	2,012,272	22.7
Operating profit		773,660	734,164	5.4
Net foreign exchange losses	13	(740,434)	(81,822)	804.9
(Loss)/profit before taxation		(177,886)	518,823	(134.3)
(Loss)/profit for the year attributable to the owners of the company		(133,841)	351,382	(138.1)
Share capital	28	420	407	3.2
Total equity attributable to the owners of the company		(45,404)	261,097	(117.4)
Basic and diluted (loss)/earnings per share (N)**	46.1	(6.38)	16.76	(138.1)
Net (liabilities)/assets per share (N)**		(2.17)	12.45	(117.4)
Stock Exchange Information				
Dividend per share (DPS): - Interim (N)	46.2	5.60	5.60	-
Dividend per share (DPS): - Final (N) (proposed)	46.2	-	10.00	(100.0)
Market price per share as at year end (N)		264.00	215.00	22.8
Market capitalisation as at year end		5,542,944	4,376,325	26.7
Number of shares issued and fully paid as at year end (millions)	28.1	20,996	20,355	3.1

**Restated to reflect the changes in number of shares, see note 28.

The financial highlights reflect Group numbers only.

*See note 56

Directors' report

The directors present their report on the affairs of MTN Nigeria Communications Plc and its subsidiaries (the Group), together with the financial statements and independent auditors' report for the year ended 31 December 2023.

Principal activities of the Group

MTN Nigeria Communications Plc (MTN Nigeria or the Company) was incorporated on November 8, 2000 as a private limited liability company. It was granted a licence by the Nigerian Communications Commission on 09 February 2001 to undertake the business of building and operating GSM Cellular Network Systems and other related services nation-wide in Nigeria. The Company commenced operations on 08 August 2001 (commercial launch date). Currently, the Company holds a Unified Access Service License (UASL).

The Company re-registered as a public limited company, MTN Nigeria Communications Plc on 18 April 2019 and listed by introduction on the Premium Board of the Nigerian Stock Exchange on 16 May 2019.

The registered office address of the Company is 4, Aromire Road, Off Alfred Rewane, Ikoyi Lagos. The principal place of business is MTN Plaza, Falomo, Ikoyi, Lagos.

The Group's subsidiaries are XS Broadband Limited, Visafone Communications Limited, Yello Digital Financial Services Limited and MoMo Payment Service Bank Limited. The subsidiaries principal activities are the provision of broadband fixed wireless access service, high quality telecommunication services and mobile financial services in Nigeria.

The Nigerian Communication Commission (NCC) on 5 April 2019, granted Visafone Communications Limited (Visafone) the approval to transfer its 800mHz license and spectrum to MTN Nigeria Communications Plc. On 24 July 2019, the Board of Visafone approved the voluntary winding down of Visafone Communication Limited. The final general meeting of the Company was held on 5 October 2020 whereby the account of the winding up of the Company was approved. The process for the transfer and liquidation is currently on-going.

Business review

The Group recorded revenue of N2.47 trillion (2022: N2.01 trillion) and a loss after tax of N137.02 billion (2022: profit N348.73 billion) for the year.

Operating results and dividends

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

	Note(s)	2023 N million	2022 restated* N million
Revenue		2,468,847	2,012,272
Operating profit		773,660	734,164
(Loss)/profit before taxation		(177,886)	518,823
Income tax credit/(expense)	17	40,865	(170,096)
(Loss)/profit for the year		**(137,021)**	**348,727**
(Loss)/profit attributable to the owners of the company		**(133,841)**	**351,382**
(Loss)/profit before taxation has been arrived at after charging:			
Depreciation of property and equipment	18	231,540	180,853
Depreciation of right of use assets	19	118,296	101,394
Amortisation of intangible assets	20	79,033	53,955
Employee costs	14	65,002	45,080
Other operating expenses	15	139,884	104,626
Finance costs	12	236,927	147,287
Net foreign exchange loss*	13	740,434	81,822

Net foreign exchange loss*

The Group generated a loss before tax of N177.9 billion during the year ended 31 December 2023 (year ended 31 December 2022: profit before tax of N518.8 billion). This was significantly due to operational changes to the Nigerian Foreign exchange market, including the abolishment of the segmented/parallel structure announced by CBN in June 2023. Prior to the abolishment, the Nigerian Autonomous Foreign Exchange Market (NAFEM) rate as at 30 May 2023 was N464.67/$1, however, subsequent to the devaluation, the NAFEM rate as at 30 June 2023 was N769.25/$1. After this the Naira further depreciated to N907.11/$1 as at 31 December 2023.

Dividend

During the year ended 31 December 2023, N320.86 billion (31 December 2022: N288.19 billion) dividend was approved and paid as follows:

- 31 December 2022 final dividend: N203.38 billion
- 30 June 2023 interim dividend: N117.48 billion

On 27 July 2023, the Board of Directors approved interim dividends of N117.48 billion for the year ended 31 December 2023 (Interim 2022: N113.99 billion). The interim dividend were paid out of interim profit made during the same period and represents N5.60 kobo per ordinary share on the issued share capital of 21 billion ordinary shares of 2 kobo each for the period ended 30 June 2023.

Given the significant currency devaluation and its impact on the retained earnings, the Directors will not be recommending a final dividend payment, in view of the resulting loss for the year ended 31 December 2023.

Unclaimed dividends

In line with SEC guidelines, Coronation Registrars Limited returned to the Group the sum of N381.5 million unclaimed dividend during the year ended 31 December 2023 (31 December 2022: N632 million). Replenishment notices from registrars amounting to N657.5 million were received and honoured during the period (2022: N193 million). The total amount of unclaimed dividends outstanding as at 31 December 2023 is N1.38 billion (31 December 2022: N1.13 billion).

Scrip issue

At the Annual General Meeting held on 18 April 2023, the shareholders approved a final dividend of N10.00k per share for the year ended 31 December 2022 and a Scrip Dividend Plan. A scrip dividend is an alternative form of shareholder return to a cash dividend. The option allowed shareholders who submitted scrip dividend election forms by the deadline of 11 April 2023, to receive new ordinary shares of the company instead of cash dividend.

Upon the conclusion of the election period, shareholders elected to receive a total number of 641,047,053 scrip dividend shares. The Corporate Affairs Commission (CAC) authorised the increase of the Company share capital to accommodate the 641,047,053 scrip dividend shares. Those shares were subsequently approved and registered by the Securities and Exchange Commission (SEC).

Value Added Tax (VAT) assessment and recent Tax Appeal Tribunal (TAT) decision

In 2018, the Attorney General of the Federation and Minister of Justice (AGF) demanded approximately US$2 billion in tax arrears from MTN Nigeria. This is to be in respect of Value Added Tax (VAT) assessment for the periods covering 2007 and 2010 – 2017. In 2020, the AGF withdrew from the case and transferred the Form A-related transactions valued at US$1.3 billion to the Federal Inland Revenue Service (FIRS) and the balance to the Nigerian Customs Service (NCS) to resolve the contentious issues. After a series of engagements, the FIRS issued a revised total assessment of US$135.7 million, representing a principal tax liability of US$47.8 million and interest and penalty of US$87.9 million.

To clarify the interpretation of the VAT Act's provisions concerning the tax treatment of the transactions that led to the aforementioned assessments, MTN Nigeria filed an appeal at the Tax Appeal Tribunal (TAT). The transactions in question primarily involve the alleged VAT payable on offshore training services provided to employees of MTN Nigeria, transponder services provided by a non-resident company, and software licensing and upgrades.

On 20 October 2023, the Tax Appeal Tribunal upheld the principal liability of US$47.8 million and set aside the interest and penalty charges of US$87.9 million. Having reviewed this outcome, MTN Nigeria has appealed the decision of the Tribunal while FIRS also appealed the decision of the Tribunal on the interest and penalty charges on the assessment.

Directors' report

Directors and their interests

The directors who served during the year and their direct/ indirect interests in the Group's equity were as follows:	2023 Direct %	2023 Indirect %	2022 Direct %	2022 Indirect %
Dr. Ernest Ndukwe, OFR	0.0008	Nil	0.0008	Nil
Mr. Karl Toriola	0.0195	Nil	0.0104	Nil
Mr. Muhammad K. Ahmad, OON	Nil	Nil	Nil	Nil
Mr. Michael Ajukwu	Nil	Nil	Nil	Nil
Mr. Andrew Alli	0.0004	Nil	0.0005	Nil
Mr. Rhidwaan Gasant	Nil	Nil	Nil	Nil
Dr. Omobola Johnson	0.0011	Nil	0.0011	Nil
Mr. Modupe Kadri	0.0055	Nil	0.0004	Nil
Mr. Abubakar B. Mahmoud, SAN OON	Nil	Nil	0.0014	Nil
Ms. Tsholofelo Molefe	Nil	Nil	Nil	Nil
Mr. Ferdinand Moolman	Nil	Nil	Nil	Nil
Mr. Mazen Mroue	Nil	Nil	Nil	Nil
Mr. Ralph Mupita	Nil	Nil	Nil	Nil
Mrs. Ifueko M. Omoigui Okauru, MFR	Nil	Nil	Nil	Nil
Mr. Jens Schulte-Bockum	Nil	Nil	Nil	Nil

Directors' interest in contracts

None of the directors have notified the Group for the purpose of Section 303 of the Companies and Allied Matters Act of Nigeria (CAMA) 2020, of any declarable interest in contracts in which the Group is involved.

Shareholders and their interest as at 31 December 2023

Share range	Number of shareholders	% of shareholders	Number of holdings	% of shareholdings
1 - 10,000	132,530	94.7035	83,606,415	0.40
10,001 - 50,000	5,024	3.5901	98,414,791	0.47
50,001 - 100,000	883	0.6310	59,651,643	0.28
100,001 - 500,000	1,035	0.7396	217,519,618	1.04
500,001 - 1,000,000	168	0.1200	118,625,486	0.57
1,000,001 - 5,000,000	191	0.1365	421,645,596	2.01
5,000,001 - 10,000,000	48	0.0343	334,272,018	1.59
10,000,001 - 50,000,000	47	0.0336	905,309,860	4.31
50,000,001 - 100,000,000	5	0.0036	328,710,342	1.57
100,000,001 - 500,000,000	8	0.0057	1,630,061,458	7.76
500,000,001 - 1,000,000,000	2	0.0014	1,388,256,875	6.61
1,000,000,001 - above	1	0.0007	15,409,486,001	73.39
	139,942	**100**	**20,995,560,103**	**100**

Substantial interest in shares

As at 31 December 2023, MTN International (Mauritius) Limited with total interest of 73.39% (2022: 72.83%) held more than 5% of the issued share capital of the Company.

The net increase in MTN International (Mauritius) Limited shares was due to the scrip share option elected and received in lieu of cash dividend payable as at December 2022 (see note 28.3) and the transfer of ordinary shares being incentive given during the offer for sale of MTN International (Mauritius) Limited shares. The incentive was in the form of 1 bonus ordinary share for every 20 ordinary shares purchased (581,194,533 shares), allotted and held (unsold) as at 31 December 2022 up to a maximum of 250 bonus ordinary shares per investor. A total of 3,977,418 ordinary shares were transferred to various investors after approval by the Securities & Exchange Commission (SEC) on 31 January 2023.

Property and equipment

Information relating to changes in property and equipment is given in Note 18 to the audited consolidated and separate financial statements.

Taxation

Company Income Tax, Education Tax and National Information Technology Development Fund Levy due in the prior years have been duly settled in line with the provisions of relevant tax laws.

Directors' report

An aggregate tax credit of N40.87 billion (December 2022: expense of N170.10 billion) has been recognised in the consolidated statement of profit or loss covering the period January to December 2023.

Charitable gifts

No provision was made in the year for donation to MTN Foundation Limited by Guarantee (December 2022: N3.80 billion) as the Group made a loss after taxation. The Foundation, a duly registered charitable entity separate and distinct from the Group has two major portfolios namely National Priority and Youth development that covers: Education, Economic Empowerment and Health.

The Group made no donations to other charitable organisations during the year (December 2022: Nil). In compliance with S.43(2) of Companies and Allied Matters Act of Nigeria 2020, the Group did not make any donations to any political party, political association or for any political purpose.

Employment of differently abled persons

The Group has a policy of fair consideration of job applications by differently abled persons having regard to their abilities and aptitude. The Group's policy prohibits discrimination against differently abled persons in the recruitment, training and career development of its employees. As at the end of the reporting period, the Group had thirty four (34) differently abled persons in employment (31 December 2022: twenty-three (33)).

Employee consultation and training

The Group has a vibrant platform called "Employee Council" through which it engages with its employees on a regular basis and also leverages all communication channels to keep employees informed on business performance.

MTN Nigeria is committed to employee development as a key value proposition through its investment in learning and development opportunities to drive personal development and achievement of business targets. This is achieved by identifying skills gaps and sourcing learning interventions to address them. There are also opportunities for professional development and the pursuit of postgraduate studies for eligible employees.

Health, safety and welfare at work

The Group places a high premium on the health, safety and welfare of its employees in their place of work. To this end, the Group has various forms of insurance policies, including employee compensation scheme (NSITF), employer's liability and group life insurance policies, to adequately secure and protect its employees. The Group also has Safety, Health and Environment (SHE) policies that employees are required to adhere to.

Statutory audit committee

In accordance with the provisions of Section 404(3) of the Companies and Allied Matters Act (CAMA) 2020, the Company's Statutory Audit Committee consist of five (5) members comprising of three (3) shareholders and two (2) non-executive directors as follows:

a) Mr. Nornah Awoh	Shareholders' Representative	Chairman
b) Col. Ayegbeni Peters (rtd)	Shareholders' Representative	Member
c) Mrs. Josephine Ewitat	Shareholders' Representative	Member
d) Mr. Rhidwaan Gasant	Independent Non-Executive Director	Member
e) Mrs. Ifueko M Omoigui Okauru, MFR	Non-Executive Director	Member

All members of the Statutory Audit Committee are financially literate.

Auditor

Messrs Ernst & Young (EY) acted as the Company's independent auditor during the financial year ended 31 December 2023. The independent auditor's report was signed by Funmi Ogunlowo, a partner in the firm, with Financial Reporting Council (FRC) membership number FRC/2013/PRO/ICAN/004/00000000681.

Messrs Ernst & Young (EY) has indicated its willingness to continue in office as auditor in accordance with S.401(2) of the Companies and Allied Matters Act 2020, Laws of the Federation of Nigeria.

By Order of the Board

Uto Ukpanah
Company Secretary
FRC/2014/NBA/00000005748
28 February 2024

Statement of directors' responsibilities to prepare the financial statements

The Directors of MTN Nigeria Communications Plc are responsible for the preparation of the consolidated and separate financial statements that present fairly the financial position of the Group and company as at 31 December 2023, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria (CAMA) 2020 and the Financial Reporting Council of Nigeria Act, No 6, 2011.

In preparing the consolidated and separate financial statements, the Directors are responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- Making an assessment of the group and company's ability to continue as a going concern.

The Directors are responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls of the group and company;
- Maintaining adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company, and which enable them to ensure that the consolidated and separate financial statements of the Company comply with IFRS;
- Maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- Taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- Preventing and detecting fraud and other irregularities.

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 for at least twelve months from the date of this statement.

The consolidated and separate financial statements of the Group and Company for the year ended 31 December 2023 were approved by the directors on 28 February 2024.

Signed on behalf of the Directors of the Group

Dr. Ernest Ndukwe, OFR	Mr. Karl Toriola
Chairman of the Board of Directors	Chief Executive Officer
FRC/2020/003/00000020337	FRC/2021/002/00000022839

Statement of corporate responsibility for financial statements

Section 405 of the Companies and Allied Matters Act (CAMA) 2020 requires the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of a company other than a small company or persons performing similar functions to take direct responsibility for the financial reports and shall certify in the audited consolidated and separate financial statement accordingly.

In pursuant of this Section, the CEO and CFO (hereinafter called "officers") certify that the:

a) Officers who signed the audited consolidated and separate financial statements have reviewed them, and based on the officers' knowledge the:

i. audited consolidated and separate financial statements do not contain any untrue statement of a material fact or omit to state a material fact which would make the statements misleading, in light of the circumstances under which such statements were made; and

ii. audited consolidated and separate financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operations of the group and company as of, and for, the periods covered by the audited consolidated and separate financial statements;

b) Officers who signed the audited consolidated and separate financial statements:

i. are responsible for establishing and maintaining internal controls; and have designed such internal controls to ensure that material information relating to the company, and its subsidiaries, is made known to the officers by other officers of the company, particularly during the period in which the audited consolidated and separate financial statements report is being prepared;

ii. have evaluated the effectiveness of the group and company's internal controls within 90 days prior to the date of the audited consolidated and separate financial statements;

iii. certifies that the group's and company's internal controls are effective as of that date.

c) Officers who signed the audited consolidated and separate financial statements disclosed to the company's auditors and audit committee:

i. all significant deficiencies and material weaknesses in the design or operation of the internal control system which could adversely affect the group's and company's ability to record, process, summarize and report financial data; and has identified for the company's auditors any material weaknesses in internal controls, and

ii. whether or not material, there is any fraud that involves management or other employees who have a significant role in the company's internal control system.

d) Officers who signed the report, has indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Signed on 28 February 2024

Karl Toriola
Chief Executive Officer
FRC/2021/002/00000022839

Modupe Kadri
Chief Financial Officer
FRC/2020/001/00000020737

Statutory audit committee report

For the year ended 31 December 2023

To the members of MTN Nigeria Communications Plc

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act (CAMA) 2020, the members of the Statutory Audit Committee of MTN Nigeria Communications Plc hereby report as follows:

- We have exercised our statutory functions under Section 404(7) of the Companies and Allied Matters Act, 2020 and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

- We are of the opinion that the accounting and reporting policies of the Group are in accordance with legal requirements and agreed ethical practices.

- The scope and planning of both the external and internal audits for the year ended 31 December 2023 were satisfactory and reinforce the Group's internal control systems.

- We have considered the External Auditors management letter for the year and we are satisfied with management's responses to the External Auditor's recommendations and that management has taken appropriate steps to address the issues raised by the Auditors.

- The external auditors confirmed they received necessary cooperation from management in the course of their statutory audit and that the scope of their work was not restricted in any way.

Members of the Statutory Audit Committee that served during the year under review are:

1.	Mr. Nornah Awoh	Shareholders' Representative	Chairman
2.	Col. Ayegbeni Peters (rtd)	Shareholders' Representative	Member
3.	Mrs. Josephine Ewitat	Shareholders' Representative	Member
4.	Mr. Rhidwaan Gasant	Independent Non-Executive Director	Member
5.	Mrs. Ifueko M Omoigui Okauru, MFR	Non-Executive Director	Member

On behalf of the statutory audit committee

Mr. Nornah Awoh
Chairman, Statutory Audit Committee
FRC/2021/003/00000022526
28 February 2024

Statement on internal controls over financial reporting

In compliance with the provisions of section 405 of the Companies and Allied Matters Act, 2020 and, Investment and Securities Act (ISA) 2007 on internal control over financial reporting, the directors, whose names are stated below, hereby certify that:

a) We have reviewed this audited consolidated and separate financial statements of MTN Nigeria Communications Plc for the year ended 31 December 2023;

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

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

d) We also certify that we:
   - are responsible for establishing and maintaining internal controls;
   - have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   - have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   - have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) We have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
   - All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
   - Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.

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

Mr. Karl Toriola
Chief Executive Officer
FRC/2021/002/00000022839

28 February 2024

Mr. Modupe Kadri
Chief Financial Officer
FRC/2020/001/00000020737

28 February 2024

Management's annual assessment of, and report on the entity's internal control over financial reporting

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of MTN Nigeria Communications Plc for the year ended 31 December 2023.

i. MTN Nigeria Communications Plc's management is responsible for establishing and maintaining a system of internal control over financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.

ii. MTN Nigeria Communications Plc's management used the Committee of Sponsoring Organisation of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR.

iii. MTN Nigeria Communications Plc management has assessed that the entity's ICFR as of the end of 31 December 2023 is effective.

iv. MTN Nigeria Communications Plc external auditor Messrs Ernst & Young (EY) that audited the financial statements, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

The attestation report of Messrs Ernst & Young (EY) that audited its financial statements will be filed as part of its annual report.

Dr. Ernest Ndukwe, OFR
Chairman of the Board of Directors
FRC/2020/003/00000020337
28 February 2024

Modupe Kadri
Chief Financial Officer
FRC/2020/001/00000020737
28 February 2024

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Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting

To the members of MTN Nigeria Communications Pie

Scope

We have been engaged by MTN Nigeria Communications Pie to perform a 'limited assurance engagement', based on International Standards on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, herein referred to as the engagement, to report on MTN Nigeria Communications Pie Internal Control over Financial Reporting (ICFR) (the "Subject Matter") contained in MTN Nigeria Communication Pie (the "Company's") Management's Assessment on Internal Control over Financial Reporting as of 31 December 2023 (the "Report").

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

***Criteria applied by* MTN Nigeria Communications Pie**

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

MTN Nigeria Communications Pfc responsibilities

MTN Nigeria Communications Pie management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying MTN Nigeria Communications Pie *management's assessment of the Internal Control over Financial reporting as of 31 December 2023* in accordance with the criteria.

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Our responsibilities

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

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

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA code) and have the required competencies and experience to conduct this assurance engagement. We also apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements,* which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Description of procedures performed.

The procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provides a basis for our report on the internal control put in place by management over financial reporting.

Conclusion

In conclusion, nothing has come to our attention to indicate that the internal control over financial reporting put in place by management is not adequate as of 31 December 2023, based on the requirements of Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal Control Over Financial Reporting.

Other Matter

We also have audited, in accordance with the International Standards on Auditing, the annual report for the year ended 31 December 2023 of MTN Nigeria Communications Pie and our report dated 29 February 2024 *of report, which should be the same as the date of the report on the effectiveness of internal control over financial reporting* and we expressed an unmodified opinion. Our conclusion is not modified is respect of this matter.

Funmi Ogunlowo, FCA
FRC/2013/PRO/ICAN/004/00000000681
For Ernst & Young
Lagos, Nigeria
29 February 2024

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Independent Auditor's Report

To the Members of MTN Nigeria Communications Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of MTN Nigeria Communications Plc ("the Company) and its subsidiaries (together 'the Group") ,which comprise the consolidated and separate statements of financial position as at 31 December 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 31 December 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

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Independent Auditor's Report

To the Members of MTN Nigeria Communications Plc

Key Audit Matters-Continued

<table>
<tr><th>Key Audit Matters</th><th>Our Responses</th></tr>
<tr><td>Revenue recognition
Included in revenue of N 2.47 trillion for the year ended 31 December 2023, is revenue from network services of N2.12 trillion. The revenue from this source represents over 82% of total revenue of the Group.

There is a risk associated with recognizing revenue from this source by the telecommunication industries due to the complexity of the processes, systems, and the impact of changing pricing models (tariff structures, incentive arrangements, discounts etc).

The application of accounting standards to revenue recognition involves a number of key judgements and estimates, most especially within the Network Service Revenue (Voice, Data and SMS). These judgments include:
• Bundled products where revenue arrangements involve more than one good or service being provided to the customer, consideration is allocated between the goods and services using estimated standalone selling prices (SASP); and
• Timing of satisfaction of performance obligations as direct output used to recognize revenue over a period of time.

Revenue recognized from network services is designated a key audit matter as a result of the complexity of the billing systems, estimation involved, and controls established in the revenue estimation.

Refer to:
• Note 9.7 – Critical accounting judgements - Timing of satisfaction of performance obligations.
• Note 9.11 – Critical accounting judgements – Contract Liabilities
• Note 8 – Segment information.
• Note 10 – Revenue</td><td>Our audit procedures in response to the key audit matter included, among others:

‣We evaluated the design and operating effectiveness of controls over the occurrence and measurement of revenue transactions, including evaluating the relevant IT systems used in capturing the revenue.

‣We examined the process and controls over the captured and assessment of the timing of revenue recognized for new products and plans, as well as performed testing of a sample of new plans to supporting evidence.

‣We tested the IT environment in which billing, rating and other relevant support systems reside, including the change control procedures in place around systems that bill network service revenue stream.

‣We tested the end-to-end reconciliation from business support systems to billing and rating systems to the general ledger. This testing included validating material journals processed between the billing system and general ledger.

‣We performed tests on the accuracy of customer bill generation on a sample basis and testing of a sample of the credits and discounts applied to customer bills.
‣We tested a sample of tariff set up and rate changes in the intelligent network (IN) for Network Services

‣For Network revenue, we tested a sample of call record, to validate and test the accuracy of revenue and the resolution of exceptions in addition to performing independent call to check the setup of rates

‣ We performed detailed analytical review to gain an understanding of the reason for the movement in the network service revenue when compared with prior year.

‣ We performed revenue assurance procedures by testing the application controls on revenue recognized in the prepaid platform.</td></tr>
</table>

Key Audit Matters-Continued

Key Audit Matters	Our Responses`
Remeasurement of Lease Liabilities of certain US$ indexed Tower leases The Group reported right of use assets of N478.8 billion, lease liabilities of N1 trillion and exchange losses to the leases of N 367.4 billion. For the past several years, MTN Nigeria Communications PLC ("MTNN") have entered various tower infrastructure lease arrangements. The lease consideration generally comprised of Naira and US$-derived components, which were invoiced and settled in Naira. During the year, management identified that the US$-derived portion of the lease liabilities (monetary items) was not correctly remeasured in accordance with IFRS 16 and IAS 21 as the lease model from inception was accounted for in Naira and not US Dollars. In 2016 and 2020, some of the contracts were amended, which impacted the tenor of the leases with extended renewal options. In the current year, management concluded that in accordance with IFRS 16, legal reviews of contractual rights and obligations, and previous MTNN board resolutions of 2021, it was reasonably certain that the options to extend the lease would not be exercised and the lease term should have been reassessed in 2021. Management restated the opening balance in aggregate by N25.60 billion unrealized forex loss which are non-cash items and N36.02 billion deferred tax asset with N73.14 billion retained earnings. The audit team consider this as a key audit matter due to the significant time incurred analysing and interpreting the contractually enforceable rights and obligations and the complexity in the interpretation of the relevant laws and regulations, and the magnitude of the amounts in the financial statements.	**Our audit procedures in response to the key audit matter included, among others:** ▸ With the involvement of our legal team, we reviewed the lease contracts to determine whether the correct interpretation was given to the term, pricing, and enforceability of the contractual obligations to MTNN ▸ We performed a review of management's accounting and legal opinions to support the treatment given to the terms of the contract. ▸We reviewed the company's internal control process over the determination of the closing spot exchange rate used for translating the foreign currency denominated portion of the lease liabilities as at the reporting date. ▸ We reviewed the lease liability schedule provided by MTNN and performed a re-computation along with assessing the validity of the input parameters to ensure that the remeasurement of the lease term is correctly accounted for in line with the requirement of IFRS 16., as well as US$ indexed Tower leases liabilities were correctly remeasured for foreign currency exposures using the prevailing closing rate as at 31 December 2023 in line with the requirement of IAS 21. ▸ We assessed the tenor of leases to the extent that the lessee is reasonably certain not to exercise that option to renew contracts in accounting for the lease term. ▸ We assessed the completeness of the Group's disclosures in respect right of use assets, lease liabilities and required restatements in terms of International Financial Reporting Standards ("IFRS").

Refer to: • Note 5.7.4 - Significant judgement in determining the lease term of contracts with renewal options. • Note 9.5 – Critical judgements and estimates - Extension of lease option. • Note 19 - Right of use assets. • Note 38 – Lease liabilities. • Note 56 - Restatement of lease liability	

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "MTN Nigeria Communications Plc Audited Consolidated and Separate Financial Statements for the year ended 31 December 2023", which includes the Report of the Directors, Statutory Audit Committee Report, Statement of Corporate Responsibility For the Consolidated and Separate Financial Statements, Statement of Directors' Responsibilities in relation to the preparation of the Consolidated and Separate Financial Statements and Other National Disclosures. Other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate 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 consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

Independent Auditor's Report

To the Members of MTN Nigeria Communications Plc

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's and 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 Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 consolidated and separate 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 auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.

Independent Auditor's Report

To the Members of MTN Nigeria Communications Plc

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

– Continued

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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Independent Auditor's Report

To the Members of MTN Nigeria Communications Plc

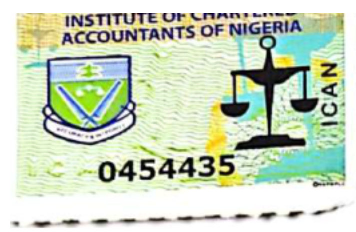
- The consolidated and separate statements of financial position, the consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account; and

- In our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 so as to give a true and fair view of the state of affairs and financial performance of the Company and its subsidiaries.

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

We performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of December 31, 2023. The work performed was done in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an unmodified conclusion in our report dated 29 February 2024. That report is included on page 13-14 of the financial statements.

Funmi Ogunlowo, FCA
FRC/2013/PRO/ICAN/004/00000000681
For Ernst & Young
Lagos, Nigeria
29 February 2024



Consolidated and separate statement of profit or loss

		Group		Company	
	Note(s)	2023 N million	2022 restated* N million	2023 N million	2022 restated* N million
Revenue	10	2,468,847	2,012,272	2,472,473	2,011,935
Direct network operating costs	16	(650,500)	(456,253)	(650,210)	(456,252)
Value added services		(28,374)	(25,551)	(28,367)	(25,551)
Costs of starter packs, handsets and accessories		(30,293)	(21,250)	(30,293)	(21,250)
Interconnect costs		(159,542)	(146,169)	(159,542)	(146,169)
Roaming costs		(8,855)	(7,049)	(8,855)	(7,049)
Transmission costs		(11,120)	(7,969)	(11,120)	(7,969)
Discount and commissions		(121,846)	(96,001)	(117,066)	(93,496)
Advertisements, sponsorships and sales promotions		(50,902)	(31,958)	(28,999)	(24,191)
Employee costs	14	(65,002)	(45,080)	(60,462)	(43,524)
Other operating expenses	15	(139,884)	(104,626)	(147,467)	(89,739)
Depreciation of property and equipment	18	(231,540)	(180,853)	(231,540)	(180,853)
Amortisation of intangible assets	20	(79,033)	(53,955)	(72,289)	(48,636)
Depreciation of right of use assets	19	(118,296)	(101,394)	(118,296)	(101,394)
Operating profit		**773,660**	**734,164**	**807,967**	**765,862**
Finance income	11	25,815	13,768	24,753	12,763
Finance costs (a)	12	(236,927)	(147,287)	(236,604)	(147,287)
Net foreign exchange loss (a)	13	(740,434)	(81,822)	(740,358)	(81,822)
(Loss)/profit before taxation		**(177,886)**	**518,823**	**(144,242)**	**549,516**
Tax credit/(expense)	17	40,865	(170,096)	39,732	(179,305)
(Loss)/profit for the year		**(137,021)**	**348,727**	**(104,510)**	**370,211**
(Loss)/profit attributable to:					
Owners of the company		(133,841)	351,382	(104,510)	370,211
Non-controlling interest		(3,180)	(2,655)	-	-
		(137,021)	**348,727**	**(104,510)**	**370,211**
(Loss)/earnings per share - basic/diluted (N) (b)	46.1	(6.38)	16.76	(4.98)	17.66

(a) 2022 numbers were impacted by reclassification, see note 52.
(b) Restated to reflect the changes in number of shares, see note 28.1.

The accompanying notes form an integral part of the audited consolidated and separate financial statements.

*See note 56

Consolidated and separate statement of other comprehensive income

		Group		Company	
	Note(s)	2023 N million	2022 restated* N million	2023 N million	2022 restated* N million
(Loss)/profit for the year		**(137,021)**	**348,727**	**(104,510)**	**370,211**
Other comprehensive (loss) /income:					
Items that will not be reclassified to profit or loss (net of taxation):					
Remeasurement (loss)/gain on employee benefits	31.1	(79)	174	(79)	174
Items that may be reclassified to profit or loss (net of taxation):					
Fair valuation (loss)/gain on investments at FVOCI (a)	31.1	(884)	605	(877)	605
Other comprehensive (loss)/income for the year net of taxation		**(963)**	**779**	**(956)**	**779**
Total comprehensive (loss)/income		**(137,984)**	**349,506**	**(105,466)**	**370,990**
Total comprehensive (loss)/income attributable to:					
Owners of the company		(134,804)	352,161	(105,466)	370,990
Non-controlling interest		(3,180)	(2,655)	-	-
		(137,984)	**349,506**	**(105,466)**	**370,990**

(a) Fair valuation (loss)/gain on investments designated at fair value through other comprehensive income (FVOCI) is recognised on Federal Government treasury bills and bonds investments net of tax (except for Federal Government bonds).

The accompanying notes form an integral part of the audited consolidated and separate financial statements.

*See note 56

Consolidated and separate statement of financial position as at 31 December 2023

		Group			Company		
	Note(s)	2023 N million	2022 restated* N million	1 January 2022 restated* N million	2023 N million	2022 restated* N million	1 January 2022 restated* N million
Assets							
Non-current assets							
Property and equipment	18	1,095,111	928,357	774,113	1,095,111	928,357	774,113
Right of use assets	19	478,826	475,479	450,665	478,826	475,479	450,665
Intangible assets	20	447,599	335,599	245,558	426,300	314,684	219,324
Investments in subsidiaries	21	-	-	-	100,378	74,328	57,928
Contract acquisition costs	35	7,136	6,602	5,602	7,136	6,602	5,602
Other investments	25	6,632	10,585	10,845	6,632	10,585	10,845
Deferred tax	40	151,362	11,018	3,404	140,777	-	-
Prepayments	24	26,380	10,685	12,340	26,380	10,685	12,340
		2,213,046	**1,778,325**	**1,502,527**	**2,281,540**	**1,820,720**	**1,530,817**
Current assets							
Inventories	23	6,027	3,678	5,310	6,027	3,678	5,310
Trade and other receivables	24	215,414	191,496	127,232	239,692	212,232	135,958
Current investments	25	7,256	20,288	57,664	2,619	17,406	57,664
Restricted cash	26	402,010	196,082	146,188	394,209	194,622	146,188
Cash and cash equivalents	27	345,074	349,500	260,891	315,548	324,244	247,025
		975,781	**761,044**	**597,285**	**958,095**	**752,182**	**592,145**
Total assets		**3,188,827**	**2,539,369**	**2,099,812**	**3,239,635**	**2,572,902**	**2,122,962**
Equity and liabilities							
Equity							
Share capital	28.1	420	407	407	420	407	407
Share premium	29	166,362	17,216	17,216	166,362	17,216	17,216
Other reserves	31.1	701	1,664	885	708	1,664	885
Treasury shares	30	(4,869)	(4,869)	-	(4,869)	(4,869)	-
(Accumulated loss)/retained profit		(208,018)	246,679	183,483	(127,842)	297,524	215,499
Equity attributable to the owners of the company		(45,404)	261,097	201,991	34,779	311,942	234,007
Non-controlling interest		4,560	1,445	-	-	-	-
		(40,844)	**262,542**	**201,991**	**34,779**	**311,942**	**234,007**
Liabilities							
Non-current liabilities							
Borrowings	32	487,817	439,463	340,425	487,817	439,463	340,425
Lease liabilities	38	813,634	591,178	582,331	813,634	591,178	582,331
Deferred tax	40	1,149	57,573	77,063	-	54,828	72,723
Provisions	37	46	43	41	46	43	41
Share based payment liability	50	16,910	8,569	8,547	16,910	8,569	8,547
Employee benefits	39	9,703	6,835	6,685	9,703	6,835	6,685
		1,329,259	**1,103,661**	**1,015,092**	**1,328,110**	**1,100,916**	**1,010,752**

*See note 56

Consolidated and separate statement of financial position as at 31 December 2023

		Group			Company		
	Note(s)	2023 N million	2022 restated* N million	1 January 2022 restated* N million	2023 N million	2022 restated* N million	1 January 2022 restated* N million
Current liabilities							
Trade and other payables	33	707,787	514,892	443,895	693,435	514,206	440,023
Borrowings	32	689,352	250,210	152,835	689,352	250,210	152,835
Lease liabilities	38	190,777	68,838	39,392	190,777	68,838	39,392
Contract liabilities	36	102,796	92,861	72,336	102,414	92,479	71,954
Current tax payable	42	157,971	199,959	144,163	157,669	199,687	143,891
Provisions	37	28,216	42,087	29,736	27,187	31,562	29,736
Derivatives	22	15,912	3,062	372	15,912	3,062	372
Deposit held for MoMo customers	34	7,601	1,257	-	-	-	-
		1,900,412	**1,173,166**	**882,729**	**1,876,746**	**1,160,044**	**878,203**
Total liabilities		**3,229,671**	**2,276,827**	**1,897,821**	**3,204,856**	**2,260,960**	**1,888,955**
Total equity and liabilities		**3,188,827**	**2,539,369**	**2,099,812**	**3,239,635**	**2,572,902**	**2,122,962**

The audited consolidated and separate financial statements were approved by the Board of Directors on the 28 February 2024 and were signed on its behalf by:

Dr. Ernest Ndukwe, OFR
Chairman of the Board of Directors
FRC/2020/003/00000020337

Karl Toriola
Chief Executive Officer
FRC/2021/002/00000022839

Modupe Kadri
Chief Financial Officer
FRC/2020/001/00000020737

The accompanying notes form an integral part of the audited consolidated and separate financial statements.

*2022 numbers have been restated, see note 56.

*See note 56

Consolidated and separate statement of changes in equity

	Notes(s)	Share capital N million	Share premium N million	Total share capital N million	Treasury shares N million	Other reserves N million	Retained profit N million	Total attributable to equity holders of the company N million	Non-controlling interest N million	Total equity N million
Group										
Opening balance as previously reported		407	17,216	17,623	-	885	246,473	264,981	-	264,981
Restatement*		-	-	-	-	-	(62,990)	(62,990)	-	(62,990)
Balance at 1 January 2022 as restated*		**407**	**17,216**	**17,623**	**-**	**885**	**183,483**	**201,991**	**-**	**201,991**
Profit for the year as restated		-	-	-	-	-	351,382	351,382	(2,655)	348,727
Other comprehensive income		-	-	-	-	779	-	779	-	779
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**779**	**351,382**	**352,161**	**(2,655)**	**349,506**
Acquisition of a subsidiary	21	-	-	-	-	-	-	-	4,100	4,100
Purchase of treasury shares		-	-	-	(4,869)	-	-	(4,869)	-	(4,869)
Dividends	28.2	-	-	-	-	-	(288,186)	(288,186)	-	(288,186)
Balance at 31 December 2022 as restated*		**407**	**17,216**	**17,623**	**(4,869)**	**1,664**	**246,679**	**261,097**	**1,445**	**262,542**
Balance at 1 January 2023		**407**	**17,216**	**17,623**	**(4,869)**	**1,664**	**246,679**	**261,097**	**1,445**	**262,542**
Loss for the year		-	-	-	-	-	(133,841)	(133,841)	(3,180)	(137,021)
Other comprehensive loss		-	-	-	-	(963)	-	(963)	-	(963)
Total comprehensive Loss for the year		**-**	**-**	**-**	**-**	**(963)**	**(133,841)**	**(134,804)**	**(3,180)**	**(137,984)**
Additional share issued	28.1, 29	13	149,146	149,159	-	-	-	149,159	-	149,159
Additional share issued by subsidiary		-	-	-	-	-	-	-	6,300	6,300
Dividends	28.2	-	-	-	-	-	(320,856)	(320,856)	-	(320,856)
Balance at 31 December 2023		**420**	**166,362**	**166,782**	**(4,869)**	**701**	**(208,018)**	**(45,404)**	**4,560**	**(40,844)**
Note(s)		28.1	29		30	31				

The accompanying notes form an integral part of the audited consolidated and separate financial statements.

*See Note 56

Consolidated and separate statement of changes in equity

	Notes(s)	Share capital N million	Share premium N million	Total share capital N million	Treasury shares N million	Other reserves N million	Retained profit N million	Total attributable to equity holders of the company N million	Non-controlling interest N million	Total equity N million
Company										
Opening balance as previously reported		**407**	**17,216**	**17,623**	**-**	**885**	**278,489**	**296,997**	**-**	**296,997**
Restatement*		-	-	-	-	-	(62,990)	(62,990)	-	(62,990)
Balance at 1 January 2022 as restated		**407**	**17,216**	**17,623**	**-**	**885**	**215,499**	**234,007**	**-**	**234,007**
Profit for the year as restated*		-	-	-	-	-	370,211	370,211	-	370,211
Other comprehensive income		-	-	-	-	779	-	779	-	779
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**779**	**370,211**	**370,990**	**-**	**370,990**
Purchase of treasury shares		-	-	-	(4,869)	-	-	(4,869)	-	(4,869)
Dividends	28.2	-	-	-	-	-	(288,186)	(288,186)	-	(288,186)
Balance at 31 December 2022 as restated*		**407**	**17,216**	**17,623**	**(4,869)**	**1,664**	**297,524**	**311,942**	**-**	**311,942**
Balance at 1 January 2023		**407**	**17,216**	**17,623**	**(4,869)**	**1,664**	**297,524**	**311,942**	**-**	**311,942**
Loss for the year		-	-	-	-	-	(104,510)	(104,510)	-	(104,510)
Other comprehensive loss		-	-	-	-	(956)	-	(956)	-	(956)
Total comprehensive Loss for the year		**-**	**-**	**-**	**-**	**(956)**	**(104,510)**	**(105,466)**	**-**	**(105,466)**
Additional shares issued	28.1, 29	13	149,146	149,159	-	-	-	149,159	-	149,159
Dividends	28.2	-	-	-	-	-	(320,856)	(320,856)	-	(320,856)
Balance at 31 December 2023		**420**	**166,362**	**166,782**	**(4,869)**	**708**	**(127,842)**	**34,779**	**-**	**34,779**
Note(s)		28.1	29		30	31				

The accompanying notes form an integral part of the audited consolidated and separate financial statements.

*See Note 56

Consolidated and separate statement of cash flows

	Note(s)	Group 2023 N million	Group 2022 restated* N million	Company 2023 N million	Company 2022 restated* N million
Cash flows from operating activities					
Cash generated from operations	43	1,369,821	1,138,142	1,388,957	1,142,073
Finance income received	11	24,554	12,319	24,522	11,314
Finance costs paid (a)*	12	(212,965)	(147,287)	(212,965)	(147,287)
Tax paid	42	(184,507)	(139,511)	(184,507)	(139,511)
Net cash generated from operating activities		**996,903**	**863,663**	**1,016,007**	**866,589**
Cash flows from investing activities					
Acquisition of property and equipment	18.3	(392,997)	(326,736)	(392,997)	(326,736)
Acquisition of right of use assets	19.2	(34,501)	(16,369)	(34,501)	(16,369)
Acquisition of intangible assets	20.5	(165,029)	(132,036)	(165,029)	(132,036)
Proceeds from sale of property and equipment	15.2	1,225	4,582	1,225	4,582
Purchase of contract acquisition costs	35	(5,029)	(4,739)	(5,029)	(4,739)
Increase in restricted cash	26	(200,456)	(48,637)	(200,456)	(48,435)
Purchase of non-current FGN bonds	49.3.3	-	(3,821)	-	(3,821)
Sale of non-current FGN bonds	49.3.3	4,066	4,086	4,066	4,086
Purchase of bonds, treasury bills and foreign deposits	25	(11,943)	(132,691)	(10,170)	(129,809)
Sale of bonds, treasury bills and foreign deposits	25	38,683	170,383	38,683	170,383
Investment in subsidiary	21	-	-	(25,200)	(16,400)
Net cash flows used in investing activities		**(765,981)**	**(485,978)**	**(789,408)**	**(499,294)**
Cash flows from financing activities					
Proceeds from borrowings	32.1	635,825	479,243	635,825	479,243
Repayment of borrowings	32.1	(501,280)	(361,431)	(501,280)	(361,431)
Dividend paid (a)	28.2	(171,697)	(288,186)	(171,697)	(288,186)
Repayment of lease liabilities*	38	(110,103)	(100,709)	(110,103)	(100,709)
Non-controlling interest investment in MoMo PSB		-	1,000	-	-
Net cash flows used in financing activities		**(147,255)**	**(270,083)**	**(147,255)**	**(271,083)**
Net increase in cash and cash equivalents		**83,667**	**107,602**	**79,344**	**96,212**
Cash and cash equivalents at beginning of the year		339,837	261,494	314,581	247,628
Exchange loss on cash and cash equivalents	49.3.3	(78,336)	(19,308)	(78,336)	(19,308)
Cash and cash equivalents at the end of the year	27	**345,168**	**349,788**	**315,589**	**324,532**

(a) 2022 numbers were impacted by reclassification, see note 52.
*2022 numbers have been restated, see note 56.

The accompanying notes form an integral part of the consolidated and separate financial statements.

*See note 56

Notes to the audited consolidated and separate financial statements

1 General Information

MTN Nigeria Communications Plc (the Company) was incorporated on 8 November 2000 as a private limited liability company. The Company was granted a licence by the Nigerian Communications Commission on 9 February 2001 to undertake the business of building and operating GSM Cellular Network Systems and other related services nation-wide in Nigeria. The Company commenced operations on 8 August 2001 (commercial launch date). Currently, the Company holds a Unified Access Service License (UASL) in addition to a 2GHz Spectrum and Digital Terrestrial TV Broadcasting licence, in addition to others shown in note 20.7.

On 18 April 2019, MTN Nigeria Communications Limited re-registered as a public limited company, MTN Nigeria Communications Plc. The Company was listed by introduction on the Premium Board of the Nigerian Stock Exchange on 16 May 2019. The Company's registered office is at 4, Aromire road, off Alfred Rewane Road, Ikoyi Lagos.

MTN Nigeria Communications Plc's subsidiaries are XS Broadband Limited, Visafone Communications Limited, Yello Digital Financial Services Limited and MoMo Payment Service Bank Limited. Their principal activities are the provision of broadband fixed wireless access service, high quality telecommunication services and mobile financial services respectively. The Group's holding company is MTN International (Mauritius) Limited, a company incorporated in the Republic of Mauritius and its ultimate holding company is MTN Group Limited, a company incorporated in South Africa.

In 2022, the Company established a new subsidiary MoMo Payment Service Bank Limited (MoMo PSB). MoMo PSB is licensed by Central Bank of Nigeria (CBN) to facilitate high-volume low-value transactions in remittance services, micro-savings and withdrawal services in a secured technology-driven environment to further deepen financial inclusion in Nigeria. MoMo PSB commenced operations in 2022 and MTNN holds 80% of the voting shares while Axcani Limited holds 20% non-controlling interest.

The principal accounting policies applied in the preparation of these consolidated and separate audited consolidated and separate financial statements are set out below.

2 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and with the requirements of the Financial Reporting Council of Nigeria Act 2011 and Companies and Allied Matters Act of Nigeria (CAMA) 2020.

The Group has adopted all new accounting pronouncements that became effective in the current reporting period, none of which had a material impact on the Group or the Company.

The consolidated and separate financial statements are presented in Naira and rounded to the nearest millions, except where stated otherwise.

The financial statements have been prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the Group will not remain a going concern for at least twelve months from the date of these financial statements.

3 Basis of measurement

The audited consolidated and separate financial statements have been prepared under the historical cost basis except for derivatives measured at fair value and debt instruments measured at fair value through profit or loss and at fair value through other comprehensive income and for the following items which have been measured on an alternative basis on each reporting date:

- Defined benefit obligations at present value of the obligation.
- Shared based transactions at grant date fair value of the equity instrument issued.
- Derivative financial instruments measured at fair value.
- Inventory at lower of cost and net realisable value.
- Lease liabilities at present value of future lease payments.

4 Going concern

The Group's and Company's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Group and Company should be able to operate within their current funding levels. The Directors have outlined in their report a series of measures to address the Group's negative reserves that was brought about due to the massive devaluation of the Naira in the financial year. The directors therefore, have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing the audited consolidated and separate financial statements.

5 Significant accounting policies

The significant accounting policies applied in the preparation of these audited consolidated and separate financial statements are set out below and in the related notes to the audited consolidated and separate financial statements. The policies applied are consistent with those adopted in the prior year unless otherwise stated.

5.1 Consolidation

5.1.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Group and its subsidiaries, XS Broadband Limited, Visafone Communications Limited, Yello Digital Financial Services Limited and MoMo Payment Service Bank Limited companies incorporated in Nigeria. The subsidiaries are wholly owned and controlled by the Group except for MoMo PSB which is partly owned. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries. The subsidiaries are fully consolidated from the date on which control is obtained and deconsolidated from the date that control ceases. Intercompany transactions, balances, income and expenses, and profits and losses are eliminated.

The acquisition method is used to account for the acquisition of subsidiaries by the Group. The consideration transferred is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of acquisition. Acquisition-related costs are recognised in profit or loss. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests.

5.1.2 Non-controlling interest

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary

5.1.3 Investments in subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity if it is exposed to or has the rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it has control if there are changes to one or more elements of control. This includes circumstances in which protective rights held become substantive and lead to the Group having control over an investee. The financial statements of subsidiaries are consolidated from the date the Group acquires control, up to the date that such effective control ceases.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners). When the proportion of the equity held by Non-Controlling Interests (NCI's) changes, the carrying amounts of the controlling and NCIs are adjusted to reflect the changes in their relative interests in the Subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the Group.

Inter-company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries are consistent with the policies adopted by the Group. In the separate financial statements, investments in subsidiaries are measured at cost less impairments.

5.1.4 Change in ownership interest

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the group.

5.1.5 Loss of control

On loss of control, the Group derecognises the assets and liabilities of the subsidiary, any related non-controlling interests and the other components of equity relating to a subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

5.2 Foreign currency translation

5.2.1 Functional and presentation currency

Items included in the audited consolidated and separate financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The audited consolidated and separate financial statements are presented in Naira, which is also the functional currency of the Company.

5.2.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

5.3 Inventories

Inventories comprises cellular telephones, accessories, starter packs and prepaid cards and are measured at the lower of cost and net realisable value. The cost of inventory is determined using the weighted average method and includes directly attributable costs such as custom duties, freight and handling costs. Net realisable value represents the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Where appropriate, provision is made for obsolete, slow moving and defective inventory.

5.4 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs to the extent that it is probable that some or all of the facility will be drawn down.

5.5 Property and equipment

Property and equipment are measured at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment. Included in property and equipment is the estimated amount required for the decommissioning, dismantling and restoration of network sites, where there is a legal obligation to restore such sites to their original condition.

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 Group and the costs can be measured reliably. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the profit or loss during the period in which they are incurred.

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

Property and equipment under construction is measured at initial cost and depreciated over its useful life from the date the asset is available for use in the manner intended by management. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets. Assets are transferred from capital work in progress to an appropriate category of property and equipment when commissioned and ready for intended use.

The Group capitalises borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. A qualifying asset is deemed to be an asset which takes more than 12 months to acquire, construct or produce. Borrowing costs include general and specific borrowings directly attributable to the acquisition, construction or production of qualifying assets. Other borrowing costs are expensed in profit or loss.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in statement of profit or loss.

Notes to the audited consolidated and separate financial statements

5.5 Property and equipment (continued)

Impairment

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit).

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis. When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but limited to the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Other information

Property and equipment acquired in exchange for non-monetary assets are measured at the fair value unless the exchange transaction lacks commercial substance or the fair value of the assets cannot be reliably measured. Assets received in the exchange transaction that are not measured at fair value are measured at the carrying value of the asset given up.

A transaction has commercial substance if the difference in either of the points below is significant relative to the fair value of the assets exchanged:

a. the configuration (risk, timing and amount) of the cash flows of the asset received differs from the configuration of the cash flows of the asset transferred; or

b. the entity-specific value of the part of the operations affected by the transaction changes as a result of the exchange.

In instances whereby the Group receives assets for no consideration (free of charge), the Group accounts for these at cost in accordance with IAS 16 Property, Plant and Equipment, being zero value. Where assets are received free of charge relating to settlement arising from business interruption, the assets are recognised at their fair value. Rebates\asset vouchers received from suppliers are applied against future purchases to reduce the amount payable to the respective supplier and the cost of the asset.

Depreciation of property and equipment is recognised to write off the cost of the asset to its residual value, on a straight line basis, over its expected useful life as follows:

Buildings	25 years
Leasehold improvements	10 years
Network infrastructure	3-15 years
Information systems, furniture and office equipment	3-6 years
Motor vehicles	5 years

Land is not depreciated. Capital work in progress is not depreciated but tested for impairment every reporting period. The depreciation method and the assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Depreciation is charged to profit or loss.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the proceeds from the disposal and the carrying amount of the asset, and is included in profit or loss.

5.6 Intangible assets

In accordance with criteria set out in IAS 38 – "Intangible assets", intangible assets are recognized only if identifiable; controlled by the entity because of past events; it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably.

Intangible assets with finite useful lives that are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortized using the straight-line method over their useful lives.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is unrecognised.

5.6.1 Computer software

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring the specific software into use. These costs are amortised using the straight-line method over their estimated useful life (three years) and carried at cost less accumulated amortisation and impairment losses. Costs associated with maintaining computer software programs are recognised as an expense as incurred. Subsequent expenditure on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

The amortisation method, useful lives and residual values are reviewed at each financial period-end and adjusted if appropriate. Computer software are derecognised on disposal or when no future economic benefits are expected from their use. Software integral to an item of hardware equipment is classified as property, plant and equipment. Amortisation is charged to the profit or loss.

5.6.2 Licences

Licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of licences over their useful lives or contract terms. Amortisation on licences and spectrum fees are charged to profit or loss.

5.6.3 Goodwill

Goodwill in the consolidated financial statement is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date fair values of the identifiable assets acquired and liabilities assumed. If, after reassessment, the net of the acquisition date fair values of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), such excess is recognised immediately in profit or loss as a bargain purchase.

Any changes resulting from additional and new information about events and circumstances that existed at the acquisition date and, if known, would have affected the measurement of the amount recognised at that date, are considered to be measurement period adjustments. The Group retrospectively adjusts the amounts recognised for measurement period adjustments. The measurement period ends when the acquirer receives all the information that they were seeking about the facts and circumstances that existed at the acquisition date or learns that information cannot be obtained. The measurement period shall, however, not exceed one year from the acquisition date. To the extent that changes in the fair value relate to post-acquisition events, these changes are recognised in accordance with the IFRS applicable to the specific asset or liability.

5.7 Leases

The Group's leases include network infrastructure (including tower space and land), retail stores, vehicles, and office equipment. Rental contracts are typically made for fixed periods varying between two to twelve years but may have renewal periods as described below. At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

5.7.1 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Depreciation of right-of-use assets is recognised to write off the cost of the asset, on a straight line basis, over its lease term as follows:

Network infrastructure	5 - 15 years
Base station land	2 - 10 years
Property leases	2 - 18 years
Motor vehicles	5 years

5.7 Leases (continued)

5.7.2 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date. This is the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

A number of lease contracts include both lease and non-lease components (e.g., maintenance, security, etc.). The Group allocates the consideration in the contract to each lease and non-lease component based on their relative stand-alone selling prices. The stand-alone selling prices of each component are based on available market prices. The Group has not elected the practical expedient to account for non-lease components as part of its lease liabilities and right-of-use assets. Therefore, non-lease components are accounted for as operating expenses and are recognised in profit or loss as they are incurred.

5.7.3 Short-term leases and lease of low-values assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below $5,000 or N1.8 million). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

5.7.4 Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancelable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms of three to five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group included the renewal period as part of the lease term for leases of office equipment due to the relevance of these assets to its operations. These leases have a short non-cancelable period of two years and there will be a negative effect on operations if a replacement is not readily available.

A number of leases entitled both the Group and the lessor to terminate the lease without a termination penalty. In determining whether the Group has an economic incentive to not exercise the termination option, the Group considers the broader economics of the contract and not only contractual termination payments.

5.8 Employee benefits

5.8.1 Short-term employee benefits

Remuneration to employees in respect of services rendered during a reporting year is recognised on an undiscounted basis as an expense in that reporting period. A liability is recognised for accumulated leave and for other short-term benefits when there is no realistic alternative other than to settle the liability, and at least one of the following conditions is met:

- there is a formal plan and the amounts to be paid are determined before the time of issuing the financial statement; or
- achievement of previously agreed bonus criteria has created a valid expectation by employees that they will receive a bonus and the amount can be determined before the time of issuing the financial statements.

5.8 Employee benefits (continued)

5.8.2 Share-based payment

At the beginning of 2022, MTN Nigeria commenced a new share scheme for its employees comprising of the Performance Share Plan (PSP) and Employee Share Ownership plan (ESOP). The scheme replaces the Notional Share Option (NSO) scheme and is being managed by Vetiva Trustees Limited.

The Notional Share Option (NSO) scheme will be wound up once all unvested and/or unexercised awards previously made have run their course. It is a cash-settled scheme on which gains are calculated from appreciation in both the MTN Group share price and operational performance measured using EBITDA. The strike price for the NSO schemes are determined by the closing market price of the MTN Group Limited shares on the day prior to the date of allocation. Unexercised options and rights lapse 10 years from the date of grant and are forfeited if the employee leaves the group before they vest.

The Performance Share Plan (PSP) is a conditional share offer to its management employees. PSP awards are conditional rights to receive a certain number of shares by qualifying participants annually. The vesting period for the PSP is three years and the awards vest in full based on set performance targets. Employees are not entitled to receive dividends on the shares during the vesting period.

The Employee Share Ownership Plan (ESOP) is a one-off share offer to its eligible non-management employees at no cost to participants. The plan is not tied to the company performance. The shares will vest as follows:
- 1/3 vesting after 3 years,
- the second 1/3 after 4 years and
- the final 1/3 after 5 years of the grant date.

The fair value of share options granted is estimated at the date of grant using a Monte-Carlo simulation model, taking into account the terms and conditions on which the share options were granted.

5.8.3 Long service award

The long service award is a non-contributory benefit. Employees are automatically beneficiaries of the long service award after completing five consecutive years of service with the Company and accrued over the service lives of the employees. Independent actuarial valuations are performed periodically on a projected unit credit basis. Remeasurement gains or losses and curtailment gains or losses arising from valuations are charged in full to income statement.

5.8.4 Post employment benefits

a) Pension contribution plan

The Group's end of service benefits scheme has been in existence since 1 February 2004 as a defined contribution Scheme governed by the Scheme's Trust Deeds and Rules. All full time employees contribute 8% of monthly emoluments while the Group contributes 10% of monthly emoluments in line with the Pension Reform Act 2014 guidelines. Monthly emoluments comprise of basic salary, housing allowance, transport allowance, leave allowance, 13th month allowance and passage allowance. These contributions are recognised as employee benefits expense when they are due.

b) Termination benefits

Termination benefits are benefits that may be payable when an employee's employment is terminated before the normal retirement date due to death or retrenchment or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Company recognises termination benefits at the earlier of the following dates:
- When the Group can no longer withdraw the offer of those benefits; or
- When the Group recognises costs for a restructuring that is within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets that includes the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the reporting date are discounted to their present value.

c) Retirement benefits

Employees' retirement benefits are calculated based on number of years of continuous service, and upon attaining the compulsory retirement age of 60 years. Lump sum benefits payable upon retirement of employment are fully accrued over the service lives for all full time employees. Remeasurement gains/losses arising from valuations are charged in full to other comprehensive income.

5.9 Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event for which it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision to pay a levy is not recognised until the obligating event specified in the legislation occurs, even if there is no realistic opportunity to avoid the obligation. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expected outflow of resources required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning provision relates to the estimate of the costs of dismantling and removing items of property and equipment and restoring the item and site on which the items are located to their original condition. The Group only recognises these decommissioning costs for the proportion of its overall number of sites for which it expects decommissioning to take place. The expected percentage has been based on actual experience in the respective operations.

5.10 Current and deferred income tax

Income tax charge is the sum of current and deferred tax. Income taxes are recognised in profit or loss unless they relate to items that are recorded in Other Comprehensive Income (OCI) in which case the tax is recorded in OCI. The Group determines the tax due based on expected amount payable and on an individual tax position basis.

Current income tax

Current tax is the expected tax payable (companies income tax and tertiary education tax) on the taxable income for the year determined in accordance with the provisions of the Companies Income Tax Act and Tertiary Education Tax Act using the tax rate enacted or substantively enacted as at the reporting date.

Deferred income tax

Deferred tax is recognised using the liability method, providing for temporary differences arising between the tax base of assets and liabilities and their carrying amount in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences except;

a. the initial recognition of goodwill; or
b. the initial recognition of an asset or liability in a transaction which:
   i. is not a business combination; and
   ii. at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss)

Deferred tax is measured at the statutory tax rate enacted or substantively enacted at the reporting date and are expected to apply to temporary differences when they reverse. Deferred tax asset is recognised for unused tax losses or deductible temporary difference only to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same authority.

Deferred tax on decommissioning liabilities is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Decommissioning liabilities relates to the estimate of the costs of dismantling and removing items of property and equipment and restoring the item and site on which the items are located to their original condition. The Group only recognises these decommissioning costs for the proportion of its overall number of sites for which it expects decommissioning to take place.

Nigerian Police Trust Fund

Police Trust Fund is computed and recognised at 0.005% of the "net profit" which is profit before tax in line with Nigerian Police Trust Fund Act of 2019. The Act imposes a levy of 0.005% on the Group's operating business in Nigeria. The levy is calculated based on 0.005% of profit before tax.

5.11 Other statutory levies

5.11.1 Information Technology Development Levy (ITDL)

Information Technology Development Levy is computed and recognised at one percent of profit before tax in line with National Information Technology Development Act of 2007.

5.11 Other statutory levies (continued)

5.11.2 National Agency for Science and Engineering Infrastructure (NASENI) levy

The Finance Act 2021 imposed the National Agency for Science and Engineering Infrastructure (NASENI) levy of 0.25% of profit before tax on commercial companies and firms with turnovers of N100,000,000 and above in certain sectors, including banking, telecommunications, ICT, aviation, maritime, and oil and gas with effect from effective 1 January 2022. The levy is calculated based on 0.25% of the profit before tax, collectible by the Federal Inland Revenue Service (FIRS) on behalf of NASENI Agency and it is tax deductible.

5.12 Finance income and expenses

Finance income comprises interest income on funds invested, changes in fair value of financial assets through profit or loss and foreign currency gains. Interest income is recognised as it accrues in profit or loss, using the effective interest rate method.

Finance expenses comprise interest expenses on borrowings, unwinding of the discount on provisions, changes in fair value of financial assets through profit or loss and foreign exchange losses that are recognised in profit or loss.

5.13 Share capital

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of new shares or share options are recognised in equity as a deduction, net of tax from the proceeds.

5.14 Treasury shares

Where the Company purchases its shares, the consideration paid is deducted from shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently reissued or sold, any consideration received is included in shareholders' equity. These treasury shares represent the shares held by Trustee for the new MTN Nigeria Employee share scheme which have not yet been allocated to staff based on the predetermined vesting conditions.

5.15 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less, if not they are presented as non-current liabilities.

5.16 Revenue

The Group principally generates revenue from providing mobile telecommunications services, such as network services (comprising data, voice and short message service: SMS), value added services (VAS), digital, interconnect and roaming services, as well as from the sale of mobile devices. Products and services may be sold separately or in bundled packages.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

For bundled packages, the Group accounts for individual products and services separately if they are distinct i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells mobile devices and network services separately.

5.16.1 Categories of Revenue

The main categories of revenue and the basis of recognition are as follows:

Mobile telecommunication services

The Group provides mobile telecommunication services, including network services, value added services (VAS) and digital services. Network services (comprising voice, data, SMS (person to person) are considered to represent a single performance obligation as all are provided over the MTN network and transmitted as data representing a digital signal on the network. The transmission of voice, data and SMS all consume network bandwidth and therefore, irrespective of the nature of the communication, the subscriber ultimately receives access to the network and the right to consume network bandwidth.

Digital revenue is any value added service that involves the application in transacting (i.e. application to person SMS, person to application SMS, Unstructured Supplementary Service Data (USSD), Interactive Voice Response (IVR). These services include rich media, insurance and e-commerce services.

5.16 Revenue (continued)

Value added services includes airtime lending and mobile money (Fintech), subscriber identification module (SIM) back up services and voice based services.

The Group recognises revenue from these services as they are provided. Revenue is recognised based on actual units of network services provided during the reporting period as a proportion of the total units of network services to be provided. The customer receives and uses the benefits of these services simultaneously.

Customers either pay in advance for these services. A contract liability is recognised for amounts received in advance, until the services are provided or when the usage of services becomes remote.

When the Group expects to be entitled to breakage (forfeiture of unused value or network services), the Group recognises the expected amount of breakage in proportion to network services provided versus the total expected network services to be provided. Any unexpected amounts of breakage are recognised when the unused value of network services expire or when usage thereof becomes remote. Assessment of breakage is updated each reporting period and any resulting change is accounted for prospectively as a change in estimate in terms of IAS 8 Accounting policies, changes in accounting estimates and errors.

Mobile devices

The Group sells a range of mobile devices. The Group recognises revenue when customers obtain control of mobile devices, being when the customers take possession of the devices. For mobile devices sold separately, customers pay in full at the point of sale. For mobile devices sold in bundled packages, the Group allocates the transaction price to the device and the network services based on the stand-alone selling prices. The Group is obligated to replace a faulty device or accessory with another device/accessory. No cash refund is provided to the customer.

Interconnect and roaming

The Group provides interconnect and roaming services. The Group recognises interconnect and roaming revenue and debtors as the service is provided unless it is not probable (based on historical information) on transaction date that the interconnect revenue will be received, in which case interconnect revenue is recognised only when the cash is received or where a right of set-off exists with interconnect parties in settling amounts.

The Group has considered historical payment patterns (i.e. customary business practice) in assessing whether the contract contains a significant financing component. For contracts containing a significant financing component, the Group reduces interconnect and roaming revenue and recognises interest revenue over the period between satisfying the related performance obligation and payment.

5.16.2 Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Certain commissions incurred by the Group in obtaining customer contracts that are payable to third party agents qualify as incremental costs. The Group recognises such commissions as an asset, included as contract acquisition costs, if it expects to recover these costs. The asset is amortised on a straight-line basis over the estimated subscriber tenure on the network. The amortisation period ranges from 18 months to 48 months.

In terms of a practical expedient, the Group has elected to recognise the incremental costs of obtaining contracts in profit or loss, when incurred, if the amortisation period of the assets that the Group otherwise would have recognised is 12 months or less.

Contract costs are assessed for impairment in terms of IAS 36 Impairment of Assets (IAS 36) when there is an indication of impairment.

5.16.3 Contract assets and liabilities

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due. A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer.

Revenue received on prepaid contracts is deferred and recognised when services are utilised by the customer or on termination of the customer relationship. Breakage is recognised in proportion to the pattern of rights exercised by the customer or when utilisation thereof becomes remote.

5.17 Dividends

Interim dividends on ordinary shares are recognised as a liability and a reduction from equity, in the period in which they are approved by the Board of Directors.

Final dividends on ordinary shares are recognised as a liability and a reduction from equity, in the period in which they are recommended by the Board of Directors and ratified by the shareholders.

5.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

5.18.1 Financial assets

Initial recognition, measurement and classification

The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Financial assets are classified into the following categories:
- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVOCI)
- Financial assets at fair value through profit or loss (FVTPL)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to collect contractual cash flows and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade receivables, other and current investments, restricted cash, cash and cash equivalents.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, then they are recognised at fair value.

Other and current investments comprise investment in treasury bills with maturity periods, that are more than three months but less than twelve months.

Restricted cash represents deposits with banks to secure letters of credit, collateral against repayment of borrowings and bank guarantee on garnishees against court judgements.

Cash and cash equivalents comprise cash in hand, in current accounts which is a non-interest bearing demand deposit, Naira deposits held on call and other highly liquid investments with original maturities of three months or less.

5.18 Financial instruments (continued)

Financial assets at fair value through other comprehensive income (FVOCI)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and;

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

This category includes investments in Federal Government Treasury bills and bonds. For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss. The Group's debt instruments at fair value through OCI includes investments in Federal Government Treasury bills included under current investments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and investments in Federal Government Treasury bills and bonds. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and attributable transaction costs are recognised in profit or loss when incurred. Subsequently derivatives are measured at fair value through profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECL is the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers whether there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group's debt instruments at fair value through OCI comprise solely of Federal Government Treasury Bills that are graded in the non-investment category (B- to B+) by the Standard & Poor's (S&P), but are considered to be low credit risk investments as the risk of default is low. The Group uses the ratings from the S&P both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

5.18 Financial instruments (continued)

Derecognition

A financial asset is derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or;
- The Group has transferred substantially all of the risks and rewards of the asset

On derecognition of a financial asset, any difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

5.18.2 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts, there is an intention to settle on a net basis and to realise the assets and settle the liabilities simultaneously.

5.18.3 Financial liabilities

Initial recognition and measurement

Financial liabilities comprise trade and other payables, borrowings and other non-current liabilities (excluding provisions). Financial liabilities are initially measured at fair value, net of transaction costs incurred and are subsequently measured at amortised cost using the effective interest method.
Borrowings are classified as current liabilities if payment is required within 12 months and non-current where the settlement of the liability is for at least 12 months after the reporting date.

Derecognition

Financial liabilities are derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The gain or loss in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification

Financial assets are not reclassified unless the group changes its business model. In rare circumstances where the group does change its business model, reclassifications are done prospectively from the date that the group changes its business model.

5.19 Impairment of non-financial assets

5.19.1 Goodwill and investment in subsidiaries

The Group accounts for investment in subsidiaries at cost less impairment losses.
The Group tests goodwill for impairment on an annual basis. Impairment is determined by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

5.19.2 Impairment of right-of-use assets

The Company applies IAS 36 Impairment of assets to determine whether the right-of-use assets are impaired.

5.20 Assets held for sale

Assets are classified as held for sale and are stated at the lower of their carrying amount and fair value less cost to sell when their carrying amounts are to be recovered principally through sale rather than continued use and the sale is considered to be highly probable. These assets are recognised under non-current assets.

5.21 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, whose operating results are reviewed regularly by the Executive Committee (EXCOM), to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. All costs that are directly traceable to the operating segments are allocated to the segment concerned.

6. Sustainability disclosure

MTN Nigeria Communications Plc has seen a growing interest from stakeholders regarding the potential impact of climate change on its financial performance, in line with the provisions of IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2 standards). As part of Its accounting practice, the MTN Nigeria identifies critical accounting judgments and key sources of estimation uncertainty, including assessing the influence of climate change on both the consolidated and separate financial statements.

Management has conducted a preliminary evaluation of the potential financial implications stemming from climate change-related risks on the company's financial statements. These risks primarily concern the useful lives of all property and equipment items, including retirement obligations for right of use assets, the possibility of goodwill impairment, and other long-lived asset impairments. Additionally, we have assessed the recoverability of deferred tax assets for the group. Despite the absence of clear statutory requirements related to climate change in Nigeria, which would have necessitated compliance on MTN Nigeria part, the Group, exercising significant judgment, has concluded that there are no significant financial impacts of climate-related risks and opportunities on the consolidated and separate financial statements as at 31 December 2023.

However, as the future impacts of climate change are dependent on various environmental, regulatory, and other factors beyond the group's control and not currently known to management, we will continue to review these judgments. This ongoing evaluation is necessary to ensure that we remain up to date with any potential future changes in the financial impacts of climate-related risks and opportunities. It is important to note that this assessment is tangentially based on the available data and current understanding of climate change-related risks.

Here are the key areas in which MTN Nigeria conducted an impact assessment concerning climate change:

S/No	Key areas for impact assessment of climate change	Climate change effect and impact
1	Note 8 - Critical accounting judgements and assumptions	Management has tangentially assessed the potential financial impact of climate change-related risks on financial statements particularly risks bordering on the useful lives of all items of property and equipment including retirement obligations for Right of Use assets, the possibility of impairment of goodwill and other long-lived assets, and the recoverability of deferred tax assets of the group. While there is no clear statutory requirements in respect of climate change in Nigeria which could have necessitated compliance on MTNN's part, the Group in exercising its significant judgement, conclude that there are no material financial impacts of climate-related risks and opportunities on the consolidated and separate financial statements as at 31 December 2023. Management will keep these judgements under review because the future impacts of climate change depend on environmental, regulatory, and other factors outside of the control of the group which are not known to the management currently.
2	Property and equipment	The Group makes significant investments in network equipment and infrastructure – the base stations and technology required to operate the networks – that form most of the property and equipment. Based on management judgement, there is no material impact of climate related risks on the items of property and equipment.
3	Deferred tax assets	The recovery of deferred tax assets is dependent on forecasts of future profitability and the climate related risks identified by the group in the recovery of those assets. Based on management judgement, there is no material impact of climate related risks on deferred tax assets
4	Goodwill	In assessing the goodwill for impairment, impact of climate-related matters was considered even though there is no clear statutory requirement in respect of climate change in Nigeria which could have necessitated compliance on MTNN's part. Based on management judgement, there is no material impact of climate related risks on goodwill.
5	Retirement obligations for right of use assets	The Group's leases include network infrastructure (including tower space and land), retail stores, vehicles, and office equipment. Based on management judgement, there is no material impact of climate related risks on retirement obligations for right of use assets.

In conclusion, management has determined that there are no material financial impacts of climate-related risks on the company's financial statements as at 31 December 2023. Nevertheless, we remain vigilant, recognizing the uncertainty of future climate change impacts, and will continue to monitor the situation as new environmental, regulatory, and other factors emerge.

7. New standards and interpretations

7.1 Standards and interpretations effective for the first time for 31 December 2023 year end

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach).
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

The new standard had no impact on the Group's consolidated financial statements, as MTN Nigeria has no insurance contracts applicable to IFRS 17.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.
The new standard had no impact on the Group's consolidated financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.
The amendments had no impact on the Group's consolidated financial statements.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.
The amendments had no impact on the Group's consolidated financial statements.

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures

Effective for annual periods beginning on or after 1 January 2024, however, MTN Nigeria has elected for an early adoption of these standards for the year ending 31 December 2023. A summary of the adoption can be seen in note 8.14.

7. New standards and interpretations (continued)

7.2 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2024 or later periods. The Group is still assessing the impact of these new standards.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
What is meant by a right to defer settlement
• That a right to defer settlement must exist at the end of the reporting period
• That classification is unaffected by the likelihood that an entity will exercise its deferral right
• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification
• Disclosures

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

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

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy in accordance with IAS 8 that results in information that is relevant and reliable.

Amendments to IAS 21: Lack of exchangeability

The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

8. Segment information

The Group has identified three reportable segments that are used by the Executive Committee (EXCOM) to make key operating decisions. All operating segment results are reviewed regularly by EXCOM to make decisions about resources to be allocated and to assess its performance. The reportable segments are largely grouped according to customer type for which discrete financial information is available. The customer segments are as follows:

- Consumer Business Unit (CBU)
- Enterprise Business Unit (EBU)
- Wholesale Business Unit (WBU)

Operating results are reported and reviewed regularly by the EXCOM and include items directly attributable to a segment.

Business segment	Description
Customer Business Unit (CBU)	It consists of subscribers sitting in value propositions and tariff plans dedicated to three sub segments: Youth, High Value and Mass segments. All MTN customers are assumed to fall within CBU except where otherwise stated.
Enterprise Business Unit (EBU)	Enterprise customers are mostly corporate and small medium organisations whose business requires our products, services and solutions to serve their everyday business needs.
Wholesale Business Unit (WBU)	The Wholesale business, serves customers who buy MTN telecom products in bulk with the intention to re-sell these products (mobile or fixed) to their external clients.

A key performance measure of the Group is gross margin. This is defined as revenue less direct costs. The table below presents revenue, direct costs and gross margin for the operating segments for the year ended 31 December 2023 and 31 December 2022 respectively. There were no intersegment transactions during the year.

Information about reportable segments

	CBU N million	EBU N million	WBU N million	Total N million
31 December 2023				
Segment revenue	2,083,204	319,798	65,845	2,468,847
Direct costs*	(356,115)	(17,850)	(31,603)	(405,568)
Gross margin	**1,727,089**	**301,948**	**34,242**	**2,063,279**
31 December 2022				
Segment revenue	1,737,349	221,478	53,445	2,012,272
Direct costs*	(304,216)	(13,046)	(17,403)	(334,665)
Gross margin	**1,433,133**	**208,432**	**36,042**	**1,677,607**

*Direct costs include transmission costs, regulatory fees (reported in direct network operating costs), some costs of handsets and accessories, value added services costs and commissions costs in discount and commissions

Reconciliation of reportable segment revenue and profit or loss

Revenues

There are no significant reconciling items between the reportable segment revenue and total revenue for the period. The revenue of the Company is generated majorly from one geographical location, Nigeria. None of the Company's customers account for 10% or more of the total revenue of the Company.

Profit or loss	**2023** **N million**	**2022 restated*** **N million**
Segment gross margin	2,063,279	1,677,607
Unallocated items:		
- Operating expenses	(860,750)	(607,241)
- Depreciation & amortisation	(428,869)	(336,202)
- Finance income	25,815	13,768
- Finance expense	(236,927)	(147,287)
- Net foreign exchange loss	(740,434)	(81,822)
Profit before taxation	**(177,886)**	**518,823**

Segment assets and liabilities

The Group has not provided information on reportable segment assets and liabilities as they are not part of the items regularly reviewed by the Executive Committee (EXCOM) to make operating decisions.

*See note 56

9. Critical accounting judgements, estimates and assumptions

The Group makes judgements, estimates and assumptions concerning the future when preparing its financial statements. Actual results may differ from these estimates. 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 and in any future periods affected. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The "Critical accounting judgements, estimates and assumptions" note should be read in conjunction with the "other significant accounting policies" disclosed in note 5.

9.1 Lease and non-lease components

A number of lease contracts include both lease and non-lease components (e.g. maintenance, security, power etc.). The Group has not elected the practical expedient to account for non-lease components as a part of its lease liabilities and right-of-use assets. Therefore, non-lease components are accounted for as operating expenses and are recognised in profit or loss as they are incurred. The Group applies judgement in allocating the consideration in the contract to each lease and non-lease component based on their relative stand-alone selling prices. The stand-alone selling prices of each component are based on available market prices..

9.2 Income taxes

The Group exercises significant judgement in determining its provision for income taxes when dealing with calculations and transactions for which the ultimate tax position is uncertain during the ordinary course of business. The Group recognises tax liabilities for anticipated tax issues based on estimates of whether additional taxes will be payable. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax in the period in which such determination is made.

9.3 Provisions

The Group exercises judgement in determining the expected cash outflows related to its provision. Judgement is necessary in determining the timing of outflow as well as qualifying the possible range of financial settlements that may occur. See note 37.

9.4 Impairment of trade and other receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECL), which uses a lifetime expected loss allowance for all trade receivables. In applying the provision matrix, the Group estimates the ultimate write offs for a defined population of trade receivables. A loss ratio is calculated according to the ageing profile of the trade receivables by applying the historic write offs to the payment profile of the population adjusted to reflect current and forward looking information on microeconomic factors. The Group exercises significant judgements in the inputs, assumptions and techniques for estimating ECL, default and credit impaired assets. See note 49.3.2.

9.5 Extension of lease option

Most lease arrangements have extension option clause that usually require the exercise price of a purchase option (reasonably certain to be exercised by the Group) and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

9.6 Bundled products

In revenue arrangements where more than one good or service is provided to the customer, customer consideration is allocated between the goods and services using estimated standalone selling prices (SASP). The Group generally determines the SASP of individual elements based on prices at which the deliverable is regularly sold on a stand-alone basis after considering any appropriate volume discounts. See note 10.

9. Critical accounting judgements, estimates and assumptions (continued)

9.7 Timing of satisfaction of performance obligations

The Group uses the output method to recognise revenue over a period of time. The output methods recognises revenue based on direct measurement of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. The bulk of MTN's revenue is from airtime that is used on network services such as voice, SMS, data and digital services. The output method is a faithful depiction as this represents the value transferred to the customer based on usage.

9.8 Principal and agency arrangements

When the Group sells goods or services as a principal, revenue is reported on a gross basis in revenue and the amount paid to the agent is recorded in operating costs. If the Group sells goods or services as an agent, revenue is on a net basis, representing the margin earned. Whether the Group is considered to be the principal or an agent in the transaction depends on analysis by management of both the legal form and substance of the agreement between the Group and its business partners; such judgements impact the amount of reported revenue. See note 10.

9.9 Impairment on other and current investments

The Group applies the general approach to estimate impairment of the other and current investments measured at amortised cost and at fair value through other comprehensive income. This area requires the use of inputs and assumptions on the credit rating of the issuer and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). See note 49.3.3.

9.10 Amortisation of capitalised contract acquisition costs

The Group has capitalised incremental commission fees paid to trade partners for activating sim kits. These costs are amortised on a straight line basis over the estimated subscriber tenure on the network. The Group has estimated the amortisation periods based on the tenure spent by the subscriber on the network. See note 35.

9.11 Contract liability

Recharge vouchers that have been purchased but not loaded, and airtime loaded but not recognised, are recorded as part of contract liability. Customers may not exercise all their rights and these are called breakage. The Group recognised the expected breakage amount as revenue in proportion to the pattern of rights exercised by the customer. The pattern of rights exercised is estimated by reference to recharge/usage patterns. Management estimates a breakage rate with which to gradually release unexercised rights or recognise credit into revenue. See note 36.

9.12 Non-controlling interests in the group's activities and cash flows

The Group's principal subsidiaries as at 31 December 2023 are set in Note 21. The Group in exercising its significant judgement, conclude that the 20% non-controlling interest in MoMo Payment Service Bank is material to the Group as at 31 December 2023. Consequently, a summarized financial information about non-controlling interests in the group's activities and cash flows were provided for the year ended 31 December 2023.

9.13 Goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy. The recoverable amounts of cash-generating units (CGU) have been determined based on value-in-use calculations. These calculations require the use of significant amount of judgement and estimates of future cash flows. A number of factors affect the value of such cash flows, including discount rates, See note 20.6 for detailed information on impairment assessment performed on the CGU. There was no impairment charge during the year (2022: nil)

Notes to the audited consolidated and separate financial statements

		Group		Company	
		2023	2022 restated*	2023	2022 restated*
		N million	N million	N million	N million
10. Revenue					
Revenue from contracts with customers					
Voice		954,994	864,612	957,497	864,612
Data[1]		1,068,715	763,938	1,068,715	763,938
SMS[2]		99,159	75,497	103,832	78,086
Interconnect and roaming		188,205	178,284	188,205	178,284
Handset and accessories		7,955	5,001	7,955	5,001
Digital[3]		40,522	25,033	37,159	22,081
Value added services[4]		82,725	81,376	82,321	81,375
Other revenues[5]		26,265	18,174	26,209	18,201
		2,468,540	**2,011,915**	**2,471,893**	**2,011,578**
Revenue other than from contracts with customers					
Rental Income[6]		307	357	580	357
		307	**357**	**580**	**357**
Total revenue		**2,468,847**	**2,012,272**	**2,472,473**	**2,011,935**

[1]Data revenue excludes roaming data, roaming data is reported under interconnect and roaming.

[2]SMS revenue excludes inbound roaming SMS. Inbound roaming SMS is reported under interconnect and roaming.

[3]Digital revenue includes bulk SMS and USSD services.

[4]Value added services includes airtime lending and mobile money (Fintech), subscriber identification module (SIM) back up services and voice based services.

[5]Other revenue comprises revenue from cloud and infrastructure services, information and communication technology (ICT) revenue.

[6]Rental income comprises of income from sites leased to other telecom operators; office space leased to MoMo PSB.

11. Finance income

		Group 2023	Group 2022	Company 2023	Company 2022
Interest income on bank deposits*		6,784	4,609	6,627	4,351
Interest income on investments*		17,710	8,174	16,805	7,427
Net gain on investments at fair value		1,321	456	1,321	456
Gain on FVTPL liabilities		-	529	-	529
Total finance income		**25,815**	**13,768**	**24,753**	**12,763**

*Finance income calculated using effective interest rate method.

Included as cash flows for finance income are:

		Group 2023	Group 2022	Company 2023	Company 2022
Interest income on bank deposits		6,784	4,609	6,627	4,351
Interest income on investments		17,770	7,710	17,895	6,963
		24,554	**12,319**	**24,522**	**11,314**

12. Finance costs

		Group 2023	Group 2022	Company 2023	Company 2022
Interest expense - borrowings*	32.1	110,454	62,491	110,454	62,491
Interest expense - leases*	38	102,511	83,162	102,511	83,162
Loss on FVTPL liabilities[1]		6,322	-	6,322	-
Other finance charges[2]		17,640	1,634	17,317	1,634
Total finance costs		**236,927**	**147,287**	**236,604**	**147,287**

*Finance costs calculated using effective interest rate method

[1]Fair valuation of derivative liability.

[2]Other finance charges includes amortised prepaid transaction costs on acquiring foreign loans, other administration costs on acquiring letters of credit and charges on decommissioning provision.

*See note 56

12. Finance costs (continued)

Included as cash flows for finance expense are:

	Note	Group 2023 N million	Group 2022 restated* N million	Company 2023 N million	Company 2022 restated* N million
Interest expense - borrowings		110,454	62,491	110,454	62,491
Interest expense - leases	38	102,511	83,162	102,511	83,162
Other finance charges		3,452	1,634	3,452	1,634
Undefined difference		(3,452)	-	(3,452)	-
		216,417	**147,287**	**216,417**	**147,287**

13. Net foreign exchange loss

The aggregate net foreign exchange gains/losses recognised on the profit or loss were:

	Note	Group 2023 N million	Group 2022 restated* N million	Company 2023 N million	Company 2022 restated* N million
Foreign exchange gain	13.1	93,848	9,145	93,839	9,145
Foreign exchange loss	13.2	(834,282)	(90,967)	(834,197)	(90,967)
Net foreign exchange loss		**(740,434)**	**(81,822)**	**(740,358)**	**(81,822)**

The Group transacts in other currencies and is exposed to foreign exchange risk, primarily the US Dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

There was an increase in the foreign exchange (forex) gains and losses due to the increase in the US Dollar exchange rate from N461.10 to N907.11 to US$1 after the unification of all segments of the forex market, resulting in the collapse of the NAFEM rates.

The Group has also assessed its sensitivity to the currency risk, see note 49.5.2.

13.1 Foreign exchange gain

Foreign exchange gains arise from the following items:

	Group 2023 N million	Group 2022 restated* N million	Company 2023 N million	Company 2022 restated* N million
Cash and cash equivalents	63,072	8,101	63,071	8,101
Current investments	10,175	448	10,175	448
Restricted cash	7,332	2,952	7,332	2,952
Trade and other receivables	13,269	(2,356)	13,261	(2,356)
	93,848	**9,145**	**93,839**	**9,145**

13.2 Foreign exchange loss

Foreign exchange losses arise from the following items:

	Group 2023 N million	Group 2022 restated* N million	Company 2023 N million	Company 2022 restated* N million
Cash and cash equivalents	73,673	21,433	98,446	21,433
Trade and other payables	143,657	2,599	118,799	2,599
Borrowings[1]	241,727	34,129	241,727	34,129
Leases	367,356	32,806	367,356	32,806
Derivative liability	7,869	-	7,869	-
	834,282	**90,967**	**834,197**	**90,967**

[1]Given the protracted forex paucity in the market, MTN Nigeria utilised additional trade lines to fund the establishment of confirmed irrevocable letters of credit for network capex investments to sustain revenue growth. These trade lines are fully cash backed in Naira restricted cash deposits, see note 26.

13.3 Realised and unrealised exchange losses:

	Group 2023 N million	Group 2022 restated* N million	Company 2023 N million	Company 2022 restated* N million
Net realised losses	104,446	31,904	104,445	31,904
Net unrealised losses	635,988	49,918	635,913	49,918
	740,434	**81,822**	**740,358**	**81,822**

*See note 56

Notes to the audited consolidated and separate financial statements

	Note(s)	Group 2023 N million	Group 2022 N million	Company 2023 N million	Company 2022 N million
14. Employee costs					
Salaries and wages		42,707	33,933	38,431	32,397
Pension - Defined contribution plan		2,779	2,173	2,601	2,166
Share based payments[1]	50.1	14,606	5,889	14,606	5,889
Other staff costs[2]		4,910	3,085	4,824	3,072
		65,002	**45,080**	**60,462**	**43,524**

[1]Share-based expense relates to expenses recognized for employee services received during the year and is made up of an NSO provision of N4.2 billion (2022: N2.40 billion) and a PSP provision of N 10.4 billion (2022: N3.49 billion).

[2]Other staff costs comprises of mortgage subsidy, long service award, termination benefits, reward and recognition, group life insurance, medical expenses, etc., including subsidy for shares acquired by employees during the year.

14.1 Particulars relating to employees

Employees of the Group, other than directors, whose duties were wholly or mainly discharged in Nigeria received remuneration (excluding pension contributions) in the following ranges:

	Group 2023	Group 2022	Company 2023	Company 2022
N2,500,001 - N3,500,000	-	1	-	1
N3,500,001 - N4,500,000	1	17	1	17
N4,500,001 - N5,500,000	1	18	1	18
N5,500,001 - N6,500,000	61	30	61	30
N6,500,001 - N7,500,000	29	122	29	122
N7,500,001 - N8,500,000	86	97	84	97
N8,500,001 - N9,500,000	82	128	82	124
N9,500,001 - N10,500,000	41	94	41	89
N10,500,001 - N11,500,000	239	42	217	42
N11,500,001 - N12,500,000	75	56	75	45
Over - N12,500,000	1,209	1,070	1,148	1,037
	1,824	**1,675**	**1,739**	**1,622**

The year end number of full time persons employed by the Group was as follows:

	Group 2023	Group 2022	Company 2023	Company 2022
CEO's Office	9	28	9	28
Corporate Services	69	53	69	53
Customer Relations	257	255	257	255
Digital Services	30	19	30	19
Enterprise Solutions	136	128	136	128
Finance	274	259	274	259
Human Resources	67	66	67	66
Information Technology	112	97	112	97
Internal Audit & Fraud Management	30	27	30	27
Fixed Broadband	29	-	29	-
Marketing	84	81	84	81
Network Group	321	321	321	321
Risk & Compliance	36	31	36	31
Sales and Distribution	275	249	275	249
Strategy & Innovation (formerly Transformation Office)	10	8	10	8
MoMo PSB	85	53	-	-
	1,824	**1,675**	**1,739**	**1,622**

		Group		Company	
	Note(s)	2023 N million	2022 N million	2023 N million	2022 N million

14. Employee costs (continued)

14.2 Remuneration was paid in respect of directors of the Group as follows:

	Note(s)	Group 2023 N million	Group 2022 N million	Company 2023 N million	Company 2022 N million
Directors' emoluments:					
Fees (non-executive directors)		298	208	186	205
Other emoluments (non-executive directors)		1,176	776	1,166	776
Total non-executive emoluments	15	1,474	984	1,352	981
Emoluments (executive directors)		3,069	1,504	2,369	1,504
		4,543	**2,488**	**3,721**	**2,485**
The directors' remuneration shown above includes:					
Chairman's remuneration		58	58	58	58
Highest paid director		1,625	850	1,625	850
The emoluments of all other directors fall within the following ranges:					
Nil		7	4	5	4
N1 - N5,000,000		2	1	-	-
N5,000,001 - N10,000,000		-	-	-	-
N10,000,001 - N20,000,000		-	-	-	-
Above N20,000,000		18	11	10	11

14.3 Pensions and other post employment benefit plans

The Group has a defined benefit plan (unfunded), long service award (unfunded) and termination benefit (unfunded). The long service awards is bestowed on employees who have achieved milestones in terms of length of service in the Group and are paid on the anniversary month.

Net benefit expense (recognised in other staff costs, with the exception of pension obligation).

	Note(s)	Group 2023 N million	Group 2022 N million	Company 2023 N million	Company 2022 N million
Pension contribution		2,779	2,173	2,601	2,166
Long service award	39.1	1,350	994	1,350	994
Retirement benefits	39.1	3,059	459	3,059	459
		7,188	**3,626**	**7,010**	**3,619**

*See note 56

Notes to the audited consolidated and separate financial statements

	Note(s)	Group 2023 N million	Group 2022 N million	Company 2023 N million	Company 2022 N million
15. Other operating expenses					
Audit fees[1]		532	440	486	394
Directors' emoluments	14.2	1,474	984	1,352	981
Professional and consultancy fees[2]		35,320	33,537	34,876	29,978
Provision for litigation costs	37	4,305	3,356	4,305	3,356
Provision for unauthorised loss	37	-	10,508	-	-
Credit loss expense on trade and other receivables	24.1	998	4,575	998	4,575
Credit loss expense on other receivables[3]	24.2	-	-	9,496	-
Reversal of credit loss expense on other financial assets	15.1	(242)	(448)	(305)	(448)
Impairment of property and equipment	18	2,439	761	2,439	761
Inventory write-down	23.1	1,053	3,884	1,053	3,884
Write-off on property and equipment	18	1,782	-	1,782	-
Profit on disposal of property and equipment and retirement of right of use assets	15.2	(752)	(1,381)	(752)	(1,381)
Maintenance - software		24,322	15,552	24,322	15,552
Maintenance - others including equipment and infrastructure		15,009	7,675	14,992	7,674
Security costs		2,057	1,608	2,057	1,608
Rent, rates, utilities and other office running cost		3,257	2,824	3,240	2,810
Trainings, travels and entertainment cost		7,856	4,154	7,638	4,117
Insurance costs		4,360	2,825	4,341	2,825
VAT assessment cost[4]		30,281	-	30,281	-
Variable lease cost		267	267	267	267
MTN Foundation		-	3,804	-	3,804
Information technology development levy		-	5,647	-	5,647
National Agency for Science and Engineering Infrastructure levy		-	1,412	-	1,412
Other expenses[5]		5,566	2,642	4,599	1,923
		139,884	**104,626**	**147,467**	**89,739**

[1]The audit fees represent auditors remuneration as agreed with Messrs Ernst & Young (EY) for both interim and final audits of MTN Nigeria Group for the year ended 31 December 2023. The independent auditor's report was signed by Funmi Ogunlowo, a partner in the firm, with Financial Reporting Council (FRC) membership number FRC/2013/PRO/ICAN/004/00000000681.

[2]Professional fees includes fees paid to management consultants, tax advisory, business consultants etc.

[3]This credit loss incurred from unauthorised transfers caused by a system glitch in MoMo PSB. N9.64 billion of the cost was transferred from MoMo PSB to MTN Nigeria in 2023 based on the contractual terms of the Service Level Agreement between the two companies.

[4]This relates to the judgement issued by the Tax Appeal tribunal on 20 October 2023. The total VAT assessment cost deemed liable was presented in US Dollar at US$47,776,211, however the liability will be paid in Naira at the prevailing exchange rate at the date of payment.

[5]Other expenses includes bank charges, subscriptions, office refreshments, security costs, etc.

15.1 Reversal of credit loss expense on other financial assets

	Note(s)	Group 2023 N million	Group 2022 N million	Company 2023 N million	Company 2022 N million
Reversal of credit loss expense on cash and cash equivalents	27.1	(194)	(315)	(247)	(315)
Reversal of credit loss expense on other investments	25.2	(113)	(4)	(113)	(4)
Increase in/(reversal of) credit loss expense on current investments	25.2	91	(129)	55	(129)
Reversal of credit loss expense on current investments at FVOCI	31.2	(26)	-	-	-
		(242)	**(448)**	**(305)**	**(448)**

Notes to the audited consolidated and separate financial statements

		Group		Company	
	Note(s)	2023 N million	2022 N million	2023 N million	2022 N million

15. Other operating expenses (continued)

15.2 Profit on disposal of property and equipment and retirement of right of use assets

	Note(s)	Group 2023 N million	Group 2022 N million	Company 2023 N million	Company 2022 N million
Cost					
Property and equipment	18	99,192	134,368	99,192	134,368
Right of use	19	-	5,963	-	5,963
Accumulated depreciation					
Property and equipment	18	(98,719)	(133,910)	(98,719)	(133,910)
Right of use	19	-	(3,220)	-	(3,220)
Net book value		473	3,201	473	3,201
Sales proceeds		(1,225)	(4,582)	(1,225)	(4,582)
Profit on disposal and retirement	15	**(752)**	**(1,381)**	**(752)**	**(1,381)**

15.3 Other services

MTNN also paid the Messrs Ernst & Young professional fees for non-audit services. These services, in the MTNN's opinion, did not impair the independence and objectivity of the external auditor. Non-audit services provided during the period are stated below.

Name of signer	FRC Number	Name of Firm	Service rendered	Amount (N)
Funmi Ogunlowo	FRC/2013/PRO/ICAN/004/0000 0000681	Ernst & Young	Agreed upon procedures on bonus calculations for the year ended 31 December 2023	2,592,395
Funmi Ogunlowo	FRC/2013/PRO/ICAN/004/0000 0000681	Ernst & Young	Review of payroll for the year ended 31 December 2023	5,321,250
Funmi Ogunlowo	FRC/2013/PRO/ICAN/004/0000 0000681	Ernst & Young	Attestation of ICFR report	35,000,000
			Total	**42,913,645**

16. Direct network operating costs

	Group 2023 N million	Group 2022 N million	Company 2023 N million	Company 2022 N million
Regulatory fees	60,716	48,421	60,716	48,421
Annual Numbering Plan	3,240	2,688	2,951	2,688
BTS leases	502,746	331,849	502,746	331,849
Network Maintenance	83,798	73,295	83,797	73,294
	650,500	**456,253**	**650,210**	**456,252**

Following the adoption of IFRS 16 leases, BTS lease expense relating to the non-lease components (power and maintenance) of the tower lease contracts are recognised as an expense in profit or loss as they are incurred.

Notes to the audited consolidated and separate financial statements

		Group		Company	
		2023	2022 restated*	2023	2022 restated*
		N million	N million	N million	N million

17. Taxation

Analysis of tax expense for the year

	Note	Group 2023	Group 2022 restated*	Company 2023	Company 2022 restated*
Current					
Company income tax	42	129,459	166,787	129,458	166,787
Minimum tax		29	-	-	-
Prior year tax under provision of company income tax	42	2,547	10,446	2,547	10,446
Education tax	42	23,476	20,375	23,476	20,375
Nigerian police trust fund	42	-	28	-	28
Net current tax charge		**155,511**	**197,636**	**155,481**	**197,636**
Deferred					
Deferred tax credit		(200,681)	(15,231)	(194,195)	(6,022)
Prior year tax under/(over) provision of deferred tax		4,305	(12,309)	(1,018)	(12,309)
Net deferred tax credit	**40.3**	**(196,376)**	**(27,540)**	**(195,213)**	**(18,331)**
Tax (credit)/expense for the year		**(40,865)**	**170,096**	**(39,732)**	**179,305**

Tax rate reconciliation

The table below explains the differences between the expected tax expense on continuing operations, at the Nigerian statutory tax rate of 30% (2022: 30%) and the Company's total tax expense for each year.

	Group 2023	Group 2022 restated*	Company 2023	Company 2022 restated*
(Loss)/profit before tax	(177,886)	518,823	(144,242)	549,516
Taxation	40,865	(170,096)	39,732	(179,305)
Actual tax rate	22.97 %	32.78 %	27.55 %	32.63 %
Applicable tax rate	30.00 %	30.00 %	30.00 %	30.00 %
Exempt income (a)	0.05 %	(0.02)%	0.06 %	(0.02)%
Prior year tax (over)/under provision of CIT	(1.43)%	1.96 %	(1.77)%	1.85 %
Prior year tax over provision of deferred tax (b)	(2.42)%	(2.31)%	0.71 %	(2.18)%
Expenses not allowed (b)	(3.13)%	0.48 %	(1.36)%	0.44 %
Investment allowance	2.05 %	(0.96)%	2.54 %	(0.91)%
Education tax (b)	(2.13)%	3.62 %	(2.63)%	3.44 %
Police trust fund	- %	0.01 %	- %	0.01 %
Minimum tax (c)	(0.02)%	- %	- %	- %
Effective tax rate	**22.97 %**	**32.78 %**	**27.55 %**	**32.63 %**

The Group is regarded as tax resident in Nigeria in line with the provisions of the Companies Income Tax Act and as such taxable in Nigeria.

The tax charge and effective tax rate for the period has been impacted by: the increase in tertiary education tax rate from 2.5% of assessable profit to 3%, the withdrawal of 10% investment allowance on qualifying capital expenditure following the signing of the 2023 Finance Act and the expiration of tax exemption for treasury bonds and Short-Term Government Securities on the tax charge.

(a) Exempt income represents income from FGN bonds not taxable.

(b) The increase of the Group rates in 2023 is due to the derecognition of deferred tax assets previously recognised in the books of YDFS in line with IAS 12 assessment of deferred tax.

(c) Minimum Tax relates to Yello Digital Financial Services Limited. MoMo PSB is exempt as it is still within its four (4) years of operations.

*See note 56

Notes to the audited consolidated and separate financial statements

18. Property and equipment

Group & Company

	Land	Buildings	Leasehold improvements	Information systems, furniture and office equipment	Motor vehicles	Network infrastructure	Capital work-in-progress	Total
	N million	N million	N million	N million	N million	N million	N million	N million
Cost								
Balance at 1 January 2022	5,690	28,876	23,624	67,184	9,729	1,108,265	143,968	1,387,336
Additions	21,002	3,663	919	20,928	655	240,157	48,992	336,316
Reclassification	-	(43)	43	-	-	54,282	(54,282)	-
Disposal	-	(7)	(154)	(17,165)	(426)	(116,616)	-	(134,368)
Balance at 31 December 2022	26,692	32,489	24,432	70,947	9,958	1,286,088	138,678	1,589,284
Additions	973	1,208	1,325	18,015	2,536	321,899	57,027	402,983
Disposal	-	-	(4)	(2,773)	(475)	(95,940)	-	(99,192)
Write-off	-	-	-	-	-	-	(1,782)	(1,782)
Balance at 31 December 2023	**27,665**	**33,697**	**25,753**	**86,189**	**12,019**	**1,512,047**	**193,923**	**1,891,293**
Depreciation and impairment								
Balance at 1 January 2022	-	20,403	9,685	38,812	2,727	541,596	-	613,223
Charge for the year	-	1,018	1,579	16,999	1,741	159,516	-	180,853
Disposal	-	(4)	(154)	(17,114)	(151)	(116,487)	-	(133,910)
Impairment	-	-	-	-	-	761	-	761
Balance at 31 December 2022	-	21,417	11,110	38,697	4,317	585,386	-	660,927
Charge for the year	-	741	1,655	17,446	1,644	210,054	-	231,540
Disposal	-	-	(2)	(2,717)	(174)	(95,826)	-	(98,719)
Impairment	-	-	-	-	-	2,439	-	2,439
Balance at 31 December 2023	-	22,158	12,763	53,426	5,787	702,048	-	796,182
Carrying amount								
At 1 January 2022	5,690	8,473	13,939	28,372	7,002	566,669	143,968	774,113
At 31 December 2022	26,692	11,072	13,322	32,250	5,641	700,702	138,678	928,357
At 31 December 2023	27,665	11,539	12,990	32,763	6,232	809,999	193,923	1,095,111

Notes to the audited consolidated and separate financial statements

18. Property and equipment (continued)

18.1 Capital work-in-progress

This represents costs incurred on assets still under construction as at the reporting date.

18.2 Reclassification

Reclassification relates to assets moved from capital work in progress to other categories of property and equipment. Total reclassification for the year was nil (2022: N54.28 billion).

18.3 Cash movements

The total cash outflow for property and equipment in 2023 was N393 billion (2022: N326.74 billion).

18.4 Impairment losses recognised in the year

Impairment relates to loss recognised due to obsolescence on network infrastructure. During the year, there was impairment charge of network infrastructure N2.44billion. (2022: N761 million). Technological obsolescence is one of the indicators of impairment according to IAS 36.15b and this occurs frequently in the telecommunications industry. The impairment loss was driven change in technology which made the carrying amount of the related infrastructure equipment to be written down to nil.

18.5 Write off

The write-off is an adjustment related to outdated technical inventory balances that were not accurately reflected in physical assets. A comprehensive reconciliation conducted during the year revealed that the inventory had been physically utilized, with no corresponding record indicating that it had been issued through the inventory system. Consequently, the item was written off, as it was erroneously reported as capital work in progress.

18.6 Assets pledged as security

The Group has made a negative pledge over all existing and future assets to the lenders. The negative pledge signifies that the Group has agreed not to deplete its assets via sales, collateral and transfer to anyone except the group of lenders, subject to a permitted amount.

18.7 Capitalised borrowing costs

No borrowing costs were capitalised during the year (2022: Nil).

19. Right of use assets

Group and Company

	Network infrastructure N million	Base station land N million	Property leases N million	Office equipment N million	Motor vehicles N million	Total N million
Cost						
Balance at 1 January 2022 as previously reported	795,093	10,535	5,820	398	9,332	821,178
Lease restatement*	(174,008)	-	-	-	-	(174,008)
Balance at 1 January 2022 as restated*	621,085	10,535	5,820	398	9,332	647,170
Additions	121,800	4,758	2,341	-	52	128,951
Retirement	-	(5,532)	(33)	(398)	-	(5,963)
Balance at 31 December 2022 as restated*	742,885	9,761	8,128	-	9,384	770,158
Additions	117,809	1,382	2,452	-	-	121,643
Balance at 31 December 2023	860,694	11,143	10,580	-	9,384	891,801
Depreciation						
Balance at 1 January 2022 as previously reported	195,410	5,571	3,670	398	2,316	207,365
Lease restatement*	(10,860)	-	-	-	-	(10,860)
Balance at 1 January 2022 as restated*	184,550	5,571	3,670	398	2,316	196,505
Depreciation	95,697	2,425	1,398	-	1,874	101,394
Retirement	-	(2,789)	(33)	(398)	-	(3,220)
Balance at 31 December 2022 as restated*	280,247	5,207	5,035	-	4,190	294,679
Depreciation	113,294	1,768	1,362	-	1,872	118,296
Balance at 31 December 2023	393,541	6,975	6,397	-	6,062	412,975
Carrying amounts						
At 1 January 2022 restated*	**436,535**	**4,964**	**2,150**	**-**	**7,016**	**450,665**
At 31 December 2022 restated*	**462,638**	**4,554**	**3,093**	**-**	**5,194**	**475,479**
At 31 December 2023	**467,153**	**4,168**	**4,183**	**-**	**3,322**	**478,826**

*See note 56 for the lease reassessment.

19.1 Retirement

Retirement relates to terminated prepaid lease contracts (cost: N5.07 billion) and prepaid contracts expired (cost: N0.89 billion) in 2022.

19.2 Right of use cash movement

Total cash outflow for right-of-use assets in 2023 is N34.50 billion (2022: N16.37 billion) which represents the prepaid leases for the year.

*See note 56

Notes to the audited consolidated and separate financial statements

20. Intangible assets

Group

	Goodwill N million	Software N million	Licences N million	Capital work-in-progress N million	Total N million
Cost					
Balance at 1 January 2022	10,016	118,499	212,537	30,253	371,305
Additions	-	22,728	119,277	1,991	143,996
Reclassification	-	13,602	-	(13,602)	-
Disposal	-	(18,621)	-	-	(18,621)
Balance at 31 December 2022	10,016	136,208	331,814	18,642	496,680
Addition	-	7,128	123,590	60,315	191,033
Reclassification	-	33,278	19,320	(52,598)	-
Reallocation	-	(47,820)	47,820	-	-
Disposal	-	(18,990)	-	-	(18,990)
Balance at 31 December 2023	**10,016**	**109,804**	**522,544**	**26,359**	**668,723**
Accumulated amortisation					
Balance at 1 January 2022	-	67,903	57,844	-	125,747
Charge for the year	-	29,519	24,436	-	53,955
Disposal	-	(18,621)	-	-	(18,621)
Balance at 31 December 2022	-	78,801	82,280	-	161,081
Charge for the year	-	34,848	44,185	-	79,033
Reallocation	-	(36,917)	36,917	-	-
Disposals	-	(18,990)	-	-	(18,990)
Balance at 31 December 2023	-	57,742	163,382	-	221,124
Carrying amount					
At 1 January 2022	10,016	50,596	154,693	30,253	245,558
At 31 December 2022	10,016	57,407	249,534	18,642	335,599
At 31 December 2023	10,016	52,062	359,162	26,359	447,599

20. Intangible assets (continued)

Company

	Software	Licences	Capital work-in-progress	Total
	N million	N million	N million	N million
Cost				
Balance at 1 January 2022	70,679	212,537	30,253	313,469
Additions	22,728	119,277	1,991	143,996
Reclassification	13,602	-	(13,602)	-
Disposals	(18,621)	-	-	(18,621)
Balance at 31 December 2022	88,388	331,814	18,642	438,844
Addition	-	123,590	60,315	183,905
Reclassification	33,278	19,320	(52,598)	-
Disposal	(18,990)	-	-	(18,990)
Balance at 31 December 2023	**102,676**	**474,724**	**26,359**	**603,759**
Accumulated amortisation				
Balance at 1 January 2022	36,301	57,844	-	94,145
Charge for the year	24,200	24,436	-	48,636
Disposal	(18,621)	-	-	(18,621)
Balance at 31 December 2022	41,880	82,280	-	124,160
Charge for the year	33,422	38,867	-	72,289
Reallocation	-	-	-	-
Disposal	(18,990)	-	-	(18,990)
Balance at 31 December 2023	56,312	121,147	-	177,459
Carrying amount				
At 1 January 2022	34,378	154,693	30,253	219,324
At 31 December 2022	46,508	249,534	18,642	314,684
At 31 December 2023	46,364	353,577	26,359	426,300

20.1 Licences and software

The licences and software are not internally generated intangible assets and have a definite useful life.

20.2 Reclassification

Reclassification relates to prior year additions to capital work in progress moved to other categories of intangible assets. During the year there was a reclassification of N52.60 billion (2022: N13.60 billion).

20.3 Reallocation

Reallocation relates to the reclassification of the Visafone licence from software category to licence category.

20.4 Goodwill

Goodwill relates to the acquisition of Visafone Communications Limited.

20.5 Cash movements

The total cash outflow for intangible assets in 2023 was N165.03 billion (2022: N132.04 billion).

20.6 Goodwill impairment assessment

Goodwill arising on the acquisition of Visafone was tested for impairment in accordance with IAS 36. For this purpose, goodwill was allocated to the MTN Nigeria Cash Generating Unit (CGU) following the transfer of the 800MHz spectrum to MTN Nigeria by the Nigerian Communications Commission. The recoverable amount of the CGU has been determined based on value-in-use calculations.

The calculations mainly used cash flow projections based on financial budgets approved by Management covering a three year period. Management is confident that the projections are appropriate based on the Group's operating model

20. Intangible assets (continued)

The recoverable amount of the CGU has been determined based on the value-in-use calculations. The calculations mainly used cash flow projections based on financial budgets approved by Management covering a three-year period. Management is confident that the projections are appropriate based on the Group's operating model. The value-in-use entails the use of cash flow projection of economic benefits that an asset generates base on financial budgets approved by management covering a three-year period.

From the assessment carried out, the carrying amount of the CGU is lower than the recoverable amount, hence no impairment was recorded in the financial statements. for the year ending 31 December 2023 (31 December 2022: Nil).

The following key assumptions were used for the value in use calculations:

	2023	2022
Revenue growth	26.6%	22.4%
Opex % revenue	49.8%	44.5%
Capex & revenue	16.9%	15.9%
Discount rate	30.8%	24.5%

Management determined the values assigned to each of the above key assumptions as follows:

Assumptions	Approach used to determine values
Revenue	The budget is built adopting assumptions that align with the strategic objectives of the business within the period the budget covers.
Operating expenditure	Budget adopts core costs required to support revenue generation plans, strategic expansions in consideration, and savings initiatives identified by the business.
Annual capital expenditure	These are projected capital expenditure costs in the CGU that has been derived as a percentage of revenue based on the historical experience of management
Discount rate	The discount rate used is the MTN Nigeria's pre-tax Weighted Average Cost of Capital (WACC) which is derived using a Capital Asset Pricing Model (CAPM). This rate reflects both time value of money and other specific risks relating to relevant CGU.

Goodwill sensitivity analysis

The sensitivity analysis been performed is based on change in the discount rate, variations to cash flows arising from revenue, operating expenditure (as seen below) considered possible by management:

	%change	Recoverable amount VIU N million	Excess of recoverable amount over CGU varying amount N million
Discount rate (%)	+5%	15,030,081	12,833,736
	-5%	16,731,074	14,534,728
Revenue % growth	+5%	17,809,663	15,613,318
	-5%	13,587,455	11,391,109

Management has performed appropriate assessment and made relevant assumptions including necessary analysis. There is no indication that the carrying amount of the respective CGUs is lower than the recoverable amounts (i.e. value in use).

	2023 N million	2022 N million
PV of net future cash flows (three-year period)	2,024,393	2,997,595
Present value of terminal value*	13,674,166	19,451,285
Value in use	15,698,559	22,448,880
less: CGU carrying amount (net assets)	(2,196,345)	(1,905,159)
Excess of value in use over CGU carrying amount	13,502,214	20,543,721

*Cash flow projections for periods beyond the most recent budgets/forecasts are determined by extrapolation using a steady or declining growth rate, unless an increasing growth rate can be justified. The resulting figure is called the terminal value. In calculating the terminal value, preceding year pre-tax cash flow was adjusted for changes in working capital using the terminal period value (being the lowest of the projections) to reflect present value of free cash flow in the preceding year growing at a constant rate.

Notes to the audited consolidated and separate financial statements

20. Intangible assets (continued)

20.7 Details of network licences

S/N	Network Licences Type	Date Granted /Renewed	Term (Years)	Renewable Term	Licence Fee Currency	Initiation/ Renewal fee	Purpose/ Characteristics
1	Digital Mobile Licence (DML) - 900MHz & 1800 MHz	9 February 2001/1 September 2022	10	Renewable after the expiration of 31 August 2031	NGN	20.72 billion/ 71.61 billion	Operational license and spectrum License, authorises 2nd Generation mobile services & mobile voice/SMS, basic data (GPRS)
2	3G Spectrum Licence (Receive Frequency 1920 - 1930 MHz) (Transmit Frequency 2110 - 2120MHz)	1 May 2007/1 May 2022	15	Renewable after 30 April 2037	US$/NGN	US$150 million NGN58.7 billion	Spectrum License for 3rd Generation (3G) services. Enables high-speed data services (voice/video calls, live data streaming, etc.)
3	Unified Access Service Licence (UASL)	1 September 2006/1 September 2022	10	Renewable after the expiration of 31 August 2031	NGN	114.6 million/ 374.6 million	Operational license, technology-neutral & permits full bouquet of services possible on existing spectrum
4	International Submarine Cable Infrastructure and Landing Station (WACS)	1 January 2010	20	Renewable after the expiration of 31 December 2030	US$	220.5 million	Authorises MTNN to set up & maintain a landing station for transmission of international traffic. Authorises carriage of both MTNN/3rd party traffic.
5	800MHz – Intercellular acquisition	1 January 2021	10	Renewable after the expiration of 31 December 2030	NGN	16.12 billion	Spectrum for 4th Generation (4G/LTE) services, broadband spectrum and enables voice calls over IP-based networks , video calling, streaming and downloading etc.
6	700 MHz spectrum licence	4 December 2020	To be confirmed	13 December 2030	US$ but paid in Naira	US$171 million (N34.1 billion)	For the provision of telecommunication services.
7	Spectrums 800 MHz (Visafone)	1 January 2015	10	Renewable after the expiration of 31 December 2024.	US$	220 million	Spectrum for 4th Generation (4G/LTE) services, broadband spectrum and enables voice calls over IP-based networks , video calling, streaming and downloading etc.
8	Spectrums 2.6GHz	1 January 2018	10	Renewable after the expiration of 31 December 2027	NGN	18.9 billion	Spectrum license for 4th generation (4G/LTE) services, broadband spectrum and enables voice calls over IP-based networks , video calling, streaming and downloading etc.

Notes to the audited consolidated and separate financial statements

20. Intangible assets (continued)

S/N	Network Licences Type	Date Granted /Renewed	Term (Years)	Renewable Term	Licence Fee Currency	Initiation Fee	Purpose/ Characteristics
9	2.6GHz (Opensky Acquisition)	7 September 2023	10	Renewable after the expiration of 16 April 2033	NGN	US$ 65.7 million/ N25.7 billion	Spectrum license for 4th generation (4G/LTE) services, broadband spectrum and enables voice calls over IP-based networks , video calling, streaming and downloading etc.
10	3.5GHz Spectrum License	24 August 2022	10	Renewable after the expiration of 23 August 2032	NGN	119.28 billion	Spectrum license for 5G services. Enables high-speed data services (voice/video calls, live data streaming, etc.)
11	Ntel Spectrum License (900MHz and 1800 MHz)	1 May 2023	2	2 years lease term	NGN	N/A *	Shared operational spectrum License, authorises 2nd Generation mobile services and mobile broadband services using 3G/4G technology

*This is a prepaid spectrum lease and not an outright acquisition. Prepaid cost is N4.25 billion

21. Investments in subsidiaries

The following table lists the entities which are controlled by the Group.

Name of company	% Holding 2023	% Holding 2022	% Holding 2021	Carrying amount 2023 N 'million	Carrying amount 2022 N 'million	Carrying amount 2021 N 'million
Visafone Communications Limited	100 %	100 %	100 %	43,778	43,778	43,778
XS Broadband Limited	100 %	100 %	100 %	500	500	500
Yello Digital Financial Services Limited	100 %	100 %	100 %	15,000	14,150	14,150
MoMo Payment Service Bank Limited	80 %	80 %	- %	41,600	16,400	-
				100,878	74,828	58,428
Impairment of investment in subsidiary (XS Broadband)				(500)	(500)	(500)
				100,378	74,328	57,928

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. All the subsidiaries have the same year-end as the parent company.

During the year, there was an increase in the investment in Yellow Digital Financial Services Limited of N850 million (2022: Nil)

The MoMo Payment Service Bank Limited (MoMo PSB) is licensed by Central Bank of Nigeria (CBN) to facilitate high-volume low-value transactions in remittance services, micro-savings and withdrawal services in a secured technology-driven environment to further deepen financial inclusion in Nigeria. MoMo PSB commenced operations in 2022 and MTNN holds 80% of the voting shares while Axcani Limited holds 20% non- controlling interest.

In December 2023, there was an increase in investment in MoMo PSB of N25.2 billion (2022: N16.4 billion which was an initial investment).

The investment in XS Broadband Limited was impaired in previous years to reflect the recoverable amount of MTNN's investment in subsidiary in line with IAS 36 - impairment of assets.

There are no significant regulatory restrictions to movement of capital from the subsidiaries.

21.1 Interest in other entities

The Group's principal subsidiaries as at 31 December 2023 are set out in Note 1. Unless otherwise stated, their share capital consists solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business. The Group exercised significant judgement in consolidating MoMo Payment Service Bank Limited and other subsidiaries. Please see Note 5.1 for details. Also, there were no significant restrictions on any of the entity.

The summarised financial information set out below is in respect of MoMo Payment Service Bank which has a material non-controlling interest. The information disclosed reflects amounts presented in the financial statements of the subsidiary by the Group.

Summarised statement of financial position

	2023 N ' million	2022 N ' million
Assets		
Non-current assets	5,703	-
Current assets	41,102	24,401
Total assets	46,805	24,401
Liabilities		
Non-current liabilities	2,317	-
Current liabilities	26,323	32,613
Total liabilities	28,640	32,613
Total net assets (liabilities)	18,165	(8,212)
Accumulated non-controlling interest at 20%	3,633	(1,642)

21. Investments in subsidiaries (continued)

Summarised statement of profit or loss

	12 months ended 31 December 2023 N 'million	13 months ended 31 December 2022 N 'million
Revenue	802	105
Fees and commission expenses	(409)	(1,083)
Operating expenses	(21,777)	(11,200)
Other income	989	554
Other income and expenses	(1,426)	(7,358)
Profit before tax	(21,821)	(18,982)
Tax expense	4,896	5,689
Loss after tax	(16,925)	(13,293)
Other comprehensive income	-	82
Total comprehensive loss	(16,925)	(13,211)
Summarised statement of cash flows		
Cash flows from operating activities	(23,033)	(2,947)
Cash flows from investing activities	718	(2,178)
Cash flows from financing activities	31,500	20,500
Net increase in cash and cash equivalents	9,185	15,375

		Group			Company		
		2023 N million	2022 N million	2021 N million	2023 N million	2022 N million	2021 N million
22. Derivatives							
Currency swap		15,912	3,062	372	15,912	3,062	372

All gains and losses from changes in the fair value of derivatives are recognised immediately in the profit or loss statement as finance income or cost.

The Group uses derivative financial instruments such as currency swap to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the net fair value is positive and as financial liabilities when the net fair value is negative, see the fair value disclosure in note 49.2.

The liability also has a restricted cash balance representing a security on the derivative liability contract with the counterparty, see note 26.

23. Inventories

		2023	2022	2021	2023	2022	2021
Handsets and accessories		5,960	6,502	2,506	5,960	6,502	2,506
Starter packs		5,677	1,733	3,477	5,677	1,733	3,477
Gross handsets and accessories, and starter packs		11,637	8,235	5,983	11,637	8,235	5,983
Inventories (write-downs)	23.1	(5,610)	(4,557)	(673)	(5,610)	(4,557)	(673)
		6,027	**3,678**	**5,310**	**6,027**	**3,678**	**5,310**

Notes to the audited consolidated and separate financial statements

23. Inventories (continued)

23.1 Reconciliation of inventory write-down

	Note(s)	Group 2023 N million	Group 2022 N million	Group 2021 N million	Company 2023 N million	Company 2022 N million	Company 2021 N million
Opening balance		(4,557)	(673)	(2,669)	(4,557)	(673)	(2,669)
(Increase)/decrease in inventory write-down	15	(1,053)	(3,884)	1,996	(1,053)	(3,884)	1,996
Closing balance		**(5,610)**	**(4,557)**	**(673)**	**(5,610)**	**(4,557)**	**(673)**

During the year, there was an inventory write-down of N1.05 billion (2022: N3.88 billion) for starter packs, 4G and 5G devices carried at net realisable value. The impairment is as a result of the arrival of new technology 4G & 5G batteries and new updated stocks received which would leave the old existing stock possibly obsolete. The write-down is recognised in the other operating costs in statement of profit or loss.

24. Trade and other receivables

	Note(s)	Group 2023 N million	Group 2022 N million	Group 2021 N million	Company 2023 N million	Company 2022 N million	Company 2021 N million
Financial instruments:							
Trade receivables		73,609	73,563	43,425	73,338	73,290	42,467
Trade receivables - related parties	48.5	28,724	12,323	12,277	65,010	43,903	21,467
Allowance for expected credit losses	24.1	(14,650)	(13,652)	(9,077)	(14,232)	(13,234)	(8,659)
Net trade receivables at amortised cost		87,683	72,234	46,625	124,116	103,959	55,275
Other receivables[1]	24.2	30,634	11,678	12,149	26,680	11,133	12,201
		118,317	83,912	58,774	150,796	115,092	67,476
Non-financial instruments:							
Sundry receivables and advances[2]		580	407	177	545	407	177
Other non-financial receivables[3]		80,211	90,294	26,681	72,324	79,884	26,708
Prepayments[4]		42,686	27,568	53,940	42,407	27,534	53,937
Less: non current prepayments	24.3	(26,380)	(10,685)	(12,340)	(26,380)	(10,685)	(12,340)
		97,097	107,584	68,458	88,896	97,140	68,482
		215,414	**191,496**	**127,232**	**239,692**	**212,232**	**135,958**

[1]Other receivables includes advance payments to suppliers and prepaid IRU expenses.

[2]Sundry receivables and advances includes advances to staff for travel expenses and other work related expenses.

[3]Other non-financial receivables includes contracted Advance Payment Guarantees (APGs) and performance bonds with vendors and withholding tax receivables.

[4]Prepayments includes prepayments for the road infrastructure tax credit scheme (see note 24.3), other prepaid operational costs, short term software licenses and insurance.

The Group's exposure to currency risk and credit risk and impairment losses related to trade and other receivables are disclosed in note 49.5.2 and 49.3 respectively.

The carrying value of trade and other receivables materially approximates the fair value because of the short period to maturity.

24.1 Reconciliation of allowance for expected credit losses

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

	Note(s)	Group 2023 N million	Group 2022 N million	Group 2021 N million	Company 2023 N million	Company 2022 N million	Company 2021 N million
As at 1 January		**(13,652)**	**(9,077)**	**(10,941)**	**(13,234)**	**(8,659)**	**(10,523)**
(Increase)/decrease in loss allowance recognised in profit or loss	15	(998)	(4,575)	1,864	(998)	(4,575)	1,864
As at 31 December		**(14,650)**	**(13,652)**	**(9,077)**	**(14,232)**	**(13,234)**	**(8,659)**

Impairment charge of N1.00 billion (2022: N4.58 billion) for Group and Company was recognised in the other operating expenses, see note 15. The loss allowance recognised during the year is mainly due to some VAS partner receivables that were fully impaired . See note of the analysis of credit risk and expected credit losses in note 49.3.3.

		Group			Company		
	Note(s)	2023 N million	2022 N million	2021 N million	2023 N million	2022 N million	2021 N million

24. Trade and other receivables (continued)

24.2 Other receivables

	Note(s)	Group 2023	Group 2022	Group 2021	Company 2023	Company 2022	Company 2021
Advance payments, prepaid IRU expenses and other receivable balances		30,634	11,678	12,149	26,680	11,133	12,201
Unauthorised transferred receivables		-	-	-	9,496	-	-
Credit loss on other receivables	15	-	-	-	(9,496)	-	-
		30,634	**11,678**	**12,149**	**26,680**	**11,133**	**12,201**

Other receivables is made up of the amount expected from the loss on unauthorized transfers that occurred due to a system technical glitch in MoMo PSB in 2022. N22 billion was wrongly transferred, N12.5 billion has been recovered till date with a balance of N9.5 billion unrecovered. In the current year, the unauthorized transfers have been absorbed by MTNN due to the shared services cost agreement between both companies. MTNN has fully provided for this amount.

24.3 Non-current prepayment

	Note(s)	Group 2023	Group 2022	Group 2021	Company 2023	Company 2022	Company 2021
Prepayment for road infrastructure tax credit[1]		17,421	130	-	17,421	130	-
Other non-current prepayments[2]		8,959	10,555	12,340	8,959	10,555	12,340
		26,380	**10,685**	**12,340**	**26,380**	**10,685**	**12,340**

[1]These are costs incurred towards the reconstruction of the Enugu-Onitsha expressway under the Road Infrastructure Development and Refurbishment Investment Tax Credit ("Road Tax Credit") Scheme. The Scheme is a public-private partnership (PPP) intervention that enables the Nigerian Government to leverage private sector capital and efficiency for the construction, repair, and maintenance of critical road infrastructure in key economic areas in Nigeria. MTN Nigeria shall be entitled to utilize the total cost incurred in the construction or refurbishment of an eligible road as a tax credit against their future Companies Income Tax (CIT) liability, until full cost recovery is achieved.

[2]This includes the non-current portion of the prepaid Indefeasible right of use (IRU) asset access to the West African Cable System (WACS).

25. Investments

	Note(s)	Group 2023	Group 2022	Group 2021	Company 2023	Company 2022	Company 2021
Other investments							
Treasury bonds at amortised cost		6,720	7,345	7,710	6,720	7,345	7,710
NGN deposits at amortised cost		-	3,441	3,340	-	3,441	3,340
Allowance for expected credit losses	25.2	(88)	(201)	(205)	(88)	(201)	(205)
		6,632	**10,585**	**10,845**	**6,632**	**10,585**	**10,845**
Current investments							
US Dollar deposits at amortised cost		-	-	15,526	-	-	15,526
NGN deposits at amortised cost		-	819	26,530	-	819	26,530
Treasury bills at amortised cost		4,132	5,410	9,529	990	4,793	9,529
Allowance for expected credit losses	25.2	(103)	(12)	(141)	(67)	(12)	(141)
Net current investments at amortised cost		4,029	6,217	51,444	923	5,600	51,444
Treasury bills and bonds at fair value through profit or loss		205	539	6,220	205	539	6,220
Treasury bills and bonds at fair value through other comprehensive income		3,022	13,532	-	1,491	11,267	-
		7,256	**20,288**	**57,664**	**2,619**	**17,406**	**57,664**

For cash flow purposes of current investments:

Group: total purchases was N11.94 billion (2022: N132.69 billion); total sales is N38.68 billion (2022: N170.38 billion).

Company: total purchases was N10.17 billion (2022: N129.81 billion); total sales was N38.68 billion (2022: N170.38 billion).

Notes to the audited consolidated and separate financial statements

25. Investments (continued)

25.1 Debt instruments measured at fair value through other comprehensive income (FVOCI)

		Group			Company		
	Note(s)	2023 N million	2022 N million	2021 N million	2023 N million	2022 N million	2021 N million
As at 1 January		13,532	-	-	11,267	-	-
Purchases		9,627	41,161	-	9,627	38,896	-
Sales		(20,699)	(28,588)	-	(19,895)	(28,588)	-
Interest accrued		1,774	-	-	1,723	-	-
Net (losses)/gains from changes in fair value recognised on FGN bonds and treasury bills	31.2	(1,212)	959	-	(1,231)	959	-
As at 31 December		**3,022**	**13,532**	**-**	**1,491**	**11,267**	**-**

25.2 Reconciliation for allowance of expected credit losses

	Note(s)	Group 2023 N million	Group 2022 N million	Group 2021 N million	Company 2023 N million	Company 2022 N million	Company 2021 N million
Other investments							
As at 1 January		(201)	(205)	(223)	(201)	(205)	(223)
Reversal of credit loss expense	15.1	113	4	18	113	4	18
As at 31 December		**(88)**	**(201)**	**(205)**	**(88)**	**(201)**	**(205)**
Current investment							
As at 1 January		(12)	(141)	(69)	(12)	(141)	(69)
(Increase in)/reversal of credit loss expense	15.1	(91)	129	(72)	(55)	129	(72)
As at 31 December		**(103)**	**(12)**	**(141)**	**(67)**	**(12)**	**(141)**

26. Restricted cash

	Note(s)	Group 2023 N million	Group 2022 N million	Group 2021 N million	Company 2023 N million	Company 2022 N million	Company 2021 N million
Restricted cash deposits for letters of credit[1]		346,146	149,572	115,329	346,146	149,572	126,862
Collateral on borrowings[2]		31,457	43,042	30,416	31,457	43,042	18,883
Restricted cash on swap transaction[3]		15,662	1,328	-	15,662	1,328	-
Restricted cash - others[4]		1,144	883	443	944	680	443
Cash held for MoMo customers[5]	34	7,601	1,257	-	-	-	-
		402,010	**196,082**	**146,188**	**394,209**	**194,622**	**146,188**

[1]MTNN operates usance letters of credit (LC) that is backed by restricted cash deposit (known as cash collateral) in US$ and Naira.

[2]Collateral on borrowings include cash invested in marketable securities as part of a loan covenant.

[3]Restricted cash on swap transaction includes security on the derivative liability contract with the counterparty.

[4]Restricted cash - others comprises of: the retention fee on purchase of Visafone Communications Limited of N378 million; dividends received on shares held in trust by Vetiva Trustee Ltd for the MTNN employee shares scheme implementation; N500.8 million (2022: N237.4 million) and garnishees against court judgments of N64.9 million. For Group, YDFS has a deposit of N200 million with the Central Bank of Nigeria for access to the PSSP (Payment service solution provider) & PTSP (Payment terminal service provider) platforms.

[5]Cash held for MoMo customers relates to MoMo customers deposit liability for the period (see note 34).

For the purpose of cash flows, total net cash outflow to banks for restricted cash was Group: N200.46 billion (2022: N48.64 billion), for Company N200.46 billion (2022: N48.44 billion).

Notes to the audited consolidated and separate financial statements

		Group			Company		
	Note(s)	2023 N million	2022 N million	2021 N million	2023 N million	2022 N million	2021 N million

27. Cash and cash equivalents

Cash and cash equivalents consist of:							
Bank balances		183,971	185,347	123,149	176,496	171,240	109,374
NGN short-term deposits		124,247	154,490	138,345	102,143	143,341	138,254
US Dollar short-term deposits		36,950	9,951	-	36,950	9,951	-
Cash and cash equivalents		345,168	349,788	261,494	315,589	324,532	247,628
Allowance for expected credit losses	27.1	(94)	(288)	(603)	(41)	(288)	(603)
Net cash and cash equivalents		**345,074**	**349,500**	**260,891**	**315,548**	**324,244**	**247,025**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

Bank balances	183,971	185,347	123,149	176,496	171,240	109,374
NGN short-term deposits	124,247	154,490	138,345	102,143	143,341	138,254
US Dollar short-term deposits	36,950	9,951	-	36,950	9,951	-
	345,168	**349,788**	**261,494**	**315,589**	**324,532**	**247,628**

27.1 Reconciliation of allowance for expected credit losses

As at 1 January		(288)	(603)	(627)	(288)	(603)	(627)
Decrease in loss allowance recognised in profit or loss	15.1	194	315	24	247	315	24
As at 31 December		**(94)**	**(288)**	**(603)**	**(41)**	**(288)**	**(603)**

The credit quality of bank balances and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings, see note 49.3.1.

28. Equity

28.1 Share capital

Issued and fully paid						
20,995,560,103 ordinary shares of N0.02 (December 2022, 2021: 20,354,513,050)	420	407	407	420	407	407
Reconciliation						
As at 1 January	407	407	407	407	407	407
Additional share issue (641,047,053 ordinary shares at N0.02 per share)	13	-	-	13	-	-
As at 31 December	**420**	**407**	**407**	**420**	**407**	**407**

The additional new shares created by the scrip dividend scheme (see note 28.3) has been incorporated into the company's minimum issued share capital as duly approved by Securities and Exchange Commission (SEC) and registered with the Corporate Affairs Commission (CAC).

28.2 Dividends

Final dividend for 2022: N10.00 kobo per share (2021: N8.57 kobo per share, 2020: N5.90 kobo per share)	203,375	174,201	120,092	203,375	174,201	120,092
Interim dividend for 2023: N5.60 kobo per share (2022: N5.60 kobo per share; 2021: N4.55 kobo per share)	117,481	113,985	92,613	117,481	113,985	92,613
	320,856	**288,186**	**212,705**	**320,856**	**288,186**	**212,705**

		Group			Company		
	Note(s)	2023 N million	2022 N million	2021 N million	2023 N million	2022 N million	2021 N million

28. Equity (continued)

For the purpose of the statement of cash flows, dividends paid comprise of:

Final dividend paid[1]	54,216	174,201	120,092	54,216	174,201	120,092
Interim dividend paid[2]	117,481	113,985	92,613	117,481	113,985	92,613
	171,697	**288,186**	**212,705**	**171,697**	**288,186**	**212,705**

[1]Impact of the scrip dividend scheme opted for by shareholders effective for 2022 financial year dividends, see note 28.3.

[2]The increase in shares also impacted the interim dividend paid, the additional dividend payment of N3.49 billion was on the additional 641 million shares issued (less withholding tax)

28.3 Scrip dividend scheme

During the year, MTN Nigeria Communications Plc offered a scrip dividend election plan to its shareholders with the option to elect and receive new ordinary shares in the Company instead of receiving the dividend in cash. The scrip dividend election plan was approved by the shareholders at the Annual General Meeting held on 18 April 2023, with the plan being effective for 2022 financial year dividends.

Upon the conclusion of the election period, shareholders elected to receive a total number of 641,047,053 scrip dividend shares of N232.68 per share (N149,158,828,292). The Corporate Affairs Commission (CAC) authorised the increase of the Company share capital to accommodate the 641,047,053 scrip dividend shares. Those shares were subsequently approved and registered by the Securities and Exchange Commission (SEC).

29. Share premium

4,500,000 ordinary shares of N 3,779.89 each	17,009	17,009	17,009	17,009	17,009	17,009
138,960 ordinary shares at N 1,488.15 each	207	207	207	207	207	207
641,047,053 ordinary shares of N232.66 each	149,146	-	-	149,146	-	-
	166,362	**17,216**	**17,216**	**166,362**	**17,216**	**17,216**

The additional share premium of N149.1 billion is from the scrip issue of 641,047,053 shares, see note 28.3.

30. Treasury shares

Treasury shares	4,869	4,869	-	4,869	4,869	-

Treasury shares represent 28,809,789 ordinary shares of MTN Nigeria acquired and held in trust by Vetiva Trustee Limited for the purpose of employee share scheme implementation (2022: 28,809,789).

31. Other reserves

31.1 Movement in other reserves

As at 1 January	1,664	885	239	1,664	885	239
Net fair valuation (loss)/gain on FVOCI investments	(884)	605	-	(877)	605	-
Net remeasurement (loss)/gain on employee benefits liability	(79)	174	646	(79)	174	646
As at 31 December	**701**	**1,664**	**885**	**708**	**1,664**	**885**

Fair valuation (loss)/ gain on financial assets classified as fair value through other comprehensive income is recognised on Federal Government treasury bills and bonds investments net of tax except for Federal Government bonds, which are exempted from company income tax.

The remeasurement of (loss)/gain on employee benefits valuation in accordance with IAS 19 Employee benefits.

		Group			Company		
	Note(s)	2023 N million	2022 N million	2021 N million	2023 N million	2022 N million	2021 N million

31. Other reserves (continued)

Other reserves is made up of:

	Note(s)	Group 2023 N million	Group 2022 N million	Group 2021 N million	Company 2023 N million	Company 2022 N million	Company 2021 N million
Capital redemption reserve fund	31.2	239	239	239	239	239	239
Fair value reserve of FVOCI investments	31.2	(279)	605	-	(272)	605	-
Remeasurement on employee benefits liability	31.2	741	820	646	741	820	646
		701	**1,664**	**885**	**708**	**1,664**	**885**

31.2 Analysis of other reserves:

	Notes	Capital redemption reserve fund	Fair value reserve of FVOCI investments	Remeasurement on employee benefits liability	Total
Group					
As at 1 January 2022		239	-	646	885
Net fair value gain on FVOCI investments	25.1	-	959	-	959
Actuarial gains on employee benefits	39.2	-	-	256	256
Deferred tax on FVOCI items	40.1	-	(354)	-	(354)
Deferred tax on actuarial gains	40.1	-	-	(82)	(82)
As at 31 December 2022		239	605	820	1,664
Net fair value loss on FVOCI investments	25.1	-	(1,212)	-	(1,212)
Reversal of credit losses on FVOCI investment	15.1	-	(26)	-	(26)
Remeasurement loss on employee benefits	39.2	-	-	(117)	(117)
Deferred tax on FVOCI items	40.1	-	354	-	354
Deferred tax on actuarial gains	40.1	-	-	38	38
As at 31 December 2023		**239**	**(279)**	**741**	**701**
Company					
As at 1 January 2022		239	-	646	885
Net fair value gain on FVOCI investments	25.1	-	959	-	959
Actuarial gains on employee benefits	39.2	-	-	256	256
Deferred tax on FVOCI items	40.1	-	(354)	-	(354)
Deferred tax on actuarial gains	40.1	-	-	(82)	(82)
As at 31 December 2022		239	605	820	1,664
Net fair value loss on FVOCI investments	25.1	-	(1,231)	-	(1,231)
Cumulative remeasurement loss on employee benefits	39.2	-	-	(117)	(117)
Deferred tax on FVOCI items	40.1	-	354	-	354
Deferred tax on actuarial gains	40.1	-	-	38	38
As at 31 December 2023		**239**	**(272)**	**741**	**708**

32. Borrowings

	Description of borrowing	Type	Currency	Nominal interest	Remaining repayment details	N million
2023						
1	Local syndicated facility (M)	Unsecured	NGN	3 month NIBOR + 1.75%	4 semi-annual equal installments	62,149
2	Local syndicated facility (N)	Unsecured	NGN	3 month NIBOR + 1.75%	5 semi-annual equal installments	24,901
3	Commercial paper	Unsecured	NGN	13% - 16%	Matures 2024	234,109
4	Foreign EIB facility	Unsecured	US$	6 month SOFR + 2.63% ; 6 month SOFR + 2.58%	11 semi-annual equal installments	61,264
5	AFC Foreign Facility (Q)	Unsecured	US$	SOFR + 6.17%	5 annual installments	72,696
6	Local Bond Series I&II (7yr & 10yr)	Unsecured	NGN	12.7% to 14.5%	9 annual installments	319,320
7	Letter of credit transaction established on credit line	Secured	US$	2% to 14%	2 quarterly equal installments	402,730
						1,177,169
2022						
1	Local syndicated facility (M)	Unsecured	NGN	3 month NIBOR + 1.75%	6 semi-annual equal installments	93,125
2	Local syndicated facility (N)	Unsecured	NGN	3 month NIBOR + 1.75%	7 semi-annual equal installments	34,853
3	Commercial paper	Unsecured	NGN	12.70	Matures March 2023	22,436
4	Foreign EIB facility	Unsecured	US$	6 month LIBOR + 2.204%	13 semi-annual equal installments	30,888
5	AFC/RMB Syndicated Facility (O)	Unsecured	US$	6 month LIBOR + 5.5%	2 semi-annual equal installments	17,337
6	AFC Foreign Facility (Q)	Unsecured	US$	SOFR + 5.75%	6 annual installments	10,909
7	Local Bond Series I&II (7yr & 10yr)	Unsecured	NGN	12.7% to 14.5%	10 annual installments	318,887
8	Letter of credit transaction established on credit line	Secured	US$	2% to 14%	2 quarterly equal installments	161,238
						689,673
2021						
1	Local syndicated facility (M)	Unsecured	NGN	3 month NIBOR + 1.75%	14 semi-annual equal installments	124,096
2	Local syndicated facility (N)	Unsecured	NGN	3 month NIBOR + 1.75%	17 semi-annual equal installments	44,851
4	KFW/Citibank (Buyer's credit) facility (H)	Unsecured	US$	6 month LIBOR + 1.15%	1 semi-annual equal installments	3,221
5	AFC/RMB Syndicated Facility (O)	Unsecured	US$	6 month LIBOR + 5.5%	4 semi-annual installments	31,557
6	Local Bond Series I&II (7yr & 10yr)	Unsecured	NGN	12.89%	14 semi-annual installments	200,698
7	Letter of credit transaction established on credit line	Secured	US$	1.43%	2 quarterly equal installments	88,837
						493,260

Notes to the audited consolidated and separate financial statements

32. Borrowings (continued)

		Group			Company		
	Note(s)	2023 N million	2022 N million	1 January 2022 N million	2023 N million	2022 N million	1 January 2022 N million
The maturity of the loan is as follows:							
Payable within one year (included in current liabilities)*		689,352	250,210	152,835	689,352	250,210	152,835
More than one but not exceeding two years		78,825	43,339	56,826	78,825	43,339	56,826
More than two but not exceeding five years		184,841	124,036	86,798	184,841	124,036	86,798
More than five years		224,151	272,088	196,801	224,151	272,088	196,801
Amounts included in non-current liabilities		**487,817**	**439,463**	**340,425**	**487,817**	**439,463**	**340,425**
Total borrowings		**1,177,169**	**689,673**	**493,260**	**1,177,169**	**689,673**	**493,260**

*This includes letters of credit of N422.57 billion (December 2022: N161.23 billion).

32.1 Borrowings reconciliation

	Note(s)	Group 2023	Group 2022	Group 1 January 2022	Company 2023	Company 2022	Company 1 January 2022
As at 1 January		689,673	493,260	521,150	689,673	493,260	521,150
Drawdown		635,825	479,243	417,926	635,825	479,243	417,926
Repayment		(501,280)	(361,431)	(502,212)	(501,280)	(361,431)	(502,212)
Other movement*		-	(9,878)	-	-	(9,878)	-
Interest charge	12	110,454	62,491	49,249	110,454	62,491	49,249
Exchange loss		242,497	25,988	7,147	242,497	25,988	7,147
As at 31 December		**1,177,169**	**689,673**	**493,260**	**1,177,169**	**689,673**	**493,260**

*Others movement refers to loan repayment made by MTN International (Mauritius) Limited on behalf of MTNN.

32. Borrowings (continued)

32.2 Summary of borrowing arrangements

MTN Nigeria has a loan portfolio with a consortium of local banks, foreign banks and export development agencies. The details of the facilities are as follows:

1. **Local facility M** - This is a local facility of N200 billion syndicated from local banks in August 2018. It is a variable interest loan, linked to average 3-Month NIBOR plus a margin of 1.75%. The total available amount under the loan has been fully drawn. The loan is repayable in six (6) equal semi-annual installments from January 2023 to August 2025.
As at 31 December 2023, the outstanding balance on the facility is N62.15 billion (31 December 2022: N93.12 billion).

2. **Local facility N** - This is a N200 billion local currency term loan syndicated from local banks in May 2019 with a 7-year tenor and a moratorium of two years. It is a variable interest loan, linked to average 3-Month NIBOR plus a margin of 1.75%. The total available amount under the loan has been fully drawn. The loan is repayable in seven (7) equal semi-annual installments from April 2023 to May 2026.
As at 31 December 2023, the outstanding balance on the facility is N24.9 billion (31 December 2022: N34.85 billion).

3. **Commercial paper** – Under the N250 billion commercial paper issuance programme are:

- Series VI & VII - issued on 1 August 2023 with face value of N125 billion for 181 and 267 days at a discount of 13% and 13.5% maturing in February & May 2024.
- Series VIII & IX - issued on 7 November 2023 with face value of N52 billion for 182 and 267 days at a discount of 14% and 16% maturing in May & July 2024.
- Series X - issued in November 2023 with a face value of 72 billion at 16% maturing in August 2024.

4. **Foreign EIB facility** – US$66.9 million financing from European Investment bank (EIB) was arranged in 2021, with 3-year moratorium. It was drawn in April and December 2022, with principal to be repaid over thirteen (13) equal semi-annual installments which will commence in April 2025. It is a floating interest loan linked to the 6 months SOFR + 2.63% (1st drawdown) and 6 months SOFR + 2.58% (2nd drawdown).
As at 31 December 2023, the facility has an outstanding balance of US$66.9 million (31 December 2022: US$66.9 million)

5. **Foreign facility Q** – US$150 million SOFR + 6.17% margin financing from AFC was arranged in 2022 with 2-year moratorium. US$24.8 million of the facility has been drawn in October and November 2022 with payment commencing in 2024 with 6 annual repayment tranches.
As at 31 December 2023, outstanding balance of US$79 million (31 December 2022: US$24.8 million).

6. **Local Bonds** - Under the N200 billion Bond Issuance Programme, two series were issued on 5 May and 4 November 4 2021 comprising of:
- Series I: N110.001 billion 7 Year 13% Bonds due 2028.
- Series II: N89.999 billion 10 year 12.75% Bonds due 2031.
- Series III: - Tranche A - N10 billion 4 year 13.5% bond issued in 29 September 2022 due in 2026.
  - Tranche B - N105 billion 10 year 14.5% bond issued on 30 September 2022 due in 2032.

In securing the facilities, MTN Nigeria has made a negative pledge over all existing and future assets to the lenders. The negative pledge signifies that MTN Nigeria has agreed not to deplete its assets via sales, collateral and transfers to anyone except the group of lenders, subject to a permitted amount. No other security has been provided.

7. **Trade loans (Letters of credit)** - A total of US$417million trade loans for the establishment of Letters of Credit with various local banks. The loans attract pre and post negotiation charges and the facility are largely cash backed. The sum of US$417 million has been paid to suppliers (OEMs) and now ranking for foreign exchange settlement through the I&E window. The trade loans are secured with cash, see note 26.

8. **Access Bank facility** - US$125 million at 1-year SOFR + 4.5% margin financing from Access Bank UK executed in August 2023. The purpose is for financing of trade loans (letters of credits) with 180 days grace period. Quarterly payment of principal and interest to be paid on each loan drawn down from the financing date. US$45 million of the facility has been drawn as of 31 December 2023 with payment commencing in 2024.

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		Group			Company		
	Note(s)	2023 N million	2022 N million	2021 N million	2023 N million	2022 N million	2021 N million

33. Trade and other payables

	Note(s)	Group 2023	Group 2022	Group 2021	Company 2023	Company 2022	Company 2021
Financial instruments:							
Trade payables		146,881	64,915	63,872	137,043	64,613	63,857
Trade payables - related parties	48.5	109,861	40,822	32,839	114,451	45,764	33,176
Other accrued expenses[1]		227,416	315,252	208,239	215,490	309,885	206,953
Other payables[2]		144	306	527	144	306	527
		484,302	421,295	305,477	467,128	420,568	304,513
Non-financial instruments:							
Other non-financial accrued expenses[3]		124,788	58,697	107,059	127,477	58,697	107,059
Sundry payables[4]		939	3,001	3,928	851	2,779	1,042
Other non-financial payables[5]		97,758	31,899	27,431	97,979	32,162	27,409
		223,485	93,597	138,418	226,307	93,638	135,510
		707,787	**514,892**	**443,895**	**693,435**	**514,206**	**440,023**

[1]Other accrued expenses include BTS lease accruals, accruals for cloud services and services provided by vendors.

[2]Other payables include deferred income on collocation.

[3]Other non-financial accrued expenses include unclaimed dividend, accrued staff expenses and other regulatory fees.

[4]Sundry payables includes security deposits and advance payments from some enterprise and wholesale business customers.

[5]Other non-financial payables include withholding, value added tax liabilities and the VAT assessment cost.

34. Deposit held for MoMo customers

	Note(s)	Group 2023	Group 2022	Group 2021	Company 2023	Company 2022	Company 2021
Deposits held for MoMo customers	26	7,601	1,257	-	-	-	-

The deposits held for MoMo customers are measured at their carrying amounts considering that these are either due or demandable at short notice. The corresponding assets are held as restricted cash (note 26).

35. Contract acquisition costs

	Group 2023	Group 2022	Group 2021	Company 2023	Company 2022	Company 2021
Opening balance	6,602	5,602	7,990	6,602	5,602	7,990
Additions	5,029	4,739	1,795	5,029	4,739	1,795
Amortised in the year	(4,495)	(3,739)	(4,183)	(4,495)	(3,739)	(4,183)
Closing balance	**7,136**	**6,602**	**5,602**	**7,136**	**6,602**	**5,602**

Contract acquisition costs are incremental costs of obtaining a contract with a customer that would not have incurred if the contract had not been obtained. They include the incremental commission fees paid to trade partners for activating sim kits.

These costs are amortised on a straight line basis over the estimated subscriber tenure on the network. The amortisation period ranges from 18 months to 48 months. Contract acquisition costs amortised during the year is included in discounts and commissions in profit or loss.

36. Contract liabilities

	Group 2023	Group 2022	Group 2021	Company 2023	Company 2022	Company 2021
As at 1 January	92,861	72,336	62,301	92,479	71,954	61,919
Payments received in advance of delivery of performance obligations	2,430,630	1,933,587	449,829	2,430,630	1,933,587	449,829
Revenue recognised on delivery of goods/services previously paid for	(2,420,695)	(1,913,062)	(439,794)	(2,420,695)	(1,913,062)	(439,794)
As at 31 December	**102,796**	**92,861**	**72,336**	**102,414**	**92,479**	**71,954**

Contract liability relates to payments received in advance from sales of recharge cards and on Subscriber Identification Module (SIM) cards. Contract liabilities are recognised as revenue when the subscribers use the airtime for network services such as voice, SMS, data and digital services and when the SIM cards are activated on the network.

The Group has elected the practical expedient of not disclosing the transaction price of unsatisfied performance obligations because the performance obligations relate to contracts that have an original expected duration of one year or less.

37. Provisions

Reconciliation of provisions	At beginning of year N million	Additions N million	Utilised during the year N million	Reversed during the year N million	At end of year N million
Group					
2023					
Decommissioning provision	43	3	-	-	46
Litigation provision	12,720	4,305	-	-	17,025
Bonus provision	7,054	12,154	(7,565)	(4,850)	6,793
Unauthorised transfers	10,508	-	-	(10,508)	-
Other provisions	11,805	6,945	(14,352)	-	4,398
	42,130	**23,407**	**(21,917)**	**(15,358)**	**28,262**
2022					
Decommissioning provision	41	3	(1)	-	43
Litigation provision	12,406	3,356	(3,042)	-	12,720
Bonus provision	6,850	6,396	(6,192)	-	7,054
Unauthorised transfers	-	10,508	-	-	10,508
Other provisions	10,480	14,667	(2,339)	(11,003)	11,805
	29,777	**34,930**	**(11,574)**	**(11,003)**	**42,130**
Company					
2023					
Decommissioning provision	43	3	-	-	46
Litigation provision	12,720	4,305	-	-	17,025
Bonus provision	7,037	12,130	(7,565)	(4,850)	6,752
Other provisions	11,805	5,957	(14,352)	-	3,410
	31,605	**22,395**	**(21,917)**	**(4,850)**	**27,233**
2022					
Decommissioning provision	41	3	(1)	-	43
Litigation provision	12,406	3,356	(3,042)	-	12,720
Bonus provision	6,850	6,379	(6,192)	-	7,037
Other provisions	10,480	14,667	(2,339)	(11,003)	11,805
	29,777	**24,405**	**(11,574)**	**(11,003)**	**31,605**

Net provision expense for Group was N8.05 billion (2022: N23.93 billion) for Company N17.55 billion (2022: N13.40 billion).
Total cash outflows on provisions were N21.92 billion (2022: N11.57 billion) for Group and Company.

	Group			Company		
	2023 N million	2022 N million	2021 N million	2023 N million	2022 N million	2021 N million
Split between non-current and current portions						
Non-current liabilities	46	43	41	46	43	41
Current liabilities	28,216	42,087	29,736	27,187	31,562	29,736
	28,262	**42,130**	**29,777**	**27,233**	**31,605**	**29,777**

Notes to the audited consolidated and separate financial statements

37. Provisions (continued)

37.1 Bonus provision

The bonus provision consists of a performance-based bonus, which is determined by reference to the overall Group performance with regard to a set of predetermined key performance measures. Bonuses are payable annually after the Holding Company annual results have been announced. Bonus provision is calculated as a percentage of employee's gross annual income plus pension contribution based on the overall performance of the Group, the teams, divisions and the employees.

37.2 Decommissioning provision

The decommissioning provision is the present value of dismantling costs discounted at a rate equal to the average rate that reflects current market assessment of the time value of money and the risks specific to the dismantling cost. The timing of the decommissioning is dependent on the expiration of the contract with the lessor.

37.3 Unauthorised transfers

This provision relates to the cost of the system glitch in MoMo PSB. The provision was initially recognised in MoMo PSB in 2022, however in 2023, the provision was transferred to MTN Nigeria based on the contractual terms of the Service Level Agreement. The expense is recognised in other operating expenses, see note 15.

37.4 Litigation provision

This relates to cases between MTN Nigeria and various bodies such as: Benue State Internal Revenue Services v MTNN, Corporate Communications Ltd vs MTN Nigeria, Hamsatu Abdullahi vs MTN Nigeria & Anor etc. Timing is dependent on the outcome of court judgements in respect of the litigation. The expense is recognised in other operating expenses, see note 15.

37.5 Other provisions

The Group is involved in various regulatory and tax matters. These matters may not necessarily be resolved in a manner that is favourable to the group. The group has therefore recognized provisions in respect of these matters based on estimates and probability of an outflow of economic benefits. MTN Nigeria strategic advisory and consultancy services are payable to various consultants and legal advisers.

38 Lease liabilities

The Group's leases include network infrastructure (including tower space and land), land and buildings and motor vehicles. The leases have varying terms, escalation clauses and renewal rights. Penalties are chargeable on certain leases should they be cancelled before the end of the agreement.

The lease liability is measured at the present value of lease payments to be made over the lease term and are discounted using the Group's incremental borrowing rate. The lease liability is included in the statement of financial position under other non-current and current liabilities. Each lease payment is allocated between the liability and interest expense. Interest expense on the lease liability is a component of finance costs, which represents the unwinding of discount charged to profit or loss over the remaining balance of the obligation for each accounting period.

Lease commitments exclude non-lease components, short-term and low-value leases. There were no future cash outflows to which MTN Nigeria is potentially exposed that are not reflected in the measurement of lease liabilities.

As at year end, the Group had outstanding obligations under lease commitments which fall due as follows:

		Group		Company	
		2023	2022 restated*	2023	2022 restated*
	Note(s)	N million	N million	N million	N million
Movement schedule					
Opening balance previously stated		660,016	690,856	660,016	690,856
Lease restatement*		-	(69,133)	-	(69,133)
Balance as at 1 January as restated		660,016	621,723	660,016	621,723
Additions		87,142	106,196	87,142	106,196
Interest expense	12	102,511	83,162	102,511	83,162
Exchange loss	15.3	367,356	32,806	367,356	32,806
Payments - principal portion		(110,103)	(100,709)	(110,103)	(100,709)
Payments - interest portion	12	(102,511)	(83,162)	(102,511)	(83,162)
As at 31 December		**1,004,411**	**660,016**	**1,004,411**	**660,016**

		Group			Company		
		2023	2022 restated*	1 January 2022 restated*	2023	2022 restated*	1 January 2022 restated*
	Note(s)	N million	N million	N million	N million	N million	N million
Lease liability by maturity							
- within one year		190,777	68,838	39,392	190,777	68,838	39,392
- after one year to two years		196,645	124,447	70,622	196,645	124,447	70,622
- after two years to five years		437,667	266,431	269,101	437,667	266,431	269,101
- later than five years		179,322	200,300	242,608	179,322	200,300	242,608
		1,004,411	**660,016**	**621,723**	**1,004,411**	**660,016**	**621,723**
Current and non-current split:							
Current		190,777	68,838	39,392	190,777	68,838	39,392
Non-current		813,634	591,178	582,331	813,634	591,178	582,331
		1,004,411	**660,016**	**621,723**	**1,004,411**	**660,016**	**621,723**
The following are the amounts recognised in profit or loss:							
Depreciation expense of right of use assets	19	118,296	101,394	85,835	118,296	101,394	85,835
Interest expense on lease liabilities	12	102,511	83,162	88,240	102,511	83,162	88,240
Expense relating to short-term leases		319	494	753	319	494	753
Exchange loss		367,356	7,206	3,172	367,356	7,206	3,172
Total amount recognised in profit or loss		**588,482**	**192,256**	**178,000**	**588,482**	**192,256**	**178,000**

*See note 56

39. Employment benefits

MTN Nigeria Communications Plc operates a post employment benefit plans in non-contributory, long service award and staff retirement benefits. Employees are automatically beneficiaries of the long service award after completing five consecutive years of service with the Company. Employees' retirement benefits are calculated based on number of years of continuous service, and upon attaining the compulsory retirement 60 years. The defined benefit obligation actuaries valuation was carried out by Alexander Forbes Consulting Actuaries Nigeria (FRC/2012/0000000000504) signed by Wayne van Jaarsveld (FRC/2021/002/00000024507).

		Group			Company		
	Notes(s)	2023 N million	2022 N million	2021 N million	2023 N million	2022 N million	2021 N million
Defined benefit obligations - retirement benefits		4,767	2,178	1,994	4,767	2,178	1,994
Long service awards		4,936	4,657	4,691	4,936	4,657	4,691
		9,703	**6,835**	**6,685**	**9,703**	**6,835**	**6,685**

39.1 Movement in employee benefits

Defined benefit obligations - retirement benefits						
Present value as at 1 January	2,178	1,994	2,751	2,178	1,994	2,751
Current service cost	417	168	224	417	168	224
Past service cost	2,127	-	-	2,127	-	-
Interest cost	515	291	276	515	291	276
Curtailment cost	-	-	(307)	-	-	(307)
Actuarial loss/(gains)	117	(256)	(950)	117	(256)	(950)
Benefits paid	(587)	(19)	-	(587)	(19)	-
Present value as at 31 December	**4,767**	**2,178**	**1,994**	**4,767**	**2,178**	**1,994**
Long service awards						
Present value as at 1 January	4,657	4,691	5,510	4,657	4,691	5,510
Current service cost	500	484	548	500	484	548
Curtailment cost	-	-	(481)	-	-	(481)
Interest cost	665	553	495	665	553	495
Current year loss/(gains)	185	(43)	(902)	185	(43)	(902)
Benefits paid	(1,071)	(1,028)	(479)	(1,071)	(1,028)	(479)
Present value as at 31 December	**4,936**	**4,657**	**4,691**	**4,936**	**4,657**	**4,691**

Total cash outflow for employee benefits is N1.66 billion (2022: N1.05 billion).

Other costs and current year loss are charged to the profit or loss, for retirement benefits N3.06 billion (2022 :N459 million) and for long service award N1.35 billion (2022: N994 million), see note 14.3.

39.2 Remeasurement gains/(losses)

Remeasurement gains recognised during the year:							
Change in economic assumptions		(396)	(409)	(778)	(396)	(409)	(778)
Change in demographic assumptions		513	153	(172)	153	153	(172)
Total actuarial loss/(gain)		117	(256)	(950)	(243)	(256)	(950)
Deferred tax	40	(38)	82	304	(38)	82	304
Recognised in Other Comprehensive Income (OCI)		**79**	**(174)**	**(646)**	**(281)**	**(174)**	**(646)**

Notes to the audited consolidated and separate financial statements

39. Employment benefits (continued)

Current year gain/ (loss)

	Group			Company		
	2023 N million	2022 N million	2021 N million	2023 N million	2022 N million	2021 N million
Current year gain/(loss)						
Change in economic assumptions	(420)	(653)	(1,341)	(420)	(653)	(1,341)
Change in demographic assumptions	(32)	-	(82)	(32)	-	(82)
Experience	637	610	522	637	610	522
Remeasurement loss/(gains) recognised in profit or loss during the year	**185**	**(43)**	**(901)**	**185**	**(43)**	**(901)**

39.3 Principal actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	31 December 2023	31 December 2022
Discount rate - retirement benefits	16.30%	13.30%
Discount rate - long service award	16.30%	15.00%
Retirement age for both male and female	60 years	60 years
Salary increase rate	8.00%	8.00%

These assumptions depicts managements estimate of the likely future experience of the Company. Future mortality before retirement are based on A1967-70 ultimate table published by the Institute of Actuaries of United Kingdom. Discount rate is with reference to the yields on Nigerian Government bonds with the nearest expected duration as compiled by the Financial Markets Dealers Quotation (FMDQ). We have assumed that the level of salary increases to be awarded in the long-term will, on average, be 8.00% per annum. The level of inflationary increases on the gifts in the long-term will, on average, be 10% p.a. (2022: 10% p.a.)

For members in active service as at the valuation date, the projected unit credit method of valuation as required under the IFRS has been adopted.

Mortality in service	31 December 2023	31 December 2022
Sample age	Number of deaths per 10,000 lives	
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26
50	48	48
55	84	84
60	144	144

Withdrawal and Early Retirement

It was assumed that withdrawals and early retirements would be in accordance with the following table:

	Annual rate of withdrawal		Annual rate of early retirement	
Age Group	2023	2022	2023	2022
20 - 30	2.5%	5.0%	-	-
31 - 39	1.5%	3.0%	-	-
40 - 44	1.0%	2.0%	-	-
45 - 49	1.0%	1.0%	-	-
50 - 54	0.0%	1.0%	1.0%	1.0%
55 - 59	-	-	1.0%	-
60+	-	-	-	-

39. Employment benefits (continued)

Details of benefits for long service awards and gratuity

Length of service	Cash award	Gift item
5	85% of 1-month's gross salary	-
10	85% of 2-month's gross salary	A plaque
15	2-month's gross salary	A plaque
20	2-month's gross salary	A plaque, additional 5GB data per month
25	2-month's gross salary	A plaque, additional 5GB data per month and 3 extra leave days
30	2-month's gross salary	A plaque, additional 5GB data per month and 5 extra leave days
35	2-month's gross salary	A plaque, additional 5GB data per month and 10 extra leave days

Gratuity Benefit

Employees are entitled to 6 months gross salary with a plaque only on retirement at age 60. In addition, a retiring employee who served the organization for thirty-five (35) consecutive years will be presented with a gold plated wristwatch or its equivalent.

39.4 Sensitivity analysis

It is important to treat the results of the valuation with a degree of caution, as they are extremely sensitive to the assumptions used. The value of the liability could turn out to be overstated or understated, depending on the extent to which actual experience differs from the assumptions adopted.

Retirement benefits		31 December 2023		31 December 2022	
		N'million	% Change	N'million	% Change
Discount rate	+0.5%	4,577	-4.40	2,079	-4.50%
	-0.5%	4,968	4.06	2,282	4.80%
Salary increase	+0.5%	4,988	5.10	2,291	5.20%
	-0.5%	4,557	-4.80	2,070	-4.90%
Age rating	+1 year	4,728	-0.90	2,157	-0.90%
	-1 year	4,803	0.90	2,197	0.90%

Sensitivity to each actuarial assumption was determined while other assumptions were held constant.

Long service award		31 December 2023		31 December 2022	
		N'million	% Change	N'million	% Change
Discount rate	+0.5%	4,836	-2.20%	4,499	-2.20%
	-0.5%	5,040	2.10%	4,702	2.30%
Salary increase	+0.5%	5,055	2.40%	4,715	2.50%
	-0.5%	4,821	-2.30%	4,486	-2.40%
Age rating	+1 year	4,923	-0.30%	4,642	-0.30%
	-1 year	4,948	0.20%	4,665	0.30%

Sensitivity to each actuarial assumption was determined while other assumptions were held constant.

		Group			Company		
		2023	2022 restated*	2021 restated*	2023	2022 restated*	2021 restated*
	Note(s)	N million	N million	N million	N million	N million	N million

40. Deferred tax

40.1 Deferred tax liability

Deferred tax liability	1,149	57,573	77,063	-	54,828	72,723

Movement in temporary differences	Opening balance N million	Charge to profit or loss N million	Charge to OCI N million	Reclass N million	Closing balance N million
1 January 2022 restated*					
Opening balance as previously stated	108,692	(5,250)	304	-	103,746
Restatement - right of use assets	-	2,604	-	-	2,604
Restatement - unrealised exchange difference	-	(33,627)	-	-	(33,627)
Deferred tax liability for Company	**108,692**	**(36,273)**	**304**	**-**	**72,723**
Subsidiaries					
Visafone Communications Limited	5,935	(1,595)	-	-	4,340
	5,935	(1,595)	-	-	4,340
Deferred tax liability for Group	**114,627**	**(37,868)**	**304**	**-**	**77,063**
31 December 2022 as restated*					
Property and equipment	156,717	(111)	-	-	156,606
Right of use assets	(32,540)	(4,128)	-	-	(36,668)
Provision	(15,021)	(1,272)	-	-	(16,293)
Actuarial gains on employee benefits	304	-	82	-	386
Unrealised exchange difference	(5,714)	(7,821)	-	-	(13,535)
Financial instruments at OCI	-	-	354	-	354
Restatement - Right of use assets	2,604	3,449	-	-	6,053
Restatement - unrealised exchange difference	(33,627)	(8,448)	-	-	(42,075)
Deferred tax liability for Company	**72,723**	**(18,331)**	**436**	**-**	**54,828**
Subsidiaries					
Visafone Communications Limited	4,340	(1,595)	-	-	2,745
	4,340	(1,595)	-	-	2,745
Deferred tax liability for Group	**77,063**	**(19,926)**	**436**	**-**	**57,573**
31 December 2023					
Property and equipment	156,606	22,287	-	(178,893)	-
Right of use assets	(36,668)	(124,494)	-	161,162	-
Provision	(16,293)	(4,610)	-	20,903	-
Actuarial gains on employee benefits	386	-	(38)	(348)	-
Unrealised exchange difference	(13,535)	(88,832)	-	102,367	-
Financial instruments at FVTPL	-	436	-	(436)	-
Financial instruments at OCI	354	-	(354)	-	-
Restatement - Right of use assets	6,053	-	-	(6,053)	-
Restatement - unrealised exchange difference	(42,075)	-	-	42,075	-
Deferred tax liability for Company	**54,828**	**(195,213)**	**(392)**	**140,777**	**-**
Subsidiaries					
Visafone Communications Limited	2,745	(1,596)	-	-	1,149
	2,745	(1,596)	-	-	1,149
Deferred tax liability for Group	**57,573**	**(196,809)**	**(392)**	**140,777**	**1,149**

*See note 56

		Group			Company		
	Note(s)	2023 N million	2022 restated* N million	2021 restated* N million	2023 N million	2022 restated* N million	2021 restated* N million

40. Deferred tax (continued)

40.2 Deferred tax asset

Deferred tax asset		151,362	11,018	3,404	140,777	-	-

Movement in temporary differences	Opening balance N million	Charge to profit or loss N million	Charge to OCI N million	Reclass N million	Closing balance N million
1 January 2022					
Assessable losses (YDFS)	1,498	1,906	-	-	3,404
31 December 2022					
Assessable losses (YDFS)	3,404	1,924	-	-	5,328
Assessable losses (MoMo PSB)	-	5,690	-	-	5,690
	3,404	**7,614**	**-**	**-**	**11,018**
31 December 2023					
Property and equipment	-	-	-	(178,893)	(178,893)
Right of use assets	-	-	-	161,162	161,162
Provisions	-	-	-	20,903	20,903
Actuarial gains on employee benefits	-	-	-	(348)	(348)
Unrealised exchange difference	-	-	-	102,367	102,367
Financial instruments at OCI	-	-	-	(436)	(436)
Restatement - right of use asset	-	-	-	(6,053)	(6,053)
Restatement - unrealised exchange difference	-	-	-	42,075	42,075
Deferred tax asset for Company	**-**	**-**	**-**	**140,777**	**140,777**
Subsidiaries					
Assessable losses (YDFS)	5,328	(5,328)	-	-	-
MoMo PSB					
Property and equipment	-	428	-	-	428
Provisions	-	27	-	-	27
Unrealised exchange difference	-	25	-	-	25
Assessable losses	5,690	4,415	-	-	10,105
	11,018	(433)	-	-	10,585
Deferred tax asset for Group	**11,018**	**(433)**	**-**	**140,777**	**151,362**

40.3 Charge to profit or loss and other comprehensive income

		Group		Company	
	Notes(s)	2023 N million	2022 restated* N million	2023 N million	2022 restated* N million
Charge to profit or loss					
Charge from deferred tax liability	40.1	(196,809)	(19,926)	(195,213)	(18,331)
Charge from deferred tax asset	40.2	433	(7,614)	-	-
	17	**(196,376)**	**(27,540)**	**(195,213)**	**(18,331)**
Charge to the other comprehensive income					
Charge from deferred tax liability	40.1	(392)	436	(392)	436
		(392)	**436**	**(392)**	**436**

*See note 56

Notes to the audited consolidated and separate financial statements

	Note(s)	Group 2023 N million	Group 2022 N million	Company 2023 N million	Company 2022 N million
41. Capital commitments					
Commitments for the acquisitions of property and equipment as at the reporting date is as follows:					
Approved but not contracted		394,895	322,670	394,895	322,670
Contracted but not capitalised		107,838	92,347	107,838	92,347
		502,733	**415,017**	**502,733**	**415,017**
Commitments for the acquisitions of software and work in progress as at the reporting date is as follows:					
Approved but not contracted		16,943	26,571	16,943	26,571
Contracted but not capitalised		21,916	5,034	21,916	5,034
		38,859	**31,605**	**38,859**	**31,605**
Total commitments for property and equipment, software and work in progress		**541,592**	**446,622**	**541,592**	**446,622**

Capital expenditure will be funded from operating cash flows, existing borrowing facilities and, where necessary, by raising additional facilities.

	Note(s)	Group 2023 N million	Group 2022 restated* N million	Group 1 January 2022 restated* N million	Company 2023 N million	Company 2022 restated* N million	Company 1 January 2022 restated* N million
42. Current tax payable							
Balance as at 1 January		199,959	144,163	107,310	199,687	143,891	107,038
Provisions for the year - company income tax	17	129,459	166,787	128,653	129,458	166,787	128,653
Minimum tax	17	29	-	-	-	-	-
Prior year under provision	17	2,547	10,446	4,766	2,547	10,446	4,766
Provisions for the year - education tax	17	23,476	20,375	13,343	23,476	20,375	13,343
Provisions for the year - Nigerian Police Trust Fund	17	-	28	22	-	28	22
Tax paid		(184,507)	(139,511)	(109,931)	(184,507)	(139,511)	(109,931)
Withholding tax credit		-	(2,329)	-	-	(2,329)	-
Reversal of prior year over provision		(12,992)	-	-	(12,992)	-	-
Balance as at 31 December		**157,971**	**199,959**	**144,163**	**157,669**	**199,687**	**143,891**

Notes to the audited consolidated and separate financial statements

43. Cash generated from operations

	Note(s)	Group 2023 N million	Group 2022 N million	Company 2023 N million	Company 2022 N million
(Loss)/profit before taxation		(177,886)	518,823	(144,242)	549,516
Adjustments for:					
Finance costs	12	236,927	147,287	236,604	147,287
Finance income	11	(25,815)	(13,768)	(24,753)	(12,763)
Net foreign exchange loss	13	740,434	81,822	740,358	81,822
Depreciation of property and equipment	18	231,540	180,853	231,540	180,853
Depreciation of right of use assets	19	118,296	101,394	118,296	101,394
Amortisation of intangible assets	20	79,033	53,955	72,289	48,636
Amortisation of contract cost	35	4,495	3,739	4,495	3,739
Profit on disposal of property and equipment and retirement of right of use assets	15	(752)	(1,381)	(752)	(1,381)
Impairment of property and equipment	18	2,439	761	2,439	761
Write-off on property and equipment	18	1,782	-	1,782	-
Allowance for credit losses on cash and cash equivalent, treasury bills and bonds	15	(242)	(448)	(305)	(448)
Credit loss expense on trade and other receivables	15	998	4,575	998	4,575
Credit loss expense on other receivables	15	-	-	9,496	-
Write-down of trading inventory	15	1,053	3,884	1,053	3,884
Realised exchange differences		(26,109)	(31,903)	(26,109)	(31,903)
		1,186,193	1,049,593	1,223,189	1,075,972
Changes in working capital:					
Increase in inventories		(3,402)	(4,257)	(3,402)	(4,257)
Increase in trade and other receivables		(32,133)	(68,394)	(45,160)	(83,503)
(Decrease)/increase in provisions (a)		(13,868)	12,353	(4,372)	1,828
Increase in post employee benefit cost (a)		2,752	406	2,751	406
Increase in trade and other payables		212,003	127,894	197,675	131,080
Increase in contract liabilities		9,935	20,525	9,935	20,525
Increase in share based payments liability (a)		8,341	22	8,341	22
		183,628	88,549	165,768	66,101
Cash generated from operations		**1,369,821**	**1,138,142**	**1,388,957**	**1,142,073**

(a) See note 52

*See note 56

Notes to the audited consolidated and separate financial statements

44. Other adjustments to statement of cash flows

Changes in liabilities arising from financing activities

Group and Company	Opening balance N million	Net cash raised N million	Net cash paid N million	Foreign exchange loss N million	Additions N million	Others* N million	Total N million
2023							
Current interest bearing loans and borrowings (excluding items listed below)	250,210	406,467	(172,747)	110,455	-	94,967	689,352
Non-current interest bearing loans and borrowings (excluding items listed below)	439,463	229,358	(328,533)	132,042	-	16,710	487,817
Current lease liabilities	68,838	-	(212,614)	367,356	-	(104,330)	190,777
Non-current lease liabilities	591,178	-	-	-	-	293,983	813,634
	1,349,689	**635,825**	**(713,894)**	**609,853**	**-**	**301,330**	**2,181,580**
2022							
Current interest bearing loans and borrowings (excluding items listed below)	152,835	316,853	(312,979)	22,294	-	71,207	250,210
Non-current interest bearing loans and borrowings (excluding items listed below)	340,425	162,390	(48,452)	3,694	-	(18,594)	439,463
Current lease liabilities	39,392	-	(183,871)	32,806	-	236,364	68,838
Non-current lease liabilities	582,331	-	-	-	-	(47,006)	591,178
	1,114,983	**479,243**	**(545,302)**	**58,794**	**-**	**241,971**	**1,349,689**

*The 'Other' column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings, including lease liabilities to current due to the passage of time, and the effect of accrued but not yet paid interest on interest-bearing loans and borrowings, including lease liabilities. The Group classifies interest paid as cash flows from operating activities.

The additions of cash flows from current and non-current interest bearing loan and borrowing represent the net of proceeds from borrowing and repayment of borrowings on the statement of cash flow.

45. Contingent liabilities

Contingent liabilities represent possible obligations that arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group.

The Group has N0.99 billion (2022: N1.48 billion) contingent liabilities arising from claims and litigations in the ordinary course of business and the Group is defending these actions. These matters are currently being considered by various courts and the timing of the judgements are unknown. In the opinion of the directors, which is based on advice from the legal counsels, no material loss is expected to arise from these claims and litigations.

46. Earnings and dividend per share

46.1 Basic earnings per share

Earnings per share is calculated using the weighted average number of ordinary shares in issue during the period and is based on the profit after tax attributable to ordinary shareholders of the parent. For the purpose of calculating earnings per share, treasury shares are deducted from the weighted average number of ordinary shares outstanding at the end of the reporting period.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares and is based on the net profit attributable to ordinary shareholders, adjusted for the after-tax dilutive effect.

	Group		Company	
	2023	2022 restated*	2023	2022 restated*
(Loss)/profit attributable to equity holders (N 'million)	(133,841)	351,382	(104,510)	370,211
Weighted average numbers of ordinary shares at end of year (million)*	20,967	20,967	20,967	20,967
Basic and diluted (loss)/earnings per share (N)	(6.38)	16.76	(4.98)	17.66

(Loss)/earnings per share is calculated by dividing the (loss)/profit after tax attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares in issue during the period, excluding the average number of ordinary shares held as treasury shares (2023: 28,809,789; 2022: 28,809,789).

*The weighted average number of ordinary share of 2022 were retrospectively adjusted to reflect the additional shares issued (641,047,053) as per IAS 33.64, see note 28.2

46.2 Dividend per share

Interim (N)	5.60	5.60	5.60	5.60
Final (N)	-	10.00	-	10.00

During the year ended 31 December 2023: N320.86 billion (31 December 2022: N288.19 billion) dividend was approved and paid as follows:

- 31 December 2022 final dividend: N203.38 billion
- 30 June 2023 interim dividend: N117.48 billion

Of the final dividend paid during the year, only approximately 26.8% opted that their dividend be paid in cash, while the remaining 73.2% of the shareholders opted for scrip dividend. The scrip is a right, when elected by qualifying shareholders, to receive a declared dividend in shares.

On 27 July 2023, the Board of Directors approved interim dividends of N117.48 billion for the period ended 30 June 2023 (Interim 2022: N113.98 billion). The interim dividend represents N5.60 kobo per ordinary share on the issued share capital of 20.996 billion ordinary shares of 2 kobo each for the period ended 30 June 2023 and was paid out of the interim profit generated during the same period.

The Directors will not be recommending a final dividend payment in respect of the year ended 31 December 2023, in view of the Group's financial position.

47. Foreign exchange exposure

Included in the Group statement of financial position are the following amounts denominated in currencies other than the functional currency of the Group:

Group and Company

31 December 2023	**United States Dollar N million**	**British Pound Sterling N million**	**Euro N million**	**South African Rand N million**	**Total N million**
Assets					
Current assets					
Trade and other receivables	70,871	-	-	-	70,871
Current investments	36,950	-	-	-	36,950
Restricted cash	17,716	-	-	-	17,716
Cash and cash equivalents	8,723	24	1	-	8,748
Total assets	134,260	24	1	-	134,285
Liabilities					
Current liabilities					
Trade and other payables	365,470	39	1,024	331	366,864
Derivative liability (a)	27,213	-	-	-	27,213
Borrowings	402,730	-	-	-	402,730
Lease liabilities	153,798	-	-	-	153,798
	949,211	39	1,024	331	950,605
Non-current liabilities					
Borrowings	132,552	-	-	-	132,552
Lease liabilities	549,808	-	-	-	549,808
	682,360	-	-	-	682,360
Total liabilities	**1,631,571**	**39**	**1,024**	**331**	**1,632,965**

31 December 2022					
Assets					
Current assets					
Trade and other receivables	32,613	-	-	-	32,613
Restricted cash	53,638	-	-	-	53,638
Cash and cash equivalents	59,024	12	1	-	59,037
Total assets	145,275	12	1	-	145,288
Liabilities					
Current liabilities					
Trade and other payables	143,234	477	1,810	309	145,830
Derivative liability (a)	35,274	-	-	-	35,274
Borrowings	173,511	-	-	-	173,511
Lease liabilities	51,214	-	-	-	51,214
	403,233	477	1,810	309	405,829
Non-current liabilities					
Borrowings	46,861	-	-	-	46,861
Lease liabilities	411,005	-	-	-	411,005
	457,866	-	-	-	457,866
Total liabilities	**861,099**	**477**	**1,810**	**309**	**863,695**

(a) The derivative liability is denominated in US Dollars while the derivative asset is in Naira.

		Group		Company	
		2023	2022	2023	2022
	Note(s)	N million	N million	N million	N million

48. Related party transactions

Related party transactions constitute the transfer of resources, services or obligations between the Group and a party related to the Group, regardless of whether a price is charged.

Various transactions are entered into by the Group during the year with related parties. The terms of these transactions are at arm's length.

48.1 Holding and ultimate holding companies

The Company's holding company is MTN International (Mauritius) Limited, a company incorporated in the Republic of Mauritius and its ultimate holding company is MTN Group Limited, a company incorporated in South Africa. MTN Nigeria Communications Plc's subsidiaries are XS Broadband Limited, Visafone Communications Limited, Yello Digital Financial Services Limited and MoMo Payment Service Bank Limited. Their principal activities are the provision of broadband fixed wireless access service, high quality telecommunication services and mobile financial services respectively.

48.2 Key management personnel

For the purpose of defining related party transactions with key management personnel, key management is defined as Directors and the Group's Executive Committee (EXCOM) members having the authority and responsibility for planning, directing and controlling the activities of the Group. It also includes close members of their families and entities controlled or jointly controlled by these individuals.

Directors and EXCOM members				
Salaries and other short-term employee benefits	2,573	1,721	2,573	1,721
Post-employment benefits	245	165	245	165
Other benefits	954	759	954	759
Bonuses	1,157	1,244	1,157	1,244
Share based payments	2,186	2,283	2,186	2,283
Non-executive directors fees	298	208	186	205
Non-executive directors: Other emoluments	1,176	776	1,166	776
Total	**8,589**	**7,156**	**8,467**	**7,153**

Executive directors' and EXCOM members emoluments comprise:

- Salaries and other short-term employee benefits: This includes the gross salary package and other allowances paid on a monthly basis.
- Post-employment benefits: This includes the company's pension contribution paid monthly on behalf of executive directors and EXCOM members.
- Other benefits: These include lifestyle, medical and accommodation benefits. These are paid at periodic intervals during the year.
- Share based payment: This is equity compensation benefits for executive directors and EXCOM members in respect of the share appreciation rights.
- Bonus: This is a performance-based bonus, which is based on overall Group performance. Bonuses are payable annually in arrears.

Non-executive directors' emoluments comprise:

- Directors' emoluments: This includes sitting allowance for attending Board and Board Committee Meetings paid after each meeting. It also includes travel and accommodation related expenses.
- Directors fees: These are board and committee member appointment fees paid quarterly to non-executive directors.

Notes to the audited consolidated and separate financial statements

	Note(s)	Group 2023 N million	Group 2022 N million	Company 2023 N million	Company 2022 N million

48. Related party transactions (continued)

48.3 Parent and subsidiaries

The following is a summary of transactions between the Group and its related parties during the year and balances due at year end:

	Group 2023	Group 2022	Company 2023	Company 2022
Parent company: MTN International (Mauritius) Limited				
Dividends paid (excluding withholding tax): MTN International (Mauritius) Ltd	77,664	194,306	77,664	194,306

MTN International (Mauritius) Limited opted for the scrip issue in lieu of the December 2023 dividend. N77.66 billion represents the 2023 interim dividend paid.

	Group 2023	Group 2022	Company 2023	Company 2022
Subsidiaries				
Amounts due to related parties				
Visafone Communications Limited	-	-	337	337
Yello Digital Financial Services Limited	-	-	3,992	4,279
MoMo Payment Service Bank Limited	-	-	799	326
	-	-	5,128	4,942
Amounts due from related parties				
Visafone Communications Limited	-	-	11	-
XS Broadband Limited	-	-	638	638
Impairment of XS Broadband receivables	-	-	(613)	(613)
Yello Digital Financial Services Limited	-	-	22,442	17,066
MoMo Payment Service Bank Limited	-	-	13,808	14,489
	-	-	36,286	31,580
Net settlement of liabilities by the subsidiary				
Visafone Communications Limited	-	-	(11)	-
Yello Digital Financial Services Limited	-	-	5,662	3,285
MoMo Payment Service Bank Limited	-	-	(1,154)	14,489
Cost charged for transaction processing				
Visafone Communications Limited	-	-	273	-

48.4 Related parties under MTN Group

MTN Nigeria transacts with its sister companies under the MTN Group. These transactions are listed below:

	Group 2023	Group 2022	Company 2023	Company 2022
Amounts due to related parties				
MTN Benin	-	6	-	6
MTN Cameroon	614	311	614	311
MTN Congo	14	7	14	7
MTN Cote d'Ivoire	185	94	185	94
MTN Dubai	3,085	524	3,085	524
MTN Ghana	100	19	100	19
MTN Guinea Bissau	3	2	3	2
MTN Holdings	26	14	26	14
MTN International (Mauritius) Limited	70,770	18,282	70,770	18,282
MTN Management Services Co	9,239	4,008	9,239	4,008
MTN Uganda	12	3	12	3
MTN Zambia	11	6	11	6
Bayobab Africa (formerly MTN Global Connect)	8,896	1,083	8,896	1,083
Global Trading Company	9,481	3,622	9,481	3,622
Interserve Overseas Limited	6,194	12,523	6,194	12,523
Mobile Telephone Networks (Pty) Limited	693	280	693	280
Progressive Tech Holdings	-	1	-	1
Simply Africa	-	37	-	37
MTN Group Fintech (Pty) Limited	460	-	-	-
MTN Mobile Money Uganda Limited	65	-	-	-
MTN Mobile Money Ghana	13	-	-	-
Total	109,861	40,822	109,323	40,822

		Group		Company	
	Note(s)	2023 N million	2022 N million	2023 N million	2022 N million

48. Related party transactions (continued)

Amounts due from related parties					
MTN Afghanistan		1	-	1	-
MTN Benin		41	1	41	1
MTN Cameroon		806	410	806	410
MTN Congo		89	36	89	36
MTN Cote d'Ivoire		385	162	385	162
MTN Dubai		315	9	315	9
MTN Ghana		15	-	15	-
MTN Guinea Bissau		70	36	70	36
MTN Guinea Conakry		67	34	67	34
MTN Kenya		44	5	44	5
MTN Management Services Co		9,269	5,493	9,269	5,493
MTN Rwanda		1	-	1	-
MTN Zambia		132	80	132	80
Bayobab Africa (formerly MTN Global Connect)		595	5,923	595	5,923
Lonestar Communications Corporations (Liberia)		198	91	198	91
Mobile Telephone Networks (Pty) Limited		232	43	232	43
Progressive Tech Holdings		16,464	-	16,464	-
Total		28,724	12,323	28,724	12,323
Purchases from related parties					
MTN Benin		121	311	121	311
MTN Cameroon		61	42	61	42
MTN Congo		4	6	4	6
MTN Cote d'Ivoire		22	16	22	16
MTN Cyprus		2	2	2	2
MTN Ghana		183	111	183	111
MTN Guinea Bissau		3	2	3	2
MTN Guinea Conakry		3	1	3	1
MTN Irancell		2	1	2	1
MTN Namibia		58	21	58	21
MTN Rwanda		22	15	22	15
MTN South Sudan		5	3	5	3
MTN Sudan		10	23	10	23
MTN Swaziland		-	1	-	1
MTN Syria		1	1	1	1
MTN Uganda		11	5	11	5
MTN Zambia		4	2	4	2
Bayobab Africa (formerly MTN Global Connect)		20,483	20,483	20,483	20,483
Lonestar Communications Corporations (Liberia)		10	7	10	7
Mobile Telephone Networks (Pty) Limited		63	43	63	43
MTN Group Fintech (Pty) Limited		460	-	-	-
MTN Mobile Money Uganda Limited		65	-	-	-
MTN Mobile Money Ghana		13	-	-	-
Sales to related parties					
MTN Benin		257	162	257	162
MTN Cameroon		126	121	126	121
MTN Congo		1	1	1	1
MTN Cote d'Ivoire		18	19	18	19
MTN Ghana		130	117	130	117
MTN Guinea Conakry		1	1	1	1
MTN Namibia		1	1	1	1
MTN Rwanda		4	2	4	2
MTN South Sudan		1	9	1	9
MTN Uganda		3	2	3	2
MTN Zambia		6	5	6	5
Bayobab Africa (formerly MTN Global Connect)		32,374	32,374	32,374	32,374
Global Trading Company		23	23	23	23
Lonestar Communications Corporations (Liberia)		4	-	4	-
Mobile Telephone Networks (Pty) Limited		32	30	32	30

		Group		Company	
	Note(s)	2023 N million	2022 N million	2023 N million	2022 N million

48. Related party transactions (continued)

The receivables from related parties arise mainly from professional, roaming and interconnect services transactions rendered on behalf of other operations within MTN Group. These are due one month after the date of rendering of service

Trade payables to related parties arise mainly from professional fees, interconnect, roaming service transactions rendered on MTN Nigeria's behalf by other operations within the MTN Group and are due one month after the date of purchase.

No allowance for expected credit loss on receivables from related parties because MTN Nigeria is in a net payable position.

48.5 Summary of amounts due to and from related parties

	Note(s)	Group 2023	Group 2022	Company 2023	Company 2022
Amount due to related parties					
Related parties	48.4	109,861	40,822	109,323	40,822
Subsidiaries	48.3	-	-	5,128	4,942
	33	**109,861**	**40,822**	**114,451**	**45,764**
Amounts due from related parties					
Related parties	48.4	28,724	12,323	28,724	12,323
Subsidiaries	48.3	-	-	36,286	31,580
	24	**28,724**	**12,323**	**65,010**	**43,903**

48.6 Other related party transactions

	Group 2023	Group 2022	Company 2023	Company 2022
Purchases from				
Eventful Limited		816	869	4
Nigeria Economic Summit Group (NESG)	-	53	-	652
Pan Atlantic University	-	155	-	635
Nigerian Exchange Group (NGX Group) Plc	-	229	12	-
ReStraL Limited	-	37	-	-
National Identity Management Commission (NIMC)	-	700	-	-

Other related parties relate to entities that transact with MTN Nigeria and whose directors also serve on the Board of MTN Nigeria. Other related parties as at 31 December 2023 include:

Name of Company	Relationship
Eventful Limited	Eventful Ltd provides event management services to MTN Nigeria. Omobola Johnson is related to the CEO of Eventful Ltd.
Nigerian Exchange Group (NGX Group) Plc	NGX Group provides a wide range of services including listing and trading securities, licensing, market data solutions, ancillary technology, regulation, real estate, and more through its wholly-owned subsidiaries. Abubakar B. Mahmoud in on the board of one of its subsidiaries, Nigeria Exchange Limited
Pan Atlantic University	Pan Atlantic University is an educational institution. MTN Nigeria had engaged the school to train its staff. Muhammad Ahmad is on the governing council of the school.
ReStraL Limited	ReStraL Limited is a management consulting and capacity building firm providing research, strategy and leadership development solutions. Ifueko M. Omoigui Okauru is the chairman of the board.
Nigerian Economic Summit Group (NESG)	NESG is a non-profit, non-partisan private sector organisation that promotes and champions the reform of the Nigerian economy. MTN Nigeria provides platinum category sponsorship to NESG & paid its membership dues for 2023. Karl Toriola is a non-executive director on the board of the NESG
National Identity Management Commission (NIMC)	NIMC has the mandate to establish, own, operate, maintain and manage the National Identity Database in Nigeria, assign a Unique National Identification Number (NIN) and issue General Multi-Purpose Cards (GMPC) to those. MTN Nigeria purchases bulk verification credit from the NIMC. Ifueko M. Omoigui Okauru is the Identity ambassador for the organisation.

49. Financial instruments and risk management

Introduction

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group classifies its financial instruments into the following categories depending on the purpose for which the financial instruments were acquired:

- Financial assets: amortised cost, fair value through OCI (FVOCI) and fair value through profit or loss (FVTPL);
- Financial liabilities: amortised cost.

Financial instruments comprise trade and other receivables, cash and cash equivalents, current investments, borrowings and trade and other payables.

The Group has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk (foreign exchange and interest rate risk). This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk profile

The Group's overall risk management programme focuses on the unpredictability of its markets and seeks to minimize potential adverse effects on the performance of the Group and its subsidiaries.

Risk management is carried out under policies approved by the Board of Directors of the Group. The Directors' identify, evaluate and manage the enterprise risks in line with the MTN Group Risk Management Framework. The Board provides written principles for overall risk management, as well as for specific areas such as foreign exchange risk, interest rate risk, credit risk and investing cash.

The carrying value of financial instruments materially approximate their fair values.

49.1 Accounting classes and fair values

Group 31 December 2023	Amortised costs N million	FVTPL N million	FVOCI N million	Total carrying amount N million
Non-current financial assets				
Other investments	6,632	-	-	6,632
	6,632	-	-	6,632
Current financial assets				
Trade and other receivables	118,317	-	-	118,317
Current investments	4,029	205	3,022	7,256
Cash and cash equivalents	345,074	-	-	345,074
Restricted cash	402,010	-	-	402,010
	869,430	205	3,022	872,657
	876,062	205	3,022	879,289
Non-current financial liabilities				
Borrowings	487,817	-	-	487,817
Lease liabilities	813,634	-	-	813,634
	1,301,451	-	-	1,301,451
Current financial liabilities				
Trade and other payables	484,302	-	-	484,302
Borrowings	689,352	-	-	689,352
Lease liabilities	190,777	-	-	190,777
Deposit held for MoMo customers	7,601	-	-	7,601
Derivatives	-	15,912	-	15,912
	1,372,032	**15,912**	**-**	**1,387,944**
	2,673,483	15,912	-	2,689,395

49. Financial instruments and risk management (continued)

31 December 2022	Amortised costs	FVTPL	FVOCI	Total carrying amount
	N million	N million	N million	N million
Non-current financial assets				
Other Investments	10,585	-	-	10,585
	10,585	-	-	10,585
Current financial assets				
Trade and other receivables	83,912	-	-	83,912
Current investments	6,217	539	13,532	20,288
Cash and cash equivalents	349,500	-	-	349,500
Restricted cash	196,082	-	-	196,082
	635,711	539	13,532	649,782
	646,296	539	13,532	660,367
Non-current financial liabilities				
Borrowings	439,463	-	-	439,463
Lease liabilities	591,178	-	-	591,178
	1,030,641	-	-	1,030,641
Current financial liabilities				
Trade and other payables	421,295	-	-	421,295
Borrowings	250,210	-	-	250,210
Lease liabilities	68,838	-	-	68,838
Deposit held for MoMo customers	1,257	-	-	1,257
Derivatives	-	3,062	-	3,062
	741,600	**3,062**	**-**	**744,662**
	1,772,241	3,062	-	1,775,303

Company 31 December 2023				
Non-current financial assets				
Other investments	6,632	-	-	6,632
	6,632	-	-	6,632
Current financial assets				
Trade and other receivables	150,796	-	-	150,796
Current investments	923	205	1,491	2,619
Cash and cash equivalents	315,548	-	-	315,548
Restricted cash	394,209	-	-	394,209
	861,476	205	1,491	863,172
	868,108	205	1,491	869,804
Non-current financial liabilities				
Borrowings	487,817	-	-	487,817
Lease liabilities	813,634	-	-	813,634
	1,301,451	-	-	1,301,451
Current financial liabilities				
Trade and other payables	467,128	-	-	467,128
Borrowings	689,352	-	-	689,352
Lease liabilities	190,777	-	-	190,777
	-	15,912	-	15,912
	1,347,257	**15,912**	**-**	**1,363,169**
	2,648,708	15,912	-	2,664,620

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49. Financial instruments and risk management (continued)

31 December 2022	Amortised costs N million	FVTPL N million	FVOCI N million	Total carrying amount N million
Non-current financial assets				
Other Investments	10,585	-	-	10,585
	10,585	-	-	10,585
Current financial assets				
Trade and other receivables	115,092	-	-	115,092
Current investments	5,600	539	11,267	17,406
Cash and cash equivalents	324,244	-	-	324,244
Restricted cash	194,622	-	-	194,622
	639,558	539	11,267	651,364
	650,143	539	11,267	661,949
Non-current financial liabilities				
Borrowings	439,463	-	-	439,463
Lease liabilities	591,178	-	-	591,178
	1,030,641	-	-	1,030,641
Current financial liabilities				
Trade payables	420,568	-	-	420,568
Borrowings	250,210	-	-	250,210
Lease liabilities	68,838	-	-	68,838
Derivatives	-	3,062	-	3,062
	739,616	**3,062**	**-**	**742,678**
	1,770,257	3,062	-	1,773,319

49.2 Fair value estimation

A number of the Group's accounting policies and disclosures require the measurement of fair values. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Where a financial asset or liability is carried on the statement of financial position at fair value, additional disclosure is required. In particular, the fair values need to be classified in accordance with the fair value hierarchy. This fair value hierarchy distinguishes between different fair value methodologies based on the level of subjectivity applied in the valuation. The fair value hierarchy is split into the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities (e.g. the price quoted on a stock exchange for a listed share).
- Level 2: Valuation techniques with inputs other than quoted prices (included within level 1) that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (e.g. a valuation that uses observable interest rates or foreign exchange rates as inputs).
- Level 3: Valuation techniques with inputs that are not based on observable market data (that is, unobservable inputs) (e.g. a valuation that uses the expected growth rate of an underlying business as input).

The financial instruments measured at fair value are presented below.

Group and Company	Level 1 N million	Level 2 N million	Level 3 N million	Total N million
31 December 2023				
Assets				
Treasury bills at FVTPL	205	-	-	205
Treasury bills at FVOCI	3,022	-	-	3,022
	3,227	**-**	**-**	**3,227**
Liabilities				
Derivatives	-	15,912	-	15,912
	-	15,912	-	15,912

49. Financial instruments and risk management (continued)

	Level 1 N million	Level 2 N million	Level 3 N million	Total N million
31 December 2022				
Assets				
Treasury bills at FVTPL	539	-	-	539
Treasury bills at FVOCI	13,532	-	-	13,532
	14,071	**-**	**-**	**14,071**
Liabilities				
Derivatives	-	3,062	-	3,062
	-	3,062	-	3,062

Financial asset at amortised cost and financial liabilities at amortised cost – The carrying value of current receivables and liabilities measured at amortised cost approximates their fair value. The fair values of the majority of the non-current liabilities measured at amortised cost are also not significantly different from their carrying values.

Treasury bills are valued at market prices listed on FMDQ daily quotation list while the fair valuation of the derivatives MTNN is derived by valuation models and consensus pricing information from third party pricing services and quotes to determine an appropriate valuation.

49.3 Credit risk

Credit risk or the risk of financial loss to the Group due to customers or counter parties not meeting their contractual obligations and is managed through the application of credit approvals, limits and monitoring procedures. The Group's maximum exposure to credit risk is represented by the carrying amount of the financial assets that are exposed to credit risk.

	Group		Company	
	2023 N million	2022 N million	2023 N million	2022 N million
The following instruments give rise to credit risk				
Other investments	6,632	10,585	6,632	10,585
Trade and other receivables	118,317	83,912	150,796	115,092
Current investments	7,051	19,749	2,414	16,867
Restricted cash	402,010	196,082	394,209	194,622
Cash and cash equivalents	345,074	349,500	315,548	324,244
	879,084	**659,828**	**869,599**	**661,410**

49.3.1 Cash and cash equivalents, and restricted cash

Cash and cash equivalents, and restricted cash. The Group's exposure and the credit ratings of its counter parties are continuously monitored and the aggregate values of investment portfolio is spread amongst approved financial institutions, which are lending institutions to the Group. The Group's Cash investment activity is based on the SLY (Safety, Liquidity and Yield) principle while it also limits its cash holdings in a financial institution to a maximum of 40% of total investment portfolio to manage concentration risk. The exposure is controlled by a right of setoff and counter party exposure limits derived from the facility amount provided to the Group, the credit rating of the lending institutions as well as the cash collection by each of the lending institutions.

The National Long Term credit ratings of the counterparty financial institutions where the Group's bank deposits and restricted cash range from AAA to BBB-.

Total estimated credit loss as at 31 December 2023 stood at N94 million (31 December 2022: N288 million). Reversal of credit loss to income statement for the period is N194 million (December 2022: charge of N315 million).

49.3.2 Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECL). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type).

Group: ECL for gross trade receivables of N73.61 billion (2022: N73.56 billion) was N14.65 billion (2022: N13.65 billion)

Company: ECL for gross trade receivables of N73.34 billion (2022: N73.29 billion) was N14.23 billion (2022: N13.23 billion).

49. Financial instruments and risk management (continued)

The Group holds collateral as security for trade receivables relating to trade partners. These are bank guarantees held with bank with credit ratings of AAA to BBB-. A total of N4.90 billion was held as collateral for same value of receivables as at 31 December 2023 (31 December 2022: N3.83 billion). Trade partners are to pay within seven days of credit advanced. In the event of default, the bank guarantee is recalled immediately to offset the credit.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix.

	Current N million	More than 30 days past due N million	More than 90 days past due N million	More than 180 days past due N million	Total N million
Group					
31 December 2023					
Expected loss rate	0.86 %	18.34 %	33.29 %	71.20 %	
Gross carrying amount	45,786	4,941	7,759	15,123	73,609
Loss allowance	394	906	2,583	10,767	14,650
Credit impaired	No	No	No	No	
31 December 2022					
Expected loss rate	1.57 %	4.32 %	1.45 %	100.00 %	
Gross carrying amount	17,528	4,167	39,239	12,629	73,563
Loss allowance	275	180	568	12,629	13,652
Credit impaired	No	No	No	Yes	
Company					
31 December 2023					
Expected loss rate	0.86 %	18.34 %	28.91 %	71.20 %	
Gross carrying amount	45,786	4,941	7,488	15,123	73,338
Loss allowance	394	906	2,165	10,767	14,232
Credit impaired	No	No	No	No	
31 December 2022					
Expected loss rate	1.56 %	4.32 %	1.45 %	100.00 %	
Gross carrying amount	17,674	4,167	39,238	12,211	73,290
Loss allowance	275	180	568	12,211	13,234
Credit impaired	No	No	No	Yes	

The ECL rates are the outcome of a quarterly review using a simplified expected credit loss (ECL) based on days past due. Based on the assessment this year, there were no receivables fully impaired after 180 days, as receivables in this range were impaired by 71.2%. The calculation reflects the probability-weighted outcome, the time value of money and reasonable, and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

49.3.3 Current and other investments

Current investments are all liquid assets that consist of marketable securities. They are primarily selected based on the funding and liquidity plan of the Group and from issuers with the least known credit and default risk. In connection with investment decisions, priority is placed on the issuer's very high creditworthiness and the present yield/interest rates offered. In this assessment, the Group also considers the credit risk assessment of the issuer by the rating agencies such as Fitch, Standards and Poor (S&P). The Federal Government of Nigeria (FGN) has one of the lowest credit risks known in the country and in a possibility of default, it could simply increase the circulation of money in the country or borrow from international sources to pay off its local debt. In line with the Group's risk policy, its investments in treasury bills have no historical rate of default and the investments can be liquidated and sold at the prevalent market rates at that point in time. The rating for the FGN is B-, a speculative grade, for its Short-Term Local-Currency Issuer Default Rating (IDR) which is a stable rating but not yet at the investment grade level which is hardly given to African Countries. Current investments are thus not subject to a material credit risk and are allocated to stage 1 of the impairment model.

Expected Credit Losses (ECLs) are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. In determining the cash flows that the Group expects to receive, the Group apply the probability of default (default rate) based on rating by international credit rating agencies like S&P, Moody's and Fitch as well as local ratings by Agusto and Co.

Total estimated credit loss as at 31 December 2023 stood at N191 million (31 December 2022: N213 million) while the reversal of credit loss for the period stood at N22 million (31 December 2022: credit loss reversal of N133 million).

The National Long Term credit ratings of the counterparty financial institutions where the Group's current investments range from AAA to BBB-.

49. Financial instruments and risk management (continued)

Reconciliation of gross carrying amount and related ECL	Note(s)	Cash and cash equivalent N million	Current investments N million	Other investments N million	Total ECL N million
Group					
Balance at 1 January 2022		**260,891**	**51,444**	**10,846**	**(949)**
Net movement during the year		97,651	-	-	-
Purchase		-	63,948	3,821	-
Sale/matured		-	(109,304)	(4,086)	-
Exchange loss		(19,308)	-	-	-
Credit loss expense reversal	15	315	129	4	448
Balance at 31 December 2022		**339,549**	**6,217**	**10,585**	**(501)**
Net movement during the year		46,717	-	-	-
Purchase		-	9,387	-	-
Sale/matured		-	(12,194)	(4,066)	-
Remeasurement to profit or loss account		-	-	1	-
Exchange gain		(78,336)	709	-	-
Credit loss reversal/(expense)	15	194	(91)	113	216
Balance at 31 December 2023		**308,124**	**4,028**	**6,633**	**(285)**
Company					
Balance at 1 January 2022		**247,025**	**51,444**	**10,846**	**(949)**
Net movement during the year		96,212	-	-	-
Purchase		-	63,331	3,821	-
Sale		-	(109,304)	(4,086)	-
Exchange loss		(19,308)	-	-	-
Credit loss expense reversal	15	315	129	4	448
Balance at 31 December 2022		**324,244**	**5,600**	**10,585**	**(501)**
Net movement during the year		69,393	-	-	-
Purchase		-	5,349	-	-
Sale		-	(12,194)	(4,066)	-
Remeasurement to profit or loss account		-	-	1	-
Exchange gain		(78,336)	2,223	-	-
Credit loss reversal/(expense)	15	247	(55)	113	305
Balance at 31 December 2023		**315,548**	**923**	**6,633**	**(196)**

49.4 Liquidity risk

Liquidity risk is the risk that an entity will be unable to meet its obligations as they become due.

The Group's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation.

The Group ensures it has sufficient cash on demand (currently the Group is maintaining a positive cash position) or access to facilities to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

	Group		Company	
	2023 N million	2022 N million	2023 N million	2022 N million
The following are the liquid resources:				
Cash and cash equivalents	345,074	349,500	315,548	324,244
Current investments	7,256	20,288	2,619	17,406
Restricted cash	402,010	196,082	394,209	194,622
Trade and other receivables	118,317	83,912	150,796	115,092
	872,657	**649,782**	**863,172**	**651,364**

Notes to the audited consolidated and separate financial statements

49. Financial instruments and risk management (continued)

The following are the contractual maturities of financial liabilities:

Group	Carrying amount	Payable within one month or on demand	More than one month but not exceeding three months	More than three months but not exceeding one year	More than one year but not exceeding two years	More than two years but not exceeding five years	More than five years	Total
	N million	N million	N million	N million	N million	N million	N million	N million
31 December 2023								
Trade and other payables	484,302	86,294	232,359	165,649	-	-	-	484,302
Deposit held for MoMo customers	7,601	7,601	-	-	-	-	-	7,601
Derivatives	15,912	-	-	15,912	-	-	-	15,912
Borrowings	1,177,169	15,528	57,474	670,018	110,642	308,856	301,672	1,464,190
Lease liabilities	1,004,411	71,873	122	206,675	262,882	755,703	247,100	1,544,355
	2,689,395	181,296	289,955	1,058,254	373,524	1,064,559	548,772	3,516,360
31 December 2022								
Trade and other payables	421,295	71,577	202,100	147,369	-	-	-	421,046
Deposit held for MoMo customers	1,257	1,257	-	-	-	-	-	1,257
Derivatives	3,062	-	-	3,062	-	-	-	3,062
Borrowings	689,673	15,513	36,101	254,976	100,148	258,024	373,795	1,038,557
Lease liabilities*	660,016	50,619	45	179,152	278,349	766,625	499,001	1,773,791
	1,775,303	**138,966**	**238,246**	**584,559**	**378,497**	**1,024,649**	**872,796**	**3,237,713**

*restated

Notes to the audited consolidated and separate financial statements

49. Financial instruments and risk management (continued)

Company	Carrying amount	Payable within one month or on demand	More than one month but not exceeding three months	More than three months but not exceeding one year	More than one year but not exceeding two years	More than two years but not exceeding five years	More than five years	Total
	N million	N million	N million	N million	N million	N million	N million	N million
31 December 2023								
Trade and other payables	467,128	79,374	224,116	163,638	-	-	-	467,128
Derivatives	15,912	-	-	15,912	-	-	-	15,912
Borrowings	1,177,169	15,528	57,474	670,018	110,642	308,856	301,672	1,464,190
Lease liabilities	1,004,411	71,873	122	206,675	262,882	755,703	247,100	1,544,355
	2,664,620	166,775	281,712	1,056,243	373,524	1,064,559	548,772	3,491,585
31 December 2022								
Trade and other payables	420,568	71,454	201,753	147,361	-	-	-	420,568
Derivatives	3,062	-	-	3,062	-	-	-	3,062
Borrowings	689,673	15,513	36,101	254,976	100,148	258,024	373,795	1,038,557
Lease liabilities*	660,016	50,619	45	179,152	278,349	766,625	499,001	1,773,791
	1,773,319	**137,586**	**237,899**	**584,551**	**378,497**	**1,024,649**	**872,796**	**3,235,978**

*restated

49. Financial instruments and risk management (continued)

49.5 Market risk

Market risk is the risk that changes in market prices (interest rate, price risk and currency risk) will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group is not exposed to price risk. Derivatives are entered into solely for risk management purposes and not as speculative investments. The Group treasury policy specifies approved instruments which may be used to economically hedge the Group's exposure to variability in foreign currency and to manage and maintain market risk exposures within the parameters set by the Group's board of directors.

49.5.1 Interest rate risk

Interest rate risk is the risk that the cash flow or fair value of an interest bearing financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities that are sensitive to interest rate risk are cash and cash equivalents, short term investments and loans payable. The interest rates applicable to these financial instruments are on a combination of floating and fixed basis in line with those currently available in the market. The Group's interest rate risk arises from the repricing of the Group's floating rate debt, incremental funding or new borrowings, the refinancing of existing borrowings and the magnitude of the significant cash balances which exist. The Group manages its debt on an optimal mix of local and foreign borrowings and fixed and floating interest rates.

Interest rate profile

At the reporting date the interest rate profile of the Group's financial instruments is as follows:

	31 December 2023			31 December 2022		
	Fixed rate instruments N million	Variable rate instruments N million	Non interest bearing N million	Fixed rate instruments N million	Variable rate instruments N million	Non interest bearing N million
Group						
Financial assets						
Cash and cash equivalents	345,074	-	-	349,500	-	-
Current investments	7,256	-	-	20,288	-	-
Restricted cash	22,111	-	379,899	20,584	-	175,498
Trade and other receivables	-	-	118,317	-	-	83,912
Other investments	6,632	-	-	10,585	-	-
	381,073	-	498,216	400,957	-	259,410
Financial liabilities						
Trade and other payables	-	-	146,881	-	-	64,916
Other accrued expenses	-	-	227,416	-	-	315,252
Other payables	-	-	144	-	-	306
Amounts due to related parties	-	109,861	-	-	40,822	-
Deposit held for MoMo customers	-	-	7,601	-	-	1,257
Current borrowings	283,888	405,464	-	71,805	178,405	-
Non-current borrowings	356,506	131,311	-	397,376	42,087	-
	640,394	**646,636**	**382,042**	**469,181**	**261,314**	**381,731**
Company						
Financial assets						
Cash and cash equivalents	315,548	-	-	324,244	-	-
Current investments	2,619	-	-	17,406	-	-
Restricted cash	22,111	-	372,098	20,584	-	174,038
Trade and other receivables	-	-	150,796	-	-	115,092
Other investments	6,632	-	-	10,585	-	-
	346,910	-	522,894	372,819	-	289,130
Financial liabilities						
Trade payables	-	-	137,043	-	-	64,614
Other accrued expenses	-	-	215,490	-	-	309,885
Other payables	-	-	144	-	-	306
Amounts due to related parties	-	114,451	-	-	45,764	-
Current borrowings	283,888	405,464	-	71,805	178,405	-
Non-current borrowings	356,506	131,311	-	397,376	42,087	-
	640,394	**651,226**	**352,677**	**469,181**	**266,256**	**374,805**

49. Financial instruments and risk management (continued)

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

The Group has used a sensitivity analysis technique that measures the estimated change to profit or loss of an instantaneous increase or decrease of 1% (100 basis points) in market interest rates, from the rate applicable at 31 December, for each class of financial instrument with all other variables remaining constant.

The Group is mainly exposed to fluctuations in the following market interest rates: LIBOR and NIBOR. Changes in market interest rates affect the interest income or expense of floating rate financial instruments. Changes in market interest rates only affect profit or loss in relation to financial instruments with fixed interest rates if these financial instruments are recognised at their fair value.

A change in the above market interest rates at the reporting date would have increased/(decreased) profit before tax by the amounts shown overleaf. The analysis has been performed on the basis of the change occurring at the reporting date and assumes that all other variables, in particular foreign currency rates, remains constant. The analysis is performed on the same basis for prior year.

Group and Company	31 December 2023 Increase/(decrease) in profit before tax			31 December 2022 Increase/(decrease) in profit before tax		
	Change in interest rate	Upward change in interest rate	Downward change in interest rate	Change in interest rate	Upward change in interest rate	Downward change in interest rate
	%	N million	N million	%	N million	N million
LIBOR	1	(983)	983	1	(414)	414
NIBOR	1	(4,483)	4,483	1	(3,285)	3,285

49.5.2 Currency risk

Currency risk is the exposure to exchange rate fluctuations that have an impact on cash flows and financing activities. The Group manages foreign currency risk on major foreign denominated purchase orders through the use of Letters of Credit. The Group has also entered into a currency swap arrangement to enhance dollar liquidity to address critical operational requirements. Refer to Note 47 for details of financial instruments exposed to currency risk.

Sensitivity analysis

The Group is mainly exposed to fluctuations in foreign exchange rates in respect of the US Dollar, being the significant foreign denominated currency. The Group has used a sensitivity analysis technique that measures the estimated change to the income statement of an instantaneous 5% strengthening or 20% weakening in the Nigerian Naira against the US Dollar, from the rate applicable at 31 December, for each class of financial instrument with all other variables, in particular interest rates, remaining constant. A change in the foreign exchange rates to which the Group is exposed at the reporting date would have increased/(decreased) profit before tax by the amounts shown below. The analysis has been performed on the basis of the change occurring at the start of the reporting period. The analysis is performed on the same basis for the Company.

Group and Company	**31 December 2023 Increase/(decrease) in profit before tax**		**31 December 2022 Increase/(decrease) in profit before tax**	
	20% weakening in Naira, resulting in a decrease in profit before tax	5% strengthening in Naira, resulting in an increase in profit before tax	20% weakening in Naira, resulting in a decrease in profit before tax	5% strengthening in Naira, resulting in an increase in profit before tax
Denominated: Functional	N million	N million	N million	N million
USD:NGN	(299,462)	74,866	(38,306)	9,577

The sensitivity factor has been adjusted for the year ending 31 December 2023 to accurately reflect the real economic conditions, particularly the devaluation of the Naira. Consequently, the Group has retained a 5% propensity for the Naira strengthening. Meanwhile, the propensity for the Naira to weaken further has been revised, increasing from 10% to 20%

49. Financial instruments and risk management (continued)

49.6 Capital risk management

The Group seeks to optimise its capital structure by ensuring adequate gearing levels taking into consideration working capital, cash flow, existing loan covenants, operational requirements, business plan and broader macro- economic conditions. It maximizes external borrowings on the back of its strong cash generating capacity. In line with its funding policy, the Group diversifies funding sources across local and international markets and ensures that new facility conditions comply with existing loan covenants. Management monitors Net Debt to EBITDA and EBITDA to Net Interest in line with the financial covenants in the loan agreement while it seeks to limit refinancing risk by controlling the concentrations of maturing obligations in the short end of maturity profile. Equity approximates share capital and reserves attributable to the equity holders of the parent. EBITDA is defined as earnings before interest, tax, depreciation, amortisation and goodwill impairment/losses. Gross debt relates to MTN Nigeria syndicated medium term loan, net debt is the gross debt less cash and cash equivalents and total funding is gross debt plus equity.

		Group		Company	
	Note(s)	2023 N million	2022 N million	2023 N million	2022 N million
Revenue		2,468,847	2,012,272	2,472,473	2,011,935
Operating expenses excluding depreciation and amortisation.		(1,266,318)	(941,907)	(1,242,381)	(915,191)
EBITDA		1,202,529	1,070,365	1,230,092	1,096,744
Gross debt		1,177,169	689,673	1,177,169	689,673
Cash and cash equivalents		(345,074)	(349,500)	(315,548)	(324,244)
Net debt		832,095	340,173	861,621	365,429
Gross debt		1,177,169	689,673	1,177,169	689,673
Equity		(45,409)	334,237	34,779	385,082
Total funding		1,131,760	1,023,910	1,211,948	1,074,755
Gross debt :Total funding		104 %	67 %	97 %	64 %
Net debt: Total funding		74 %	33 %	71 %	34 %
Net debt : EBITDA		69 %	32 %	70 %	33 %

50. Share based payments

50.1 Share based payment liability

		Group			Company		
	Notes	2023 N million	2022 N million	2021 N million	2023 N million	2022 N million	2021 N million
Balance as at 1 January		8,569	8,547	2,273	8,569	8,547	2,273
Share based expense	14	14,606	5,889	8,689	14,606	5,889	8,689
Share based payments		(6,265)	(5,867)	(2,415)	(6,265)	(5,867)	(2,415)
Balance as at 31 December		**16,910**	**8,569**	**8,547**	**16,910**	**8,569**	**8,547**

MTN Nigeria Communications Plc operates a Notional Share Scheme, where qualifying staff receive the increase in a phantom MTN share price at exercise date as compared to the offer price. The scheme is a cash-settled share-based payment scheme. The share-based payment liability relates to Locally Aligned Notional (LAN) Shares and Group Aligned Notional (GAN). MTNN also runs the Employee share scheme plan managed by Vetiva Trustee Limited.

The share-based payment liability consists of:

- fair value of options issued to employees under the LAN notional share scheme
- fair value of options issued to employees under the GAN notional share scheme
- the issue of shares held in Trust by Vetiva Trustee for employees under Performance Share Plan (PSP) and Employee Stock Ownership Plan (ESOP).

Outstanding obligation - GAN share options	488	2,021	3,237	488	2,021	3,237
Outstanding obligation - LAN share options	2,814	666	3,610	2,814	666	3,610
Group performance share plan	8,081	4,960	808	8,081	4,960	808
Performance share plan (PSP)	5,527	922	892	5,527	922	892
	16,910	**8,569**	**8,547**	**16,910**	**8,569**	**8,547**

50.2 GAN and LAN

MTN Nigeria Communications Plc operates a Notional Share Scheme, where qualifying staff receive the increase in a phantom MTN share price at exercise date as compared to the offer price. The scheme is a cash-settled share-based payment scheme.

Outstanding number of LAN notional shares:

Grant date	31 December 2023	31 December 2022
Number of options outstanding - LAN shares	340,300	876,732
Number of options outstanding - GAN shares	595,700	1,676,784

Reconciliation of LAN outstanding notional shares:

The change in number of options outstanding can be reconciled as follows:

	GAN shares	LAN shares
Outstanding options at 1 January 2022	2,459,640	1,325,325
Exercises/forfeits/lapses	(782,856)	(449,593)
Outstanding options at 31 December 2022	**1,676,784**	**875,732**
Exercises/forfeits/lapses	(1,081,084)	(535,432)
Outstanding options at 31 December 2023	**595,700**	**340,300**

Notes to the audited consolidated and separate financial statements

50. Share based payments (continued)

GAN and LAN notional share options valuation methodology

A valuation was performed on the outstanding obligation using the projected Unit Method prescribed by IAS 19 to determine the fair value of the Notional Share Scheme liabilities. The valuation was carried out by Alexander Forbes Consulting Actuaries Nigeria (FRC/2012/0000000000504) and signed by Wayne van Jaarsveld (FRC/2021/002/00000024507).

Principal actuarial key assumptions

Economic assumptions	GAN notional shares	LAN notional shares
Discount rate	-	11.80%
Dividend yield	2.66%	-
Volatility	28.83% - 34.00%	-
Expected option lifetime	2years	-

Demographic assumptions

The following demographic assumptions have been used in performing the valuation for both GAN and LAN Notional Shares:

Mortality in Service

Pre-retirement: A1967-70 Ultimate Table

	31 December 2023	31 December 2022
Sample age	Number of deaths per 10,000 lives	
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26
50	48	48
55	84	84
60	144	144

Withdrawal and Early Retirement

It was assumed that withdrawals and early retirements would be in accordance with the following table:

	Annual rate of withdrawal		Annual rate of early retirement	
Age Group	31 December 2023	31 December 2022	31 December 2023	31 December 2022
20 - 30	5.0%	5.0%	-	-
31 - 39	3.0%	3.0%	-	-
40 - 44	2.0%	2.0%	-	-
45 - 49	1.0%	1.0%	-	-
50 - 54	1.0%	1.0%	1.0%	1.0%
55 - 59	-	-	-	-
60+	-	-	-	-

Sensitivity analysis

The sensitivity analysis below have been determined based on a method that extrapolates the impact on GAN Notional Shares as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The methods and assumptions used in preparing the sensitivity analysis did not change compared to prior period. The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated.

GAN notional shares

		31 December 2023		31 December 2022	
Assumptions		Change N million	% Change	Change N million	% Change
Volatility	+10%	509	4.88%	2,053	1.57%
	-10%	470	-3.18%	1,998	-1.14%
Dividend yield	+1%	475	-2.14%	1,985	-1.76%
	-1%	497	2.21%	2,058	1.86%

50. Share based payments (continued)

Sensitivity to each actuarial assumption was determined while other assumptions were held constant. No sensitivity approach was adopted in prior years.

50.3 Performance share plan (PSP)

During the financial year, the Group granted eligible employees share rights under the Performance Share Plan (PSP). These rights were granted to employees on levels 3, 4, 5, and 6. The PSP was established to attract, retain, and reward selected employees capable of contributing to the business of the employer companies. It aims to stimulate their personal involvement, thereby encouraging their continued service and motivating them to advance the interests of the relevant employer company and the Group in general. All options granted vest after three years from the date of grant.

The PSP option performance conditions

The options are subject to the fulfillment of the following performance conditions, as stated in the specified percentage proportions:

Total shareholder return	25%
Cash generated from operations	25%
Return on equity	25%
Environmental, social and governance	25%

In respect of the grant made on December 2021, the following performance conditions must be fulfilled to qualify for the percentage of the shares granted as stated in the table above:

Award condition	Vesting	Performance measurement period
Total shareholder return ("TSR")	Sliding scale of 100% vesting at 75th percentile as compared to MSCI EM Communication Services Index*, with 25% vesting at the median and straight line vesting in between the two points. Zero vesting for below the median. TSR will be measured by comparing the 30 day VWAP at the beginning and end of the 3 year period plus re-invested dividends. TSR must be positive and is measured on common currency (ZAR).	- 13 December 2021 grant: 1 January 2022 to 31 December 2024 - 13 December 2022 grant: 1 January 2023 to 31 December 2025
Cash generated from operations ("CGO")	Targeted at the average of the budgeted CGO for the 3 year measurement period with: - a threshold of 25% vesting at 90% of the target - a stretch of 100% vesting at 110% of the target; and - 0% vesting below 90% of the target.	-13 December 2021 grant: 1 January 2022 to 31 December 2024 -13 December 2022 grant: 1 January 2023 to 31 December 2025
Return on equity ("ROE")	Defined as adjusted headline earnings per share/equity excluding non-controlling interest for each year divided by 3: - 25% vesting at 90% of budget (kick-in) - 100% vesting at 100% of budget; and - 0% vesting below 90% of target.	-13 December 2021 grant: 1 January 2022 to 31 December 2024 -13 December 2022 grant: 1 January 2023 to 31 December 2025
Environmental, social and governance ("ESG")	ESG comprises of emissions, broadband coverage and diversity and inclusion as per approved business plan. Measured over the 3-year measurement period with: -25% vesting at threshold value (kick-in) - 100% vesting at 100% of target; and - straight line vesting between the kick-in and target rate.	-13 December 2021 grant: 1 January 2022 to 31 December 2024 -13 December 2022 grant: 1 January 2023 to 31 December 2025

For the purposes of our calculations, we have replaced MTN Group's data with that of MTN Nigeria's in the MSCI index for the TSR comparison.

Notes to the audited consolidated and separate financial statements

50. Share based payments (continued)

Details of the outstanding equity-settled performance share plan rights are as follows:

Grant date	Strike price (N)	Number of options granted	New Grant	Forfeited	Number outstanding at 31 December 2023
13 December 2021	-	19,679,630	-	(1,446,370)	18,233,260
13 December 2022	-	-	23,539,587	(1,513,640)	22,025,947
Total	**-**	**19,679,630**	**23,539,587**	**(2,960,010)**	**40,259,207**

Outstanding obligations (liability) in respect of unexpired options:

The tables below show the liability in respect of all outstanding unexpired employee share options as at 31 December 2023, after allowing for forfeitures.

Grant date	Liability as at 31 December 2022 N million	Change N million	Liability as at 31 December 2023 N million
13 December 2021	1,124	1,193	2,317
13 December 2022	-	1,279	1,279
Total	**1,124**	**2,472**	**3,596**

Valuation assumptions

The model used for valuing the employee share option arrangements requires a number of assumptions to be made. These include financial assumptions as well as various assumptions around individual employee behaviour.

The main assumptions have been set out below.

	31 December 2023	31 December 2022
Share price (N)	264	215
Expected option lifetime (years)	1 – 2 years	2 - 4 years
Risk-free rate (%)	11.15%	11.42%
Expected volatility (%)	25.7%	27.7%
Dividend yield (%)	6.26%	6.34%

Cost per employee share option

The table below shows the option price gross and net of pre-vesting assumed forfeitures, as well as the option price as a percentage of the share price:

Grant date	Performance condition	Vesting date	Gross option price	Gross option price as % of share price	Net option price	Net option price as % of share price
13 December 2021	CGO	13 December 2024	248.75	94.22%	236.92	89.74%
	ESG	13 December 2024	248.75	94.22%	236.92	89.74%
	ROE	13 December 2024	248.75	94.22%	236.92	89.74%
	TSR	13 December 2024	34.86	13.20%	33.20	12.58%
13 December 2022	CGO	13 December 2025	233.65	88.50%	211.41	80.08%
	ESG	13 December 2025	233.65	88.50%	211.41	80.08%
	ROE	13 December 2025	233.65	88.50%	211.41	80.08%
	TSR	13 December 2025	32.34	12.25%	29.26	11.08%

50. Share based payments (continued)

Sensitivity analysis

Option valuation results are based on a forfeiture rate, before the vesting date, of 5% per annum compound. We have analysed the sensitivity of these results to this assumption by allowing for 7.5% and 10% rate of forfeitures per annum compound. The following table compares the liability resulting from the cash-settled valuation of all outstanding share options as at 31 December 2022 based on the above forfeiture assumptions.

Outstanding liability	Main result (N million)	7.5% forfeiture (N million)	7.5% forfeiture (N million)
31 December 2023	3,596	3,473	3,352
Changes (%)		-3.41%	-6.78%
31 December 2022	1,124	1,067	1,012
Changes (%)		-5.07%	-10.01%

The MTN Performance Share Plan (PSP) actuarial valuation was carried out by Alexander Forbes Consulting Actuaries Nigeria (FRC/2012/0000000000504) signed by Wayne van Jaarsveld (FRC/2021/002/00000024507).

50.4 Employee share ownership programme (ESOP)

As at 31 December 2021, the company had awarded 10,409,990 shares with a grant date of 31 December 2021, offered to qualifying employees for no consideration and subject to a service condition. An additional 111,200 shares were granted during the year. The shares will vest in three tranches, with a third vesting on the third, fourth, and fifth anniversaries of the grant date, respectively. The plan is facilitated through a structured entity (MTN ESOP Trust). MTN provides shares and funding to the MTN ESOP Trust to enable the trust to satisfy its objectives. The following table is a summary of the outstanding options as at December 2023 for the ESOP.

The following table is a summary of the outstanding options as at 31 December 2023 for the ESOP:

Grant date	Strike price (N)	Number outstanding as at 31 December 2023	Adjustment for forfeitures	Number outstanding as at 31 December 2023
13 December 2021	-	9,743,470	868,230	8,875,240
30 June 2022	-	104,250	-	104,250
13 December 2022	-	391,170	20,060	371,110
13 June 2023	-	532,500	10,650	521,850
Total	**-**	**10,771,390**	**898,940**	**9,872,450**

Grant date	Strike price (N)	Number outstanding as at 31 December 2022	Adjustment for forfeitures	Number outstanding as at 31 December 2022
13 December 2021	-	10,409,990	701,600	9,708,390
30 June 2022	-	111,200	-	111,200
Total	**-**	**10,521,190**	**701,600**	**9,819,590**

Valuation methodology

A stochastic model based on the standard "binomial" options pricing model (which is mathematically consistent with the Black-Schöles-Merton model) but allows for the particular features of employee share options to be modelled realistically was adopted. The model requires a number of assumptions to be made. These include financial assumptions as well as various assumptions around individual employee behaviour.

The main assumptions have been set out below:

	31 December 2023	31 December 2022
Share price (N)	186.60	186.60
Expected option lifetime (years)	3 - 5 years	3 - 5 years
Risk-free rate (%)	12.04%	12.04%
Dividend yield (%)	5.39%	5.39%

50. Share based payments (continued)

Share price

MTN Nigeria's closing share price was N259.00 as at 13 June 2023, being the grant date for Number of Options Granted during the year.

Option lifetime

We have calculated the lifetime of each grant by considering separately each of the tranches within that grant. The option lifetimes were rounded to the nearest complete year. The option lifetimes per tranche are given below.

Grant date	Vesting date	Expected option lifetime
13 December 2022	13 December 2026	3
	13 December 2027	4
	13 December 2028	5

Risk-free interest rate

IFRS 2 requires the use of a risk-free interest rate with a term equal to the expected lifetime of the option. We have set our discount rate with reference to the yields on Nigerian Government bonds with the nearest expected duration as compiled by the Financial Markets Dealers Quotation (FMDQ). The rate used in the valuation is based on the yield curve at the grant date. We have used the Nominal Bond Curve to determine the appropriate risk-free rate corresponding to the lifetime of each option.

The risk-free rates as at the grant date are given in the following table

Expected option lifetime	Continuous risk-free rate %
3	12.58
4	13.45
5	14.58

Dividend yield

IFRS 2 requires an expected dividend or dividend yield to be taken into account in the valuation of share options, in those arrangements where employees are not entitled to the dividend declared during the vesting period or the period before exercise. The dividend yield used should be the best estimate of the forward-looking dividend yield over the option's remaining contractual lifetime. We rely on instruction from MTN Nigeria Communications Plc regarding any particular circumstances at the valuation date that would indicate the assumed dividend yield is not appropriate over the options' remaining contractual lifetime.

We used a one-year moving average of the dividend yield at the valuation date. The daily dividend yield was calculated using the dividends per share. The moving average of the dividend yield used as at 13 June 2023 is 6.61%.

Update for forfeitures

The following table summarises the financial impact of the adjustments in respect of actual forfeitures for 13 December 2021 grants:

Financial year ending	Expense previously shown N million	Adjustment for forfeitures N million	Number outstanding as at 31 December 2023 N million
13 December 2021	17	-	17
30 June 2022	170	-	170
31 December 2022	166	-	166
30 June 2023	168	-	168
31 December 2023	168	29	139

The MTN ESOP actuarial valuation was carried out by Alexander Forbes Consulting Actuaries Nigeria (FRC/2012/0000000000504) signed by Wayne van Jaarsveld (FRC/2021/002/00000024507).

51. Going concern assessment

In accordance with the requirements of IAS 1.25, the Board of Directors of MTN Communications Nigeria Plc have performed an assessment of the entity's ability to continue as a going concern when preparing financial statements. The Board has considered whether:

- there is an intention to liquidate MTN Nigeria.
- there is an intention to cease operations.
- MTN Nigeria has no realistic alternative but to liquidate or cease operations.

Furthermore, we have considered the various events and conditions below that may exist and impact the business, and individually or collectively may cast significant doubt on the entity's ability to continue as a going concern such as:

- There are no fixed-term borrowings approaching maturity without realistic prospects of renewal or repayment. We are currently complying with all loan agreements and no loans have been renegotiated.
- There are no plans to restructure the business of MTN Nigeria, dispose major assets or business.
- There are currently no changes in legislation or government policy expected to adversely affect MTN Communications Nigeria Plc.
- There is no significant deterioration in the value of assets used to generate cash flows, however there is a substantial operating loss arising from net foreign exchange loss being a major impact of forex deterioration. The net foreign exchange loss became material following the effect of the Naira devaluation against the US Dollar, which saw the Naira plummet from N461.1/$ to N907.11/$ on 31 December 2023. There is an ongoing effort to re-denominate some categories of foreign denominated expenditure to local currency. This strategic move aims to reduce exposure to exchange rate volatility.
- In addition, an assessment of forecast cash flows and projections has been performed, including potential impact of external/internal variations, uncertainties and sensitivity of expenditure plans. We are satisfied that the business continuity is not hindered in any way or manner.
- MTN Nigeria has the continuing support from MTN Group.

The accumulated loss and negative shareholders fund position is being addressed by the Board of directors, and an Extraordinary General Meeting (EGM) will be convened in compliance with Companies and Allied Matter Acts (CAMA) 2020, Section 137 (1).

Based on the factors considered above and taking account of reasonable possible changes in trading performance and the current financial position, the going concern basis has been adopted in preparing the consolidated financial statements. The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

52. Reclassification of comparative amounts

IAS 1(41) states if an entity changes the presentation or classifications of items in its financial statement, it shall reclassify the comparative amounts unless the reclassification is impracticable. Comparative amounts reclassified in 2023 were:

- Restatement of lease liability
- Net foreign exchange losses
- Others

52.1 Restatement of lease liability

Due to the reassessment of lease liability, the prior year balances of lease liability, right of use assets, deferred tax, retained profit have been restated, see note 56.

52.2 Net foreign exchange losses

Net foreign exchange loss was disaggregated from finance costs during the year to avoid obscuring its materiality, in accordance with IAS 1.7. The net foreign exchange loss became material following the effect of the Naira devaluation against the US Dollar, which saw the Naira plummet from N461.10/$ to N907.11/$ on 31 December 2023. This was occasioned by the unification of the Nigerian Foreign Exchange Market, including the abolition of segmentation, with all segments now collapsing into the Investors and Exporters (I&E) window. Consequently, the net foreign exchange loss for the year was presented separately from finance costs in the statement of profit or loss account. The net forex loss for the period ending 31 December 2023 is N412.19 billion and N412.12 billion for the Group and Company, respectively.

Comparative amounts relating to the 2022 financial year are N56.22 billion for the Group and Company. The comparative amount is provided in adherence to IAS 1, paragraph 41.

Group and Company

	2022 as previously reported N million	Reclassification N million	Restatement N million	2022 as restated N million
Finance cost	213,095	(56,222)	(9,586)	147,287
Net foreign exchange loss	-	56,222	25,600	81,822

52.3 Others

Dividend paid previously presented under operating activities but now presented under financing activities. Shared based payment, employee benefit cost, provisions previously presented on the face of statement of cash flows under operating activities are now presented as part of cash generated from operations under operating activities.

53. Security trading policy

MTN Nigeria Communications Plc has in place a Securities Trading Policy which guides the Board and employees when effecting transactions in the Company's shares. The policy provides for periods for Dealing in Shares and other Securities, established communication protocols on periods when transactions are not permitted to be effected on the Company's Shares as well as disclosure requirements when effecting such transactions.

Insiders covered in this policy have not notified the Company of any dealing in the Company's Securities within this period and the Company is not aware of any breach of this Policy within the period.

54. Free float information

MTN Nigeria Communications Plc with a free float value of N711,948,075,432 as at 31 December 2023 (31 December 2022: N582,483,361,455) is compliant with The Exchange's requirements for free float for companies listed on the Premium Board.

55. Events after the reporting period

No dividend was proposed by the directors for approval at the next Annual General Meeting (AGM), and there are no other events after the reporting period.

56. Restatement of lease liability

Following the significant devaluation[1] of the Naira during the year and after the termination of some site leases and transfer of same to another Tower company, MTNN reviewed the accounting treatment of certain US$ indexed Tower leases which have since inception, been invoiced, and paid in Naira and accounted for as such. Certain prior period balances for 2021 and 2022 relating to our lease portfolios and remeasurement for changes in foreign exchange rates, have therefore been restated in line with IAS 1 (Presentation of financial statements), IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors and other applicable financial reporting standards for meaningful comparison to reflect current period presentation.

At adoption of IFRS 16 in 2019, a 15-year tenor inclusive of a 5-year auto renewal extension option was adopted for all MTNN's lease liabilities portfolios. At that time, till now, the remeasurement for changes in exchange rates in prior year statements was only done on the agreed quarterly lease liabilities payment. During the year ended 2023, MTNN identified and disclosed to its auditors, that a portion of the lease liabilities that is indexed to the US Dollar but invoiced and paid in Naira had not been remeasured for changes in exchange rates in line with IAS 21 (The Effects of Changes in Foreign Exchange Rates). This was particularly significant in 2023 given the massive devaluation witnessed of 96.73%. In determining the impact of these foreign exchange rates, in line with IFRS 16, legal review of contract rights and obligations as well as relevant MTNN board resolutions, management has reassessed the lease term of these portfolios and concluded that it is reasonably certain that the options to extend the lease will not be exercised.

Accordingly, MTNN is restating its audited consolidated and separate financial statements for 31 December 2021 and 2022. This restatement impacts the lease liability and right-of-use asset with corresponding changes to the finance charge, foreign exchange movements, depreciation, and deferred tax accounts. The restatement resulted in a cumulative reduction of N73.1 billion in retained earnings at the end of December 2022.

[1]See note 52.2 on devaluation.

Prior period corresponding balances

Certain prior period balances have been reclassified in line with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, to reflect current period presentation.

The impact of the restatement on the prior period results is as follows:

Notes to the audited consolidated and separate financial statements

Consolidated and separate statement of profit or loss

	Group			Company		
	2022			2022		
	As previously reported	Adjustments	Restated	As previously reported	Adjustments	Restated
	N million	N million	N million	N million	N million	N million
Revenue	2,012,272		2,012,272	2,011,935		2,011,935
Direct network operating costs	(456,253)		(456,253)	(456,252)		(456,252)
Value added services	(25,551)		(25,551)	(25,551)		(25,551)
Costs of starter packs, handsets and accessories	(21,250)		(21,250)	(21,250)		(21,250)
Interconnect costs	(146,169)		(146,169)	(146,169)		(146,169)
Roaming costs	(7,049)		(7,049)	(7,049)		(7,049)
Transmission costs	(7,969)		(7,969)	(7,969)		(7,969)
Discount and commissions	(96,001)		(96,001)	(93,496)		(93,496)
Advertisements, sponsorships and sales promotions	(31,958)		(31,958)	(24,191)		(24,191)
Employee costs	(45,080)		(45,080)	(43,524)		(43,524)
Other operating expenses	(104,626)		(104,626)	(89,739)		(89,739)
Depreciation of property and equipment	(180,853)		(180,853)	(180,853)		(180,853)
Amortisation of intangible assets	(53,955)		(53,955)	(48,636)		(48,636)
Depreciation of right of use assets	(102,259)	865	(101,394)	(102,259)	865	(101,394)
Operating profit	**733,299**	**865**	**734,164**	**764,997**	**865**	**765,862**
Finance income	13,768		13,768	12,763		12,763
Finance costs	(156,873)	9,586	(147,287)	(156,873)	9,586	(147,287)
Foreign exchange losses	(56,222)	(25,600)	(81,822)	(56,222)	(25,600)	(81,822)
Profit before taxation	**533,972**	**(15,149)**	**518,823**	**564,665**	**(15,149)**	**549,516**
Taxation	(175,095)	4,999	(170,096)	(184,304)	4,999	(179,305)
Profit for the year	**358,877**	**(10,150)**	**348,727**	**380,361**	**(10,150)**	**370,211**
Profit attributable to:						
Owners of the company	361,532	(10,150)	351,382	380,361	(10,150)	370,211
Non-controlling interest	(2,655)	-	(2,655)	-	-	-
	358,877	**(10,150)**	**348,727**	**380,361**	**(10,150)**	**370,211**
Earnings per share	N17.22	N(0.46)	N16.76	N18.12	N(0.46)	N17.66

Notes to the audited consolidated and separate financial statements

Consolidated and separate statement of financial position - Group

	Group					
	31 December 2022			1 January 2022		
	As previously reported	Adjustment	Restated	As previously reported	Adjustment	Restated
	N'million	N'million	N'million	N'million	N'million	N'million
Assets						
Non-current assets						
Property and equipment	928,357		928,357	774,113		774,113
Right of use assets	652,110	(176,631)	475,479	613,812	(163,147)	450,665
Intangible assets	335,599		335,599	245,558		245,558
Contract acquisition costs	6,602		6,602	5,602		5,602
Other investments	10,585		10,585	10,845		10,845
Deferred tax	11,018		11,018	3,404		3,404
Prepayments	10,685		10,685	12,340		12,340
	1,954,956	(176,631)	1,778,325	1,665,674	(163,147)	1,502,527
Current assets						
Inventories	3,678		3,678	5,310		5,310
Trade and other receivables	191,496		191,496	127,232		127,232
Current investments	20,288		20,288	57,664		57,664
Restricted cash	196,082		196,082	146,188		146,188
Cash and cash equivalents	349,500		349,500	260,891		260,891
	761,044	-	761,044	597,285	-	597,285
Total assets	2,716,000	(176,631)	2,539,369	2,262,959	(163,147)	2,099,812
Equity and liabilities						
Equity						
Share capital	407		407	407		407
Share premium	17,216		17,216	17,216		17,216
Other reserves	1,664		1,664	885		885
Treasury shares	(4,869)		(4,869)	-		-
Retained profit	319,819	(73,140)	246,679	246,473	(62,990)	183,483
Equity attributable to owners of the company	334,237	(73,140)	261,097	264,981	(62,990)	201,991
Non-controlling interest	1,445		1,445	-		-
	335,682	(73,140)	262,542	264,981	(62,990)	201,991
Liabilities						
Non-current liabilities						
Borrowings	439,463		439,463	340,425		340,425
Lease liabilities	662,655	(71,477)	591,178	628,325	(45,994)	582,331
Deferred tax	93,596	(36,023)	57,573	108,087	(31,024)	77,063
Provisions	43		43	41		41
Share based payment liability	8,569		8,569	8,547		8,547
Employee benefits	6,835		6,835	6,685		6,685
	1,211,161	(107,500)	1,103,661	1,092,110	(77,018)	1,015,092
Current liabilities			-			-
Trade and other payables	514,892		514,892	443,895		443,895
Borrowings	250,210		250,210	152,835		152,835
Lease liabilities	64,829	4,009	68,838	62,531	(23,139)	39,392
Contract liabilities	92,861		92,861	72,336		72,336
Current tax payable	199,959		199,959	144,163		144,163
Provisions	42,087		42,087	29,736		29,736
Derivatives	3,062		3,062	372		372
	1,169,157	4,009	1,173,166	905,868	(23,139)	882,729
Total liabilities	2,380,318	(103,491)	2,276,827	1,997,978	(100,157)	1,897,821
Total equity and liabilities	2,716,000	(176,631)	2,539,369	2,262,959	(163,147)	2,099,812

Notes to the audited consolidated and separate financial statements

Consolidated and separate statement of financial position - Company

	Company					
	31 December 2022			1 January 2022		
	As previously reported	Adjustment	Restated	As previously reported	Adjustment	Restated
	N'million	N'million	N'million	N'million	N'million	N'million
Assets						
Non-current assets						
Property and equipment	928,357		928,357	774,113		774,113
Right of use assets	652,110	(176,631)	475,479	613,812	(163,147)	450,665
Intangible assets	314,684		314,684	219,324		219,324
Investments in subsidiaries	74,328		74,328	57,928		57,928
Contract acquisition costs	6,602		6,602	5,602		5,602
Other investments	10,585		10,585	10,845		10,845
Prepayments	10,685		10,685	12,340		12,340
	1,997,351	(176,631)	1,820,720	1,693,964	(163,147)	1,530,817
Current assets						
Inventories	3,678		3,678	5,310		5,310
Trade and other receivables	212,232		212,232	135,958		135,958
Current investments	17,406		17,406	57,664		57,664
Restricted cash	194,622		194,622	146,188		146,188
Cash and cash equivalents	324,244		324,244	247,025		247,025
	752,182	-	752,182	592,145	-	592,145
Total assets	2,749,533	(176,631)	2,572,902	2,286,109	(163,147)	2,122,962
Equity and liabilities						
Equity						
Share capital	407		407	407		407
Share premium	17,216		17,216	17,216		17,216
Other reserves	1,664		1,664	885		885
Treasury shares	(4,869)		(4,869)	-		-
Retained profit	370,664	(73,140)	297,524	278,489	(62,990)	215,499
	385,082	(73,140)	311,942	296,997	(62,990)	234,007
Liabilities						
Non-current liabilities						
Borrowings	439,463		439,463	340,425		340,425
Lease liabilities	662,655	(71,477)	591,178	628,325	(45,994)	582,331
Deferred tax	90,851	(36,023)	54,828	103,747	(31,024)	72,723
Provisions	43		43	41		41
Share based payment liability	8,569		8,569	8,547		8,547
Employee benefits	6,835		6,835	6,685		6,685
	1,208,416	(107,500)	1,100,916	1,087,770	(77,018)	1,010,752
Current liabilities			-			-
Trade and other payables	514,206		514,206	440,023		440,023
Borrowings	250,210		250,210	152,835		152,835
Lease liabilities	64,829	4,009	68,838	62,531	(23,139)	39,392
Contract liabilities	92,479		92,479	71,954		71,954
Current tax payable	199,687		199,687	143,891		143,891
Provisions	31,562		31,562	29,736		29,736
Derivatives	3,062		3,062	372		372
	1,156,035	4,009	1,160,044	901,342	(23,139)	878,203
Total liabilities	2,364,451	(103,491)	2,260,960	1,989,112	(100,157)	1,888,955
Total equity and liabilities	2,749,533	(176,631)	2,572,902	2,286,109	(163,147)	2,122,962

Notes to the audited consolidated and separate financial statements

Consolidated and separate statement of cash flow statements (extract)

	Group			Company		
	2022			2022		
	As previously reported	Adjustment	Restated	As previously reported	Adjustment	Restated
	N million	N million	N million	N million	N million	N million
Cash flows from operating activities						
Cash generated from operations	1,138,142		1,138,142	1,142,073		1,142,073
Finance costs paid	(156,873)	9,586	(147,287)	(156,873)	9,586	(147,287)
Net cash generated from operating activities	**854,077**	**9,586**	**863,663**	**857,003**	**9,586**	**866,589**
Cash flows from financing activities						
Repayment of lease liabilities	(91,123)	(9,586)	(100,709)	(91,123)	(9,586)	(100,709)
Net cash flows used in financing activities	**(260,497)**	**(9,586)**	**(270,083)**	**(261,497)**	**(9,586)**	**(271,083)**

Value added statements

	2023 N million	2023 %	2022 restated* N million	2022 restated* %
Group				
Value added				
Revenue	2,468,847		2,012,272	
Finance income	25,815		13,768	
Bought - in materials and services				
- Local	(1,049,116)		(760,169)	
- Foreign	(147,249)		(135,896)	
Total value added	**1,298,297**	**100**	**1,129,975**	**100**
Value distributed				
To pay employees				
Salaries, wages and other benefits	65,002	4	45,080	4
To pay providers of capital				
Finance costs	236,927	-	147,287	
Net foreign exchange losses	740,434		81,822	
	977,361	**75**	**229,109**	**20**
To pay government				
Income tax	155,511		197,636	
Deferred tax	(196,376)		(27,540)	
	(40,865)	**(3)**	**170,096**	**15**
To be retained in the business for expansion and future wealth creation:				
Depreciation	349,836		282,247	
Amortisation	79,033		53,955	
Impairment	4,951		761	
	433,820	**33**	**336,963**	**30**
Value retained				
Retained profit for the year	(133,841)		351,382	
Non-controlling interest	(3,180)		(2,655)	
	(137,021)	**(11)**	**348,727**	**31**
Total value distributed	**1,298,297**	**100**	**1,129,975**	**100**

*See note 56

Value added statements

	2023 N million	2023 %	2022 restated* N million	2022 restated* %
Company				
Value added				
Revenue	2,472,473		2,011,935	
Finance income	24,753		12,763	
Bought - in materials and services				
- Local	(1,030,492)		(742,215)	
- Foreign	(146,512)		(161,496)	
Total value added	**1,320,222**	**100**	**1,120,987**	**100**
Value distributed				
To pay employees				
Salaries, wages, medical and other benefits	60,462	4	43,524	4
To pay providers of capital				
Finance costs	236,604		147,287	
Net foreign exchange loss	740,358		49,016	
	976,962	**74**	**196,303**	**18**
To pay government				
Income tax	155,481		197,636	
Deferred tax	(195,213)		(18,331)	
	(39,732)	**(3)**	**179,305**	**16**
To be retained in the business for expansion and future wealth creation:				
Depreciation	349,836		282,247	
Amortisation	72,289		48,636	
Impairment	4,915		761	
	427,040	**32**	**331,644**	**30**
Value retained				
Retained profit for the year	(104,510)		370,211	
	(104,510)	**(8)**	**370,211**	**33**
Total value distributed	**1,320,222**	**100**	**1,120,987**	**100**

*See note 56

Five-year financial summaries

	2023 N million	2022 restated* N million	2021 restated* N million	2020 N million	2019 restated N million
Group					
Statement of financial position					
Assets					
Property and equipment	1,095,111	928,357	774,113	686,157	625,095
Intangible assets	447,599	335,599	245,558	111,080	120,946
Other non-current assets	670,336	514,369	482,856	643,488	493,354
Net current liabilities	(924,631)	(483,649)	(301,118)	(221,094)	(131,694)
Non-current liabilities	(1,329,259)	(1,032,134)	(1,015,092)	(1,041,245)	(961,844)
Net assets	**(40,844)**	**262,542**	**186,317**	**178,386**	**145,857**
Equity					
Equity	420	407	407	407	407
Share premium	166,362	17,216	17,216	17,216	17,216
Other reserves	701	1,664	885	239	521
Treasury shares	(4,869)	(4,869)	-	-	-
Retained earnings	(208,018)	246,679	183,483	160,524	127,713
Non-controlling interest	4,560	1,445	-	-	-
Total equity	**(40,844)**	**262,542**	**201,991**	**178,386**	**145,857**
Statement of profit or loss					
Revenue	2,468,847	2,012,272	1,654,299	1,346,390	1,169,831
Profit before taxation	**(177,886)**	**518,823**	**414,214**	**298,874**	**291,277**
Taxation	40,865	(170,096)	(107,009)	(93,660)	(87,994)
Profit for the year	**(137,021)**	**348,727**	**307,205**	**205,214**	**203,283**
Per share data					
(Loss)/earnings per share - basic/diluted (N) (a)	(6.38)	16.63	14.65	9.79	9.70
Net (liabilities)/assets per share (N) (a)	(2.17)	12.52	8.89	8.51	6.96

(a) The comparative prior year figures have been restated to reflect the changes in the number of shares.
*See note 56

Five-year financial summaries

	2023 N million	2022 restated* N million	2021 restated* N million	2020 N million	2019 restated N million
Company					
Statement of financial position					
Assets					
Property and equipment	1,095,111	928,357	774,113	686,157	625,095
Intangible assets	426,300	314,684	219,324	79,525	84,072
Other non-current assets	760,129	751,685	537,380	692,816	538,932
Net current liabilities	(918,651)	(407,862)	(309,197)	(219,458)	(131,367)
Non-current liabilities	(1,328,110)	(1,100,916)	(1,010,752)	(1,036,808)	(954,297)
Net assets	**34,779**	**485,948**	**210,868**	**202,232**	**162,435**
Equity					
Equity	420	407	407	407	407
Share premium	166,362	17,216	17,216	17,216	17,216
Other reserves	708	1,664	885	239	521
Treasury shares	(4,869)	(4,869)	-	-	-
Retained earnings	(127,842)	297,525	215,499	184,370	144,291
Total equity	**34,779**	**311,943**	**234,007**	**202,232**	**162,435**
Statement of profit or loss					
Revenue	2,472,473	2,011,935	1,652,926	1,346,288	1,167,515
Profit before taxation	**(144,242)**	**549,516**	**448,358**	**309,245**	**295,868**
Taxation	39,732	(179,305)	(110,510)	(96,763)	(89,386)
Profit for the year	**(104,510)**	**370,211**	**337,848**	**212,482**	**206,482**
Per share data					
(Loss)/earnings per share - basic/diluted (N) (a)	(4.98)	17.66	16.11	10.13	9.85
Net (liabilities)/assets per share (N) (a)	1.66	23.18	10.06	9.65	7.75

(a) The comparative prior year figures have been restated to reflect the changes in the number of shares.
*See note 56