



KADUNA STATE GOVERNMENT ACCRUAL BASIS IPSAS REPORTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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FOREWORD

It is with great pleasure that we present the Kaduna State Annual Financial Statements for the year 2023. As the Commissioner of Finance, I am pleased to give an overview of the financial performance and position of our State for the year 2023.

The year had significant level of challenges both locally and internationally ranging from rising inflation, foreign exchange fluctuations, naira redesign, climate change, Russia-Ukraine war etc. However, despite the obstacles faced, Kaduna State has made commendable progress in its financial management and fiscal responsibility.

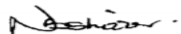
Throughout the fiscal year, the administration prioritized inclusive growth, social welfare, and infrastructure development in line with the SUSTAIN AGENDA. The State has delivered a budget performance of fifty six percent to forty four percent capital expenditure to recurrent expenditure. This indicates the government commitment to key sectoral growth in education, health, agriculture, and infrastructure etc. The State has consistently improved its drive to increase Internally Generated Revenue (IGR) with positive results recorded. Our government remains dedicated to the principles of transparency, accountability, and prudent financial management. We strive to ensure that every Naira spent aligns with development goals and maximizes value for inclusion. This commitment has been the foundation of our financial management practices, which aids in the delivery of tangible results.

One of the key highlights of the year was the implementation of various fiscal reforms aimed at enhancing revenue generation, cost reduction and effective debt management. The State has adopted a strategy of looking inwards to steer economic activities by creating an enabling environment for businesses to thrive, simplifying business and land registration processes and procedures, providing business development services, promoting public private dialogues etc.

The State's commitment to fiscal discipline and prudent financial management has been recognized by development partners, donor agencies and external agencies. We have continued to maintain a favorable credit rating, which has facilitated access to investments and affordable funding options for the State.

We would like to express our profound gratitude to the residents of Kaduna State, government partners and stakeholders, civil society organizations, the dedicated team in the Ministry of Finance and other government agencies that have worked with us to ensure effective and efficient delivery of our mandate.

In conclusion, the Kaduna State Annual Financial Statements for the year 2023 reflect our unwavering commitment to responsible financial management and governance. They provide a comprehensive view of our financial performance and position, showcasing our achievements, challenges, and opportunities. As we move forward, we remain steadfast in our commitment to ensuring the prudent use of public funds and pursuing strategies that will drive sustainable economic growth and improve the well-being of our people.



Shizzer Nasara Bada B.SC. (HONS.), MBA, CPA (IRELAND), FCNA, FCTI, FWASCA, FCCSA (USA), FIMC, MNIM, ACCA IPSAS CERTIFIED (UK)
Honourable Commissioner of Finance

RESPONSIBILITY FOR FINANCIAL STATEMENTS



OFFICE OF THE ACCOUNTANT GENERAL
MINISTRY OF FINANCE
KADUNA STATE, NIGERIA

The Financial Statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board (IPSASB) and the Financial Reporting Council of Nigeria (FRCN). As indicated in the Notes to the Financial Statements, the year 2023 Financial Statements is five years beyond the three years transitional relief period of IPSAS 33 (First Time Adoption of Accrual Basis IPSAS) but due to the inconclusive valuation of legacy assets, certain transitional exemptions still apply.

As the Accountant General, and the State's Accounting Officer for receipts and payments of Government, I am saddled with the responsibility of general supervision of accounts and the preparation of Accrual Basis IPSAS Financial Statements.

To fulfil these responsibilities, I am to ensure that proper accounting records are maintained; applicable International Public Sector Accounting Standards are applied; judgments and estimates made are reasonable and prudent; and internal control procedures are instituted to provide reasonable assurances that financial transactions are validly recorded to prevent fraud and irregularities with resources are safeguarded.

Efforts were made to ensure that these Financial Statements reflect the true and fair view of the Financial Position of Kaduna State Government as at 31st December 2023 and its Operations for the year ended on that date.

I accept responsibility for the integrity of these Financial Statements, the information contained therein, and hereby declare that they comply with IPSAS 33 and the Guidelines issued by the FAAC Technical Sub Committee on IPSAS Implementation.

Bashir Suleiman Zuntu FCNA, ACTI
FRC/2023/PRO/ANAN/002/646308
Accountant General, Kaduna State
30th January, 2023

AUDIT CERTIFICATE

OFFICE OF THE AUDITOR - GENERAL KADUNA STATE

No. 14A Abdulrahman Okene Road,
(Formerly Lafia Road)
P.M.B. 2018, Kaduna.



E-mail: oagkadunastate@gmail.co

Ref: _____

Date: _____

AUDIT CERTIFICATE:

The Financial Statements of the Government of Kaduna State of Nigeria for the year ended, December, 31st 2023 have been audited in accordance with the section 125 (2) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) and the Kaduna State Audit Law of No.9 of 2021 (as amended).


The audit was conducted in accordance with the International Standards on Auditing and INTOSAI Audit Standards.

In the course of the audit, I evaluated the overall adequacy of the information presented in the General-Purpose Financial Statements which were prepared in accordance with the International Public Sector Accounting Standards Accruals (IPSAS). I have obtained information and explanation(s) that to the best of my knowledge, was relevant and necessary for the purposes of the audit. This audit has provided me with reasonable evidence and assurances which formed basis of my independent opinion.

In my opinion, the Financial Statements which agreed with the books of accounts and records show a true and fair view of the Financial Position of the Government of Kaduna State for the year ended, December, 31st, 2023 and the transactions for the fiscal year ended on that date.

Special Opinion.

The State is eligible to receive financing from the World Bank subject to performance against predefined criteria in respect of Sustainable Urban and Rural Water Supply, Sanitation and Hygiene (SURWASH) program.


ABUBAKAR ABDULLAHI, FCMA, ACTL, ACC/FA
FRCN/2020/002/00000021957
Auditor-General.

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT No. 1

	NOTES	31 Dec. 2023 N'000	31 Dec. 2022 N'000
Revenue			
Non Exchange Transactions	3	244,119,163	182,111,968
Exchange Transactions	4	58,968,568	62,312,365
Total Revenue		303,087,731	244,424,332
Expenses			
Consulting and professional services	5	2,439,789	6,190,382
Employee benefits	6	51,627,042	56,467,648
Fuel and lubricants	7	545,035	396,329
Grants and contributions	8	6,283,802	6,252,619
Insurance	9	1,000	-
Materials and supplies	10	8,684,480	6,112,244
General expenses	11	6,293,967	7,548,256
Other services	12	714,938	-
Repairs and maintenance	13	470,544	447,769
Security and safety	14	6,594,727	4,535,229
Social benefits	15	4,888,853	10,711,055
Training and human capital development	16	2,635,562	2,347,979
Travel and transport	17	1,208,717	1,868,865
Utilities	18	984,313	290,588
Waste Management and Disposal	19	208,343	475,694
Depreciation and amortisation	20	18,752,674	10,138,501
Exchange Loss on foreign loans	21	171,698,491	-
		284,032,276	113,783,159
Excess of income over expenses before interest		19,055,456	130,641,174
Interest Expense	22	9,290,262	5,271,032
Surplus/(Deficit) for the period		9,765,194	125,370,142



Bashir Suleiman Zuntu FCNA, ACTI

30th January, 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER, 2023

STATEMENT No. 2

DESCRIPTION	NOTES	31 Dec. 2023 N'000	31 Dec. 2022 N'000
ASSETS			
CURRENT ASSETS			
Inventory	23	171,909	904,919
Receivables	24	84,536,143	49,106,614
Reimbursables from the Federal Government	25	600,000	600,000
Cash and cash equivalents	26	16,299,012	7,733,140
Prepayments	27	56,278,113	-
TOTAL CURRENT ASSETS		157,885,178	58,344,673
NON CURRENT ASSETS			
Property, Plant and Equipment	28	4,145,523,451	4,071,955,992
Investment Property	29	3,085,812	3,027,071
Biological Assets	30	39,584,052	20,385,926
Intangible Assets	31	3,749,830	3,673,608
Financial Assets - FVTNA/E	32	32,979,618	19,893,501
TOTAL NON CURRENT ASSETS		4,224,922,763	4,118,936,099
TOTAL ASSETS		4,382,807,941	4,177,280,772
LIABILITIES			
CURRENT LIABILITIES			
Liabilities and Accruals	33	9,703,910	7,546,900
Provisions	34	4,589,546	7,717,671
Financial Liabilities	35	3,205,903	828,728
TOTAL CURRENT LIABILITIES		17,499,359	16,093,300
NON CURRENT LIABILITIES			
Financial Liabilities	35	521,486,064	302,558,837
Employee Benefits	36	94,205,653	129,941,864
TOTAL NON CURRENT LIABILITIES		615,691,717	432,500,701
TOTAL LIABILITIES		633,191,076	448,594,001
NET ASSETS/EQUITY		3,749,616,865	3,728,686,771

NET ASSETS/EQUITY

Accumulated surplus	37	3,723,122,701	3,713,357,507
Fair Value Through Net Assets/Equity Reserve	38	26,494,165	15,329,264
NET ASSETS/EQUITY		3,749,616,865	3,728,686,771



Bashir Suleiman Zuntu FCNA, ACTI
30th January, 2024

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER, 2023

STATEMENT No. 3	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Surplus/(Deficit) for the period	9,765,194	125,370,142
Add back:		
Depreciation and amortisation	18,752,674	10,138,501
Exchange loss	171,698,491	
Interest expense	9,290,262	5,271,032
Changes in working capital		
Inventories	733,010	1,923,681
Increase in receivables	(35,429,529)	661,877
Decrease in prepayments	(56,278,113)	7,166,839
Increase/(decrease) in liabilities and accruals	2,157,010	(4,005,219)
(Decrease)/Increase in provisions	(3,128,125)	6,216,210
Increase in employee benefits	(35,736,211)	(19,297,570)
Cash generated from operations	81,824,661	133,445,493
Interest paid	(9,290,262)	(5,271,032)
Net Cash Flow from Operating Activities	72,534,399	128,174,461
Cash flow from investing activities		
Land	-	-
Building	(30,551,651)	(47,713,397)
Furniture and fittings	(2,661,624)	(5,368,528)
Road infrastructure	(33,323,441)	(49,613,558)
Water infrastructure	(3,475,478)	(5,285,398)
Vehicle	(8,188,705)	(6,072,324)
Equipment	(13,580,300)	(15,607,696)
Plant	(219,688)	(89,859)

Purchase of Biological Assets	(19,198,126)	(61,295)
Purchase of Intangible Assets	(219,208)	(258,058)
Investment property	(235,000)	-
Purchase of Financial Assets	(2,122,292)	-
Proceeds of sales of Financial Assets	201,075	
Net Cash Flow from Investing Activities	(113,574,438)	(130,070,112)
Financing activities		
Principal loan repayment	(17,887,676)	(16,691,327)
Long term borrowings	67,493,587	16,981,944
DMO Reconciliation		
Net Cash Flow from Financing Activities	49,605,911	290,617
Opening balance of cash and cash equiv	7,733,140	9,338,174
Net changes in cash and cash equiv	8,565,872	(1,605,034)
Closing balance of cash and cash equiv	16,299,012	7,733,140



Bashir Suleiman Zuntu FCNA, ACTI
30th January, 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT No. 4

AS AT 31 DECEMBER 2023		Accumulated	Fair Value Through	Total
		Surplus	Net Assets/Equity	
		N'000	Reserves	N'000
Opening balance		3,713,357,507	15,329,264	3,728,686,771
Surplus for the period		9,765,194	-	9,765,194
Fair value changes in Financial Assets	38	-	11,164,901	11,164,901
Closing balance		3,723,122,701	26,494,165	3,749,616,865

AS AT 31 DECEMBER 2022		Accumulated	Fair Value Through	Total
		Surplus	Net Assets/Equity	
		N'000	Reserves	N'000
Opening balance		3,587,987,365	9,650,099	3,597,637,465
Surplus for the period		125,370,142	-	125,370,142
Fair value changes in Financial Assets	38	-	5,679,165	5,679,165
Closing balance		3,713,357,507	15,329,264	3,728,686,771



Bashir Suleiman Zuntu FCNA, ACTI

30th January, 2024

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (PREPARED ON CASH BASIS)

FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT No. 5

	Original Budget	Revised Budget	Actual	Diff
	₦'000	₦'000	₦'000	₦'000
Revenue from Non-Exchange Transactions				
Statutory	63,365,099	63,365,099	62,632,776	732,323
VAT	30,756,739	30,756,739	48,254,379	(17,497,641)
Aids and Grants	83,769,244	83,769,244	15,953,921	67,815,323
Taxes	35,708,358	35,708,358	46,643,365	(10,935,007)
Fines	661,070	661,070	131,975	529,095
Licenses	1,784,151	1,784,151	1,254,681	529,470
Penalties	4,301,700	4,301,700	1,289,503	3,012,197
Sub Total (A)	220,346,360	220,346,360	176,160,600	44,185,761
Revenue from Exchange Transactions				
Fees	22,925,421	22,925,421	6,342,867	16,582,554
Sales	12,594,722	12,594,722	3,255,913	9,338,809
Interest Income	270,000	270,000	50,930	219,070
Rent	11,031,787	11,031,787	3,450,244	7,581,543
Sub Total (B)	46,821,931	46,821,931	13,099,954	33,721,977
Total Revenue (A + B) = C	267,168,291	267,168,291	189,260,554	77,907,738
Other Budget Financing				
Loans (local and foreign)	61,662,183	61,662,183	67,493,587	(5,831,404)
Beginning Balance	42,626,161	42,626,161	7,733,140	34,893,021
Sub Total (D)	104,288,344	104,288,344	75,226,727	29,061,617
Total Budget Financing (C + D)	371,456,635	371,456,635	264,487,281	106,969,354
Expenditure budgeted by nature of cost				
Personnel	56,200,742	71,726,506	53,910,955	17,815,552
Overheads	79,283,689	80,934,518	47,873,971	33,060,547
Sub total	135,484,431	152,661,024	101,784,925	50,876,099
Capital Expenditure by Sectors				
Sub-Sector: Economic				
Ministry of Agriculture	671,743	671,743	386,134	285,609
Kaduna State Agriculture Development Agency (KADA)	25,414	325,414	187,056	138,358

Kaduna State Livestock Regulatory Authority (KADLRA)	53,261	53,261	30,615	22,645
Ministry of Business, Innovation and Technology	1,127,198	7,927,198	4,556,746	3,370,452
Kaduna Enterprise Development Agency (KADEDA)	103,627	103,627	59,567	44,060
Ministry of Housing and Urban Development	3,946,566	7,746,566	4,452,915	3,293,652
Kaduna State Mortgage and Foreclosure Authority	503,654	503,654	289,512	214,141
Kaduna State Facilities Management Agency (KADFAMA)	1,939,500	1,939,500	1,114,872	824,628
Ministry of Public Works and Infrastructure	18,708,230	22,256,695	12,793,690	9,463,005
Kaduna Roads Agency (KADRA)	6,582,118	7,945,247	4,567,121	3,378,126
Kaduna State Traffic Law Enforcement Agency (KASTLEA)	76,603	76,860	44,181	32,679
Kaduna Power Supply Company Limited (KAPSCO)	3,610,715	3,310,715	1,903,080	1,407,635
Kaduna State Transport Regulatory Authority (KASTRA)	18,299,640	3,575,445	2,055,253	1,520,192
Total for Economic Sub-Sector	55,648,268	56,435,924	32,440,742	23,995,182
Sub-Sector: Social				
Education				
Ministry of Education	17,831,888	17,832,653	10,250,643	7,582,010
Kaduna State University (KASU)	13,444,308	9,618,682	5,529,053	4,089,630
Kaduna State College of Education, Gidan Waya (COE)	1,008,876	858,876	493,703	365,173
Kaduna State Library Board	45,942	45,942	26,408	19,533
Kaduna State Scholarship and Loans Board	2,648,100	2,148,100	1,234,780	913,320
State Universal Basic Education Board (SUBEB)	40,218,401	39,918,401	22,946,068	16,972,333
Nuhu Bamalli Polytechnic, Zaria (NBPZ)	1,229,834	1,059,834	609,219	450,616
Sub-Total Education	76,427,349	71,482,488	41,089,873	30,392,615
Health				
Ministry of Health	31,275,872	16,785,764	9,648,866	7,136,899
Kaduna State College of Nursing and Midwifery	840,098	690,098	396,685	293,413
Kaduna State Health Supplies Management Agency (KADHSMA)	1,094,142	1,094,142	628,940	465,203
Kaduna State AIDS Control Agency (KADSACA)	15,944	15,944	9,165	6,779
Barau Dikko Teaching Hospital, Kaduna	1,613,362	1,613,362	927,399	685,962
Kaduna State Contributory Health Management Authority (KADCHMA)	1,917,851	1,917,851	1,102,428	815,424

Bureau for Substance Abuse Prevention & Treatment (KADBUSA)	412,500	412,500	237,115	175,385
Kaduna State Primary Health Care Board	4,561,993	4,191,993	2,409,659	1,782,333
Sub-Total Health	41,731,762	26,721,655	15,360,257	11,361,398
Social Development				
Ministry of Sports Development	886,562	786,562	452,135	334,427
Ministry of Human Services and Social Development	499,626	2,499,626	1,436,846	1,062,780
Community and Social Development Agency (CSDA)	25,819	25,819	14,841	10,978
Ministry for Local Government Affairs	2,323,032	1,823,032	1,047,923	775,109
Rural Water Supply and Sanitation Agency (RUWASSA)	1,293,464	1,093,464	628,550	464,914
Kaduna State Water Service Regulatory Commission	23,618	23,618	13,576	10,042
Ministry of Environment and Natural Resources	2,715,754	2,665,994	1,532,478	1,133,516
Kaduna State Environmental Protection Authority (KEPA)	45,838	45,838	26,349	19,489
Kaduna State Disability Affairs Board	163,645	163,645	94,067	69,578
Kaduna State Pilgrims Welfare Agency	3,000	3,000	1,724	1,276
Sub-Total Social Development	7,980,358	9,130,598	5,248,490	3,882,108
Sub-Sector: Regional				
Zaria Metropolitan Authority	5,643,054	5,643,054	3,243,765	2,399,289
Kaduna Capital Territory Authority	8,407,580	9,407,580	5,407,706	3,999,874
Kafanchan Municipal Authority	4,553,850	4,553,850	2,617,664	1,936,186
Sub-Total Regional	18,604,484	19,604,484	11,269,134	8,335,350
Sub-Sector: General Administration				
Executive				
Kaduna Investment Promotion Agency (KADIPA)	160,000	160,000	91,972	68,028
Kaduna State Public Procurement Authority (KADPPA)	7,553	7,553	4,341	3,211
Kaduna Geographic Information Management Service (KADGIS)	2,278,490	1,778,490	1,022,319	756,171
Kaduna State Media Corporation (KSMC)	1,048,000	748,000	429,969	318,031
Government Printing Department	12,300	12,300	7,070	5,230
Office of the Head of Service	800,000	738,000	424,220	313,780
Ministry of Finance	16,463,630	21,131,899	12,147,129	8,984,769
Kaduna State Internal Revenue Service (KADIRS)	932,565	932,565	536,061	396,504

Kaduna State Independent Electoral Commission (SIECOM)	62,146	62,146	35,723	26,423
Ministry of Internal Security and Home Affairs	4,120,709	4,120,709	2,368,684	1,752,025
Fiscal Responsibility Commission	16,942	16,942	9,739	7,203
Kaduna State Vigilance Service (KADVS)	57,330	57,330	32,955	24,375
Sub-Total Executive	25,959,665	29,765,934	17,110,183	12,655,751
Governance				
Planning and Budget Commission (PBC)	5,867,941	5,517,941	3,171,847	2,346,094
Kaduna State Bureau of Statistics (KDBS)	337,775	337,775	194,161	143,614
Kaduna State Residents Registration Agency (KADRIMA)	187,500	187,500	107,780	79,720
Ministry of Justice	95,127	95,127	54,681	40,446
Sub-Total Governance	6,488,343	6,138,343	3,528,469	2,609,874
Law and Justice				
Judicial Service Commission (JSC)	49,541	49,541	28,477	21,064
High Court of Justice	3,112,948	71,948	41,357	30,590
Customary Court of Appeal	145,061	3,091	1,777	1,314
Sharia Court of Appeal	257,689	2,219	1,276	943
Sub-Total Law and Justice	3,565,238	126,798	72,887	53,912
Legislature				
Kaduna State Legislature	4,566,738	4,266,738	2,452,625	1,814,113
Sub-Total Legislature	4,566,738	4,266,738	2,452,625	1,814,113
Grand Total	240,972,204	223,672,962	128,572,659	95,100,303



Bashir Suleiman Zuntu FCNA, ACTI
30th January, 2024

NOTES TO THE FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES



1. General information

The State financial statements for the year ended 31 December 2023 were authorized for issue by the Accountant General on 30th January, 2024. Kaduna State Government's (KDSG's) principal activities are the provision of social, infrastructure, educational, housing, justice, transport, agricultural and health services, waste management and emergency services. The State's registered office is located at Independence Way, Kaduna North, Nigeria.

2.1 Statement of compliance with IPSAS and transitional explanations

The Federal Executive Council of Nigeria approved the adoption of International Public Sector Accounting Standards (IPSAS) in July 2010. Public Sector Entities were required to adopt, prepare, and present 2016 Financial Statements using Accrual Basis IPSAS and Kaduna State was in compliance with Accrual Basis IPSAS from that date. IPSAS therefore became the National Standards in the Public Sector from 2016 and all references to National Standards, if any, refers to the International Public Sector Accounting Standards (IPSAS).

The financial statements have been prepared in accordance with accrual basis International Public Sector Accounting Standards (IPSASs). IPSAS 33 (First Time Adoption of Accrual Basis IPSAS) allows KDSG a period of up to three years to recognize and/or measure certain assets and/or liabilities. The Government has made significant progress in the identification and measurement of legacy assets leading to the inclusion of Property, Plant and Equipment worth more than three trillion naira. The exercise remains a work in progress.

As a result of the inconclusive nature of the recognition and measurement of legacy assets, KDSG is unable to make an explicit and unreserved statement of compliance with accrual basis IPSASs in preparing its transitional IPSAS financial statements for this reporting period.

The State financial statements are presented in Nigerian Naira, which is the functional and reporting currency and all values are rounded to the nearest thousand except where the thousand sign (N'000) is not indicated. The accounting policies have been consistently applied to all the years presented.

The State financial statements are prepared on an accrual basis, except for the Statement of Cash flows and the Statement of Budget comparison with actual amount.

2.2 Summary of significant accounting policies

a) Consolidation

Controlled entities

The controlled entities are all those entities over which KDSG has the power to govern their financial and operating policies. The entities are Kaduna State Property Development Company, Kaduna Investment and Finance Company Limited, Kaduna State Market Development and Management Company Limited, Kaduna State Transport Authority. These controlled entities are fully consolidated from the date in which control is attained by KDSG. They are de-consolidated from the date that control ceases. Inter-entity transactions, balances and unrealized gains and losses on transactions between members of the State are eliminated in full. The accounting policies of the controlled entities are consistent with the policies adopted by KDSG.

b) Interest in joint venture and associates

Where the State has an interest in a joint venture which is a Joint Arrangement, whereby the venturers have a binding arrangement that establishes joint control over the economic activities of the entity, the State recognizes its interest in the joint venture using the equity method of consolidation. Under the equity method, on initial recognition the investment in an associate or a joint venture is recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the surplus or deficit of the investee after the date of acquisition. The investor's share of the investee's surplus or deficit is recognized in the investor's surplus or deficit. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's equity that have not been recognized in the investee's surplus or deficit. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The investor's share of those changes is recognized in net assets/equity of the investor.

KDSG has neither associates nor joint ventures as at 31st December, 2023.

c) Current versus non-current classification

KDSG presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The State classifies all other liabilities as non-current.

d) Revenue recognition

Revenue from non-exchange transactions

Taxes and transfers

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

Transfers from other government entities

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

Revenue from exchange transactions

Rendering of services

The State recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labor hours or cost incurred to date as a percentage of total estimated labor hours or total cost.

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

Sale of goods

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

Interest income

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

Dividends

Dividends or similar distributions are recognized when the shareholder's or the State's right to receive payments is established.

Rental income

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

e) Investment property

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 40-year period.

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

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

f) Property, plant and equipment

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

Depreciation on assets is charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

Buildings	45 - 55 years
Infrastructure assets water	20 - 22 years
Infrastructure assets – others	20 – 22 years
Plant & Machinery	5 - 12 years
Furniture & Fittings	5 - 7 years
Vehicles	5 – 7 years
Office & Other Equipment	4 – 5 years

The assets' residual values and useful lives are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

The State derecognizes items of property, plant and equipment and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

g) Leases

State as a lessee

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

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

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

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

State as a lessor

Leases in which the State does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term.

Rent received from an operating lease is recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

h) Intangible assets

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

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

Intangible assets with a finite life are amortized over its useful life:

Software 10 - 15 years

Intangible assets with a finite useful life are assessed for impairment whenever there is an indication that the asset may be impaired. Intangible assets with indefinite useful life are tested for impairment at least once year regardless of impairment indicators. The amortization period and the amortization method, for an intangible asset with a finite useful life, are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on an intangible asset with a finite life is recognized in surplus or deficit as the expense category that is consistent with the nature of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the surplus or deficit when the asset is derecognized.

Research and development costs

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

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

- The ability to measure reliably the expenditure during development

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

i) Impairment of non-financial assets

Impairment of cash-generating assets

At each reporting date, the State assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the State estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Where the carrying amount of an asset or the cash-generating unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognized in the statement of financial performance in those expense categories consistent with the nature of the impaired asset.

Impairment of non-cash-generating assets

The State assesses at each reporting date whether there is an indication that a non-cash-generating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the State estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash-generating asset's fair value less costs to sell and its value in use.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount.

In assessing value in use, the State has adopted the depreciation replacement cost approach. Under this approach, the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

In determining fair value less costs to sell, the price of the assets in a binding agreement in an arm's length transaction, adjusted for incremental costs that would be directly attributed to the disposal of the asset is used. If there is no binding agreement, but the asset is traded on an active market, fair value less cost to sell is the asset's market price less cost of disposal. If there is no binding sale agreement or active market for an asset, the State determines fair value less cost to sell based on the best available information.

For each asset, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the State estimates the asset's recoverable service amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable service amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in surplus or deficit.

j) Financial instruments

Classification and measurement

Financial assets

It is the State's policy to initially recognize financial assets at fair value plus transaction costs, except in the case of financial assets recorded at fair value through surplus or deficits which are expensed in the Statement of Financial Performance.

Classification and subsequent measurement are dependent on the State's business model for managing the asset and the cashflow characteristics of the asset. On this basis, the State may classify its financial instruments at amortised cost, fair value through surplus or deficits and at fair value through net assets/equity.

Financial assets held by the State are classified based on the following:

- Hold to collect (debt instruments): Financial assets in this category are held by the State solely to collect contractual cash flows and these cash flows represent solely payments of principal and interest. Assets held under this business model are measured at amortised cost.
- Hold to collect and sell (debt instruments): Financial assets in this category are held to collect contractual cash flows and sell. The cash flows represent solely payment of principal and interest. These financial assets are measured at fair value through net assets/equity.
- Hold to sell/residual (debt instruments): This category is the residual category for financial assets that do not meet the criteria described above. Financial assets in this category are managed in order to realise the asset's fair value and with fair value gains and losses recognized in the statement of financial performance.

- Instruments with irrevocable designation (equity instruments): This category relates to the portfolio of equity instrument investments for which, on initial recognition, the State chose to designate at fair value through net/assets. The accumulated gains or losses on these investments are never recycled to surplus or deficits; but may be reclassified within net assets/equity.

The financial assets of the State are held to collect contractual cashflows that are solely payments of principal (for non-interest-bearing financial assets) or solely payments of principal and interest (for interest bearing financial assets).

Financial assets

The State's financial assets includes cash and cash equivalents and few staff (including political appointees) loan. They are included in current assets, except for those with maturities greater than 12 months after the reporting date. Interest income (if and when charged) from these assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in surplus or deficits.

Financial liabilities

Financial liabilities of the State are classified and measured at fair value on initial recognition and subsequently at amortised cost net of directly attributable transaction costs. The State's financial liabilities include loans (local and foreign), payables to project contractors and other payables.

Impairment of financial assets

Recognition of impairment provisions under IPSAS 41 is based on the Expected Credit Loss (ECL) model. The ECL model is applicable to financial assets measured at amortised cost or at fair value through net assets/equity.

The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

For receivables, the State applies a simplified approach in calculating ECLs for receivables that represents financial assets that are contractual in substance. Therefore, the State does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The State 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 three-stage (general) approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political risk concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stages 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each individual exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD is determined based on management's estimate of expected cash recoveries after considering the cash recovery ratio of the counterparties. The EAD is the total amount outstanding at the reporting period. These three components are multiplied together and adjusted for forward looking information, such as the gross domestic product (GDP) growth rate and inflation rate in Nigeria, to arrive at an ECL which is then discounted to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in surplus or deficits.

Significant increase in credit risk and default definition

The State assesses the credit risk of its financial assets based on the information obtained during periodic review of available information, industry trends and payment records. Based on the analysis of the information provided, the State identifies the assets that require close monitoring.

Furthermore, financial assets that have been identified to be more than 360 days past due on contractual payments are assessed to have experienced significant increase in credit risk. These assets are grouped as part of stage 2 financial assets where the three-stage approach is applied. In line with the State's credit risk management practices, a financial asset is defined to be in default when contractual payments have not been received at least two years after the contractual payment period. Subsequent to default, the State carries out active recovery strategies to recover all outstanding payments due on receivables. Where the State determines that there are no realistic prospects of recovery, the financial asset and any related loss allowance is written off either partially or in full.

Derecognition

Financial assets

The State derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognised in surplus or deficits.

Financial liabilities

The State derecognises a financial liability when it is extinguished i.e. when the obligation specified in the contract 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 a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of surplus or deficits.

If the modification of the existing liability does not meet the requirements for de-recognition of the existing liability, the difference in the carrying amount and the modified liability amount is adjusted against the carrying amount of the old liability to arrive at the new obligation.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right is not contingent on future events and is enforceable in the normal course of operation and in the event of default, insolvency or bankruptcy of the counterparty.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purpose of the State's statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

l) Inventories

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

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

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

m) Provisions

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

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

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement. The provisions primarily arise from ongoing litigations and from long-term environmental obligations for which there is present obligations, outflow is probable and reliable estimates could be made.

Restoration / Decommissioning liability

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the restoration/decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of financial performance as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities

The State does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements (except when such disclosures would prejudice the outcome of ongoing legal cases), unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

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

n) Changes in accounting policies and estimates

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

The State recognizes the effects of changes in accounting estimates prospectively by including in surplus or deficit.

o) Employee benefits

Retirement benefit plans

The State provides retirement benefits for its employees and political officer holders.

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

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

Short and long-term employee benefits

The cost of all short-term employee benefits, such as leave pay, is recognized during the period in which the employee renders the related service. The State recognizes the expected cost of performance bonuses only when the State has a present legal or constructive obligation to make such payment, and a reliable estimate can be made.

The State provides long-term incentives to eligible employees, payable on completion of years of employment. The State's liability is based on an actuarial valuation. The projected unit credit method has been used to value the obligation. Actuarial gains and losses on the long-term incentives are fully accounted for in the statement of financial performance.

p) Foreign currency transactions

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

q) Borrowing costs

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

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

r) Related parties

The State regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the State, or vice versa. Members of key management are regarded as related parties and comprise the State Executive Committee Members and Heads of Ministries, Departments and Agencies.

s) Service concession arrangements

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

t) Budget information

The State intends to prepare accrual basis budget in the nearest future when all planned costs and income are presented in a single statement to determine the needs of the State. As a result of the adoption of the accrual basis for budgeting purposes, there would be no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts. Pending the transition to accrual basis budgeting however, the State would prepare statements of budget comparison on cash basis.

u) Significant judgments and sources of estimation uncertainty

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

Judgments

In the process of applying the State's accounting policies, management has made judgments, which have the most significant effect on the amounts recognized in the State financial statements.

Operating lease commitments – State as lessor

The State has entered into property leases of certain of its properties. The State has determined, based on an evaluation of the terms and conditions of the arrangements, (such as the lease term not constituting a substantial portion of the economic life of the commercial property) that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

In accordance with IPSAS 1 P. 140, the key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The State based its assumptions and estimates on parameters available when the State financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the State. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the State
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Impairment of non-financial assets – cash-generating assets

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change, which may then impact management's estimations and require a material adjustment to the carrying value of tangible assets.

The State reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Cash-generating assets are stated at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates of expected future cash flows are prepared for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

Impairment of non-financial assets – cash generating assets

The State reviews and tests the carrying value of non-cash-generating assets when events or changes in circumstances suggest that there may be a reduction in the future service potential that can reasonably be expected to be derived from the asset. Where indicators of possible impairment are present, the State undertakes impairment tests, which require the determination of the fair value of the asset and its recoverable service amount. The estimation of these inputs into the calculation relies on the use of estimates and assumptions. Any subsequent changes to the factors supporting these estimates and assumptions may have an impact on the reported carrying amount of the related asset.

Fair value estimation – financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, judgment is required in establishing fair values. Judgment includes the consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Provisions

Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material. Provision is made for the estimated cost to be incurred on the long-term environmental obligations, comprising expenditure on pollution control and closure over the estimated life of the landfill. The provision is based on the advice and judgment of qualified engineers. The increase in the restoration provision due to passage of time is recognized as finance cost in the statement of financial performance.

The cost of ongoing programs to prevent and control pollution and rehabilitate the environment is recognized as an expense when incurred.



Bashir Suleiman Zuntu FCNA, ACTI
30th January, 2024

SUB CLASSIFICATION OF BALANCES

3 Revenue from Non - Exchange Transactions	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Gross Allocation from Federation Accounts	39,369,003	49,457,588
Non Oil Revenue (Share of Solid Minerals)	2,260,288	2,515,378
Share of forex equalization	1,328,659	-
Excess bank charges	-	147,066
Electronic Money Transfer Levy (EMTL)	2,799,467	2,273,354
Augmentation	898,349	
Share of N24b Non Oil Revenue	215,604	
Value added tax	48,254,379	33,765,567
Exchange Gain Differences	15,761,406	342,047
FGN Infrastructure Development	23,000,000	-
Other Federal Government Related Recoverable	44,547,364	-
Aids and Grants	15,953,921	39,779,500
Taxes, Licenses, Penalties, Stamp Duty - KADIRS	48,138,970	53,004,291
License - Ministry of Health	1,124	23,907
License - Ministry of Human Services and Social Development	3,309	2,887
License - Transport Regulatory Authority KASTRA	167	1,173
Fines - Ministry of Environment and Natural Resources	5,756	14,730
Fines - High Court of Justice	25,974	8,495
Fines - Customary Court of Appeal	3,888	4,180
Fines - Sharia Court of Appeal	3,067	3,121
Fines - Kaduna State Environmental Protection Agency	868,379	1,476
Fines - Ministry of Agriculture	-	680
Penalty, Revocation and Re- issuance of C of O - KADGIS	128,883	219,023
Fines, Penalties - Kaduna State Traffic Law Enforcement Authority	385,532	280,154
Kaduna State Public Procurement Authority	152,096	267,351
Stamp duty - Kaduna Capital School		
Fines, Licenses - Kaduna State Livestock Regulatory Authority (KADLRA)	2,950	
Licenses - Kaduna State Schools Quality Assurance Authority	10,629	
Total Non - Exchange Revenue	244,119,163	182,111,968

4 Revenue from Exchange Transactions	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Fees, Sales, Rent, Interest Income - Pilgrims Welfare Board	41,297	18,019
Fees - Office of the Auditor General (State)	580	440
Fees, Sales, Rents - Ministry of Agriculture	58,858	40,709
Sales - Agricultural Development Project	11,760	19,231
Fees, Sales, Rent - Ministry of Finance	18,645,674	9,590,072
Fees, Sales - KADIRS		316,766
Fees, Sales, Rent - Ministry of Business Innovation and Technology	4,842	20,143
Fees - KASUPDA	1,772,638	2,090,613
Fees - Ministry of Public Works and Infrastructure	1,053	1,322
Fees - High Court of Justice	34,446	19,986
Fees - Customary Court of Justice	2,891	4,152
Fees - Sharia Court of Appeal	13,553	2,476
Fees, Rent - Ministry of Sports Development	40	5,196
Fees, Rent - Library Board	343	25
Fees, Sales - Nuhu Bamali Polytechnic Zaria	273,640	479,801
Fees, Sales, Rent - College of Education Gidan Waya	255,268	423,942
Fees, Sales, Rent - Kaduna State University	1,463,772	981,370
Fees - Auditor General for Local Government	900	1,100
Fees, Sales - Ministry of Health	232,125	211,101
Fees, Rent - College of Nursing Kafanchan	78,970	
Fees - State Emergency Management Agency	15,264	125,977
Fees, Rent, Sales - Ministry of Environment and Natural Resources	67,274	123,986
Fees, Sales, Rent - Kaduna State Environmental Protection Agency	57,829	131,495
Fees, Rent - Kaduna State Road Agency	500	1,922
Fees, Sales - Kaduna State Schools Quality Assurance Authority	120,432	159,428
Fees, Sales - RUWASSA	1,959	9,103
Fees, Rent - College of Midwifery Kaduna		146,392
Fees - Ministry of Local Government Affairs	2,850	-
Fees - Local Government Service Commission		1,850
Fees, Rent, Sales - KADGIS	32,764,332	43,830,994
Sales - Kaduna State Media Corporation - KSMC	43,961	80,310
Sales - Government Printing Press	49,120	31,133
Fees, Sales - Barau Dikko Teaching Hospital Kaduna	747,397	681,408

Rent - Scholarship Board		460
Rent - Kaduna State Mining Development Company	30,000	122,000
Rent - Kaduna State Market Development and Management Company	1,957,403	2,639,442
Fees - Kaduna State Livestock Regulatory Authority (KADLRA)	5,900	
Fees, Sales - Kaduna State Traffic Law Enforcement Authority	122,648	
Rent - Kaduna State Development and Property Company (KSDPC)	89,050	
Total Exchange Revenue	58,968,568	62,312,365

Total Revenue	303,087,731	244,424,332
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	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
4A REVENUE SPLIT BETWEEN ALLOCATION AND IGR		
Cash Internally Generated Revenue	80,900,213	77,087,431
Accrued Internally Generated Revenue (Note 4B)	27,799,078	39,056,400
Sub total of Internally Generated Revenue	108,699,291	116,143,832
Cash FAAC Allocation	98,697,454	78,541,654
Accrued FAAC Allocation	12,189,702	9,959,347
FGN Infrastructure Development	23,000,000	
Other Federal Government Related Recoverable	44,547,364	
Sub total of Allocation	178,434,519	88,501,001
Grants	15,953,921	39,779,500
Total Revenue	303,087,731	244,424,332
	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
4B MDA / ACCRUED REVENUE		
KADGIS	27,799,078	38,995,068
KASUPDA Fees		22,473
Kaduna State Media Corporation		10,888
State Emergency Management Agency (SEMA)		27,972
	27,799,078	39,056,400

4c	FAAC	Gross Allocation	Share Of Solid Min	Forex Equalization	Exchange Gains Diff.	EMTL	Augmentation	Share of N24b Non Oil Revenue	VAT	Total
	January	3,290,261,853	-	-	-	392,280,850	898,349,386	-	3,481,520,721	8,062,412,810
	February	3,168,066,727	-	937,876,759	-	194,795,552	-	-	3,146,265,801	7,447,004,839
	March	4,308,499,494	-	-	-	241,602,665	-	-	3,060,736,738	7,610,838,897
	April	3,032,108,472	130,372,615	390,781,983	-	242,161,518	-	215,603,853	2,829,226,631	6,840,255,071
	May	4,586,091,706	-	-	5,249,746	236,667,488	-	-	3,589,185,307	8,417,194,248
	June	2,571,114,965	-	-	2,662,903,297	188,744,724	-	-	3,922,345,460	9,345,108,446
	July	3,338,367,929	-	-	2,706,698,624	211,895,653	-	-	3,869,906,183	10,126,868,389
	August	3,033,644,873	1,590,905,986	-	1,951,621,532	163,957,572	-	-	4,569,180,732	11,309,310,694
	September	3,344,646,920	-	-	1,480,536,001	181,659,212	-	-	4,104,061,555	9,110,903,689
	October	2,586,262,844	539,009,632	-	1,591,429,150	255,170,613	-	-	4,472,159,667	9,444,031,905
	November	3,065,301,352	-	-	2,998,206,202	197,244,569	-	-	4,722,772,818	10,983,524,942
	December	3,044,635,661	-	-	2,364,761,694	293,286,539	-	-	6,487,017,751	12,189,701,646
	Total	39,369,002,796	2,260,288,233	1,328,658,742	15,761,406,245	2,799,466,957	898,349,386	215,603,853	48,254,379,364	110,887,155,576

5	Consulting and professional services	31 Dec. 2023	31 Dec. 2022
		N'000	N'000
	Revenue collection expenses	734,543	591,052
	Budget and Final Accounts Preparation	239,025	108,404
	Other services	1,466,220	5,490,926
	Total	2,439,789	6,190,382

This is the expenditure made by Government in procuring professional services from specialists in the advancement of government programmes.

Revenue collection expenses represents performance-based incentives awarded revenue collection agencies for meeting and surpassing targets. Budget expenses are extra expenditure and incentives for budget preparation. Other services were expenses incurred in procuring expert services across various disciplines.

6 Employee benefits	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Robe Allowance	26,200	9,549
Consolidated Salaries	42,883,408	44,465,742
SIWES Allowance	655	630
Specialist Allowance	-	10,670
Post Employment Benefits	8,716,779	11,981,056
	51,627,042	56,467,648

Employee benefits are establishment cost for direct and indirect employees, including political office holders. In Kaduna State, all employee benefits are consolidated. The State Government has consolidated Salaries across the State.

7 Fuel and lubricants	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Cooking Gas/Fuel Cost	-	677
Motor Vehicle Fuel Cost	145,573	177,460
Plant/Generator Fuel Cost	399,462	218,192
	545,035	396,329

Fuel and lubricants relate to the expenses incurred in running official vehicles, plant and equipment as distinct from cost of maintenance.

8 Grants and contributions	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Cultural And Religious Expenses	897	286,491
Grants and Donations	673,524	401,659
Parastatals Overheads	565,675	393,988
Counterpart Contribution	5,043,706	5,170,481
	6,283,802	6,252,619

Grants and contribution relate to the Government intervention for the operations and proper functioning of quasi-government organizations and other entities that are self-accounting.

Cultural and religious expenses are government expenditure to promote activities of traditional councils including seminars and workshop for the council. Grants and donations are funding support for research or special services. Parastatals overheads expenditure relate to quasi government organization for specific purposes. Recurrent counterpart contributions are condition precedent to receiving Development related grants from external donors. This also includes 40% contribution to PHC salaries.

9 Insurance	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Group Personal Accident	-	-
Motor Vehicle comprehensive insurance	1,000	-
	1,000	-

Insurance expenditure provides covers against identified insurable risk. Kaduna State Government recently established a sinking fund to cater for these categories unlike the previous years when the service was outsourced.

10 Materials and supplies	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Health Interventions	616,781	215,886
Books	55,200	-
Consumables	656,650	1,187,354
Drugs and medical supplies	209,603	723,414
Scholarship	833,545	834,271
Education Expenses and Examination fees	101,938	234,393
Newspapers and periodicals	731	2,177
Printing and stationery	3,842,099	652,369
School feeding	1,944,279	1,619,076
Water infrastructure chemicals	423,654	643,304
	8,684,480	6,112,244

Materials and supplies are consumables procured and used by government organizations in the course of service delivery.

Health Interventions are expenses incurred on various government interventions relating to protection, treatment and curtailing the impact of the Pandemic. Books are educational supplies covering text books and exercise books; they are expensed upon distribution. Consumables are materials used in the course of providing services by government covering uniforms, computer consumables. Drugs and medical supplies are health products, public health emergencies etc. Scholarship are special education support scheme for students. Education Expenses and Examination fees are education related expenses and other expenditure paid to external examination bodies. Newspapers and periodicals are magazines procured for departments and management staff for information currency. Printing and stationery are cost of producing documents and materials for documentation and communication. School feeding is a special programme of government to provide food and nutrition for pupils. Water treatment chemicals are inputs for public water purification.

Cleaning and fumigation	811,923	689,817
Court settlement, Legal Services and Provision	2,877	54,016
Entertainment	857,969	754,719
Honorarium and sitting allowance	742,553	1,057,674
Mass awareness	2,634,289	1,928,740
Promotion and recruitment expenses	10,539	47,839
Rent	41,615	4,776
Sporting and recreation expenses	13,618	75,103
Subscription	446,437	260,797
	6,293,967	7,548,256

General office expenses are other office expenditure of a general nature separately from stationery materials and supplies.

Catering expenses are expenditure on food items for inhouse facilities for Ministries, Departments and Agencies. Cleaning and fumigation are expenditure incurred on work/office environment. Court settlement are payment and/or provisions for judgement debt. Entertainment are hospitality related expenditure in the course of service delivery. Honorarium and sitting allowance are expenses of conducting meetings and per-diem paid to non-scheduled staff. Mass awareness are campaigns for sensitization and awareness about government policies and programmes. Promotion and recruitment expenses are direct cost of job interviews. Rent expenses are rentals for office accommodation. Sporting and recreation expenses are youth and hospitality-oriented programmes to engender youth empowerment and leisure. Subscription expenses are software renewal charges, internet access, subscription to professional bodies etc.

12 Other services	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Seedling expenses	122,970	-
Agric Development	1	-
Pre planting and post planting activities	591,967	-
	714,938	-

Seedling expenses is the cost of raising seedlings to the point of transplanting. Impairment charges are diminution in the fair value less cost to sell of Biological Assets.

13 Repairs and maintenance	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Repairs and Maintenance - Building	40,103	74,143
Repairs and Maintenance - Furniture and fittings	6,281	5,115
Repairs and Maintenance - Vehicle	201,289	212,715
Repairs and Maintenance - Equipment	104,105	90,972
Repairs and Maintenance - Plant	88,623	42,940
Repairs and Maintenance - Roads	24,133	7,577
Repairs and Maintenance - Others	6,010	14,306
	470,544	447,769

Repairs and maintenance expenses were incurred to maintain the proper functioning of the property, plant and equipment. Included in "repairs and maintenance - others is the maintenance cost of dumpsites.

14 Security and safety	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Anti Corruption	-	21,617
Security Consumables	-	-
Fire Fighting Materials	20	1,759
Printing of Security Documents	85,566	46,361
Protocol Support Services	364,511	-
Security Personnel Allowances	148,453	166,056
Security Services	350,818	485,161
Security Vote (Including Operations)	2,349,342	617,586
Security Vote (Preventive & Supportive Measure)	3,296,018	3,196,687
	6,594,727	4,535,229

Security and safety expenses relate to the protection of lives and property and in the maintenance of laws and order.

Fire-fighting materials expenses included materials, reagents and chemicals used in fire prevention and control. Printing of security documents expense were spent producing sensitive and controlled documents which includes stamps, receipts, vouchers etc. Security personnel allowances are paid to the security details of designated government officials. Security services are expenses in the course of providing security that may include security related supplies. Security votes are expenses related to the maintenance of the security architecture across the state.

15 Social benefits	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Welfare Packages	815,144	1,194,371
Social investments	4,073,708	9,516,685
	4,888,853	10,711,055

Social benefits are all humanity related expenditure geared towards improving their lives and living conditions.

Welfare packages are authorized expenditure to cater for welfare needs especially during festivities and to engender family and social relationships. Social investments and Empowerment of persons with disability are targeted investments aimed at improving the lives of youth and vulnerable persons in the society.

16 Training and human capital development	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Conferences and events	226,031	149,029
Formal training and capacity building - local	2,389,255	2,089,376
Formal training and capacity building - international	20,277	109,574
	2,635,562	2,347,979

Training and human development is investment in human capacity that is job and career related.

17 Travel and transport	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Local travel and transport	460,354	705,045
International travel and transport	748,362	1,163,820
	1,208,717	1,868,865

Travel and transport are out of station job related travels.

18 Utilities	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Electricity	676,203	249,930
Postages and Telephone	2,174	7,100
Water Rates	305,937	33,559
	984,313	290,588

Utility expenses are payment to providers of electricity, telephone and water

19 Waste Management and Disposal	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Refuse evacuation programme	208,343	475,694
	208,343	475,694

Waste management and disposal are expenditure on waste collection, transportation and disposal of both domestic and industrial waste.

20 Depreciation and amortization	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Investment Property	176,259	82,254
Building	2,766,094	1,195,429
Furniture & Fittings	845,269	224,012
Road Infrastructure	6,586,235	6,502,927
Water Infrastructure	3,698,798	916,011
Motor Vehicle	1,166,145	280,710
Equipment	2,260,463	539,303
Plant & Machinery	1,110,424	262,175
Intangible assets amortization	142,987	135,680
	18,752,674	10,138,501

Depreciation expense is the systematic allocation of the depreciable amount of an item of property, plant and equipment over its useful life.

Depreciable amount is determined after deducting the residual value. For the purpose of computing depreciation, residual value is deemed to be zero. Depreciation begins when the property, plant and equipment is available for use. The useful life of each asset is reassessed at the end of every reporting period and where expectation differs from previous projections, the change is accounted for as a change in accounting estimates and treated prospectively. Depreciation is charged in the year of construction or acquisition and none is charged in the year of disposal or asset retirement.

21 Exchange Loss	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Exchange Loss on foreign loans	171,698,491	
	<u>171,698,491</u>	<u>-</u>

Throughout the financial year, the Nigerian Naira experienced significant depreciation against major foreign currencies, resulting in an unfavorable exchange rate movement for the government. This depreciation led to an increase in the Naira equivalent value of the outstanding foreign loans, thereby creating a foreign exchange loss.

The foreign exchange loss on foreign loans has been recognized in the financial statements of the Kaduna State Government in accordance with the applicable IPSAS standards. This loss is presented separately in the schedule of foreign loans, which is provided in Note 35F to the financial statements.

22 Finance and other bank charges	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Interest on local loans	5,235,363	1,673,843
Interest on foreign loans	4,054,899	3,597,189
	<u>9,290,262</u>	<u>5,271,032</u>

Finance charges are credit and bank related expenses.

Interest on local loans is determined using the effective interest method. Effective interest method is a method of calculating the amortized cost of financial liabilities and of allocating the interest expense over the loan tenor. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the net carrying amount of the financial liability. Determination of effective interest rate on foreign loans is daunting due to the complications in obtaining verifiable repayment schedules on foreign borrowings, many of which predate the establishment of debt management office (DMO). Other bank charges are bank administrative charges not related to credits.

23 Inventories	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Water treatment chemicals	44,688	409,837
Books	3,678	298,608
Agric supplies	123,543	138,724
Walkie Talkie	-	57,750
	171,909	904,919

Inventories are assets in the form of materials or supplies to be consumed in the production process; In the form of materials or supplies to be consumed or distributed in the rendering of services; Held for sale or distribution in the ordinary course of operations; or in the process of production for sale or distribution.

Water treatment chemicals are alum for water purification; this balance represents the inventory of unused chemicals at year end. Books are multi-year usage reference books, other than student text and exercise books that are written off as incurred. Agric supplies are inventories of farm inputs such as fertilizer and seedlings.

24 Receivables	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Kaduna Geographic Information Service (KADGIS)	27,799,078	38,995,068
KASUPDA		22,473
State Emergency Management Agency (SEMA)		27,972
Federal Account Allocation	12,189,702	9,959,347
Other Federal Government Related Recoverable	44,547,364	
Kaduna State Media Corporation		10,888
Loans and advances		90,867
	84,536,143	49,106,614

These are unimpaired financial assets with unconditional rights to receive cash.

	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
24A Receivables		
Exchange	27,799,078	12,519,004
Non Exchange	56,737,066	36,587,610
	84,536,143	49,106,614

	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
25 Reimbursables from the Federal Government		
Refund on account of Operation Sharan Daji at Kamuku/Kuyambana Forest	600,000	600,000
	600,000	600,000

Refund for the renovation of Kaduna Airport, refund on account of Operation Sharan Daji at Kamuku/Kuyambana Forest.

	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
26 Cash and cash equivalents		
Treasury Single Accounts (TSA)	15,800,674	7,733,140
Operations Accounts	498,339	-
	16,299,012	7,733,140

Cash represents demand deposits. Cash equivalents are highly liquid investments that are convertible to known amount of cash and with insignificant risk of change in value and that has short maturity period usually 90days from date of origination. There were no cash equivalents at year end.

	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
27 Prepayments		
Contractors' prepayment	56,278,113	-

Prepayments are advance payment and mobilization to contractors and supplies of services. Contractors prepayment are duly backed by Advance Payment Guarantees (APGs) issued by reputable financial institutions.

28	COST	LAND N'000	BUILDING N'000	FURNITURE & FITTINGS N'000	ROAD INFRASTRUCTURE N'000	WATER INFRASTRUCTURE N'000	VEHICLE N'000	EQUIPMENT N'000	PLANT N'000	TOTAL N'000	
	2023 Opening balance	3,866,374	1,075,885,894	22,401,246	2,601,170,677	366,404,341	28,070,964	43,144,210	26,217,518	4,167,161,222	
	Addition	-	30,551,651	2,661,624	33,323,441	3,475,478	8,188,705	13,580,300	219,688	92,000,886	
	Legacy assets recognition	-	-	-	-	-	-	-	-	-	
	Retirement	-	-	-	-	-	-	-	-	-	
	2023 Closing balance	3,866,374	1,106,437,545	25,062,869	2,634,494,118	369,879,818	36,259,669	56,724,509	26,437,206	4,259,162,109	
	ACCUMULATED DEPRECIATION & IMPAIRMENT LOSSES										
	2023 Opening balance	-	(15,127,280)	(9,321,997)	(41,027,998)	(5,249,165)	(6,296,883)	(8,235,258)	(9,946,648)	(95,205,230)	
	Charge for the year	-	(2,766,094)	(845,269)	(6,586,235)	(3,698,798)	(1,166,145)	(2,260,463)	(1,110,424)	(18,433,428)	
	Reclassification	-	-	-	-	-	-	-	-	-	
	Impairment	-	-	-	-	-	-	-	-	-	
	2023 Closing balance	-	(17,893,374)	(10,167,266)	(47,614,233)	(8,947,964)	(7,463,028)	(10,495,721)	(11,057,072)	(113,638,657)	
	2023 Carrying Amount	3,866,374	1,088,544,171	14,895,603	2,586,879,885	360,931,855	28,796,641	46,228,788	15,380,134	4,145,523,451	

27	COST	LAND N'000	BUILDING N'000	FURNITURE & FITTINGS N'000	ROAD INFRASTRUCTURE N'000	WATER INFRASTRUCTURE N'000	VECHICLE N'000	EQUIPMENT N'000	PLANT N'000	TOTAL N'000	
	2022 Opening balance	3,866,374	1,028,172,496	17,032,718	2,551,557,119	361,118,943	21,998,641	27,536,514	26,127,659	4,037,410,463	
	Addition		47,713,398	5,368,528	49,613,558	5,285,398	6,072,324	15,607,696	89,859	129,750,759	
	Legacy assets recognition	-	-	-	-	-	-	-	-	-	
	Retirement	-	-	-	-	-	-	-	-	-	
	2022 Closing balance	3,866,374	1,075,885,894	22,401,246	2,601,170,677	366,404,341	28,070,964	43,144,210	26,217,518	4,167,161,222	
	ACCUMULATED DEPRECIATION & IMPAIRMENT LOSSES										
	2022 Opening balance	-	(13,931,852)	(9,097,985)	(34,525,071)	(4,333,155)	(6,016,174)	(7,695,955)	(9,684,473)	(85,284,664)	
	Charge for the year		(1,195,429)	(224,012)	(6,502,927)	(916,011)	(280,710)	(539,303)	(262,175)	(9,920,566)	
	Reclassification	-	-	-	-	-	-	-	-	-	
	Impairment	-	-	-	-	-	-	-	-	-	
	2022 Closing balance	-	(15,127,280)	(9,321,997)	(41,027,998)	(5,249,165)	(6,296,883)	(8,235,258)	(9,946,648)	(95,205,230)	
	2022 Carrying Amount	3,866,374	1,060,758,613	13,079,248	2,560,142,679	361,155,175	21,774,081	34,908,951	16,270,870	4,071,955,992	

Property, plant and equipment and tangible assets held for use in the production or delivery of goods and services, for rental to other and for administrative purposes and that are expected to be used for more than one financial period.

Included in land are parcels of land purchased for right of way road construction and building of schools. Building are structures used for administrative purposes, teaching facilities, housing facilities and market and commercial purposes. Furniture and fittings include furnishings, desks, chairs, tables etc. Road infrastructure are roads constructed and rehabilitated including street lights, roads signs and other related infrastructure to facilitate mobility of human, goods and services. Water infrastructure are water related constructions including dams, canals, boreholes, storage tanks etc. Vehicles include motor and tricycles, trucks, vans, ambulances used for conveyance of persons and goods in the course of government operations. Equipment consists office equipment, electrical and mechanical appliances used in government operations. Plant includes immovable power plant and other heavy-duty installations.

Land are not depreciated except in quarry and land fill. Building are depreciated over its useful life usually within 50years. Furniture and fittings are depreciated over its useful life and within the range of 5years. Road infrastructure is depreciation over its useful life usually within 20years. Water infrastructure is depreciated over its useful life and within 20years. Vehicles are depreciated over its useful life, usually 5years. Equipment has a useful life of 4years whilst Plant is depreciated over 5years. These depreciation periods are in line with the policy contained in section 2.2(f) of the accounting policy.

The residual value and the useful life of an asset are reviewed at least at each annual reporting date and, if expectations differ from previous estimates, the change(s) are accounted for as a change in an accounting estimate in accordance with IPSAS 3, Accounting Policies, Changes in Accounting Estimates and Errors.

29 Investment property	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Opening balance	3,290,179	3,290,179
Addition in the year	235,000	-
Gross carrying amount	3,525,179	3,290,179
Accumulated Depreciation		
Opening balance	(263,107)	(180,853)
Charge for the year	(176,259)	(82,254)
Closing balance	(439,366)	(263,107)
Carrying amount	3,085,812	3,027,071

Investment property is land or a building (or part of a building – or both) held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes; or sale in the ordinary course of operations.

Land irrigation are plots of land rented out to farmers for dry season farming. It is currently being written off over 40years.

30 Biological Assets	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Plantation assets	39,514,965	20,316,839
Ranch assets	48,383	48,383
Wildlife assets	20,704	20,704
	39,584,052	20,385,926

Biological assets are living plants and animals.

Plantation assets are living trees to be used as pulp woods, fuel woods, timber; they are also used for construction, scaffolding and building. Ranch assets are living animals bred for resale. Wildlife assets are living animals kept in the zoo for exhibition. These assets are state at their Fair value less cost to sell.

31 Intangible Assets	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Opening balance	4,070,409	3,812,351
Addition - Licenses	-	92,568
Addition - Software	219,208	165,490
Gross carrying amount	4,289,618	4,070,409
Amortization		
Opening balance	(396,801)	(261,121)
Charge for the year	(142,987)	(135,680)
Accumulated amortization	(539,788)	(396,801)
Carrying amount	3,749,830	3,673,608

Intangible assets are identifiable non-monetary assets without physical substance. Intangible assets are amortized over the period of agreement or if shorter, over its useful life.

The amortization expense is recognized in the Statement of Financial Performance under the heading 'Depreciation and amortization'

32 Financial Assets	31 Dec. 2023	31 Dec. 2022
Fair Value Through Net Assets/Equity	N'000	N'000
N.N.D.C. Limited	200,939	200,939
Flour Mills of Nigeria Limited	1,150	7,954
Cement Company of Northern Nigeria Ltd (BUA)	-	113,937
Kaduna Industrial and Finance Company	200,000	200,000
Niger Delta Power Holding Company	27,812	27,812
Nigeria Sovereign Investment Authority	28,994,808	17,827,975
DAAR Communication	790	200
First City Monument Bank	-	2,522
Unity Bank Plc.	-	35,278
First Bank Plc.	1,892	16,928

Access Bank Plc	35,200	-
Take off grants - Kaduna Produce Mgt Company	114,950	114,950
Guaranty Trust Bank Plc	18,826	10,076
Zenith Bank Plc	52,595	6,900
Dangote Cement Plc	-	30,020
Equity Injection - Kaduna Mining Development Company Limited	288,622	288,622
Take off grants - Kaduna State Contributory Health Mgt Authority	950,064	9,387
Recapitalization of Kaduna State Development Company	1,000,000	1,000,000
Kaduna Inland Dry Port	10,000	-
Kaduna Skipper Power	1,000,000	-
Dangote Sugar	20,409	-
UBA Plc	39,069	-
NASCON	22,492	-
Total	32,979,618	19,893,501

Non equity investments are classified based on their contractual characteristics cash flow test (SPPI) and business model. Instruments that pass the two conditions are classified and measured at amortized cost, otherwise as fair value through surplus or deficits (instruments constantly traded) or fair value through net assets/equity (with changes recognized in a separate investment reserve in equity). The schedule above represent investment in equity instruments of other entities and are classified at fair value through net assets/equity category.

33 Liabilities and accruals	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Liabilities on capital projects	8,969,922	6,885,852
Other accruals	733,988	661,048
	9,703,910	7,546,900

Liabilities are accruals consist of unpaid bills to third parties.

Liabilities on capital projects represent indebtedness to contractors on projects on which certificate of values (CVs) have been raised. The CVs are raised on projects covering road infrastructure, water infrastructure, buildings etc. Utility accruals are unpaid bills on water, electricity and other utilities.

34 Provisions	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Opening balance: Ongoing legal cases with 'probable' outflow	7,717,671	1,501,461
Additional provision/(reversal) on legal cases	(3,343,500)	6,000,835
2.5% Provision on Zaria Water Supply and Expansion Project	215,375	215,375
	4,589,546	7,717,671

The State has various legal cases in court; many of which relate to road constructions and other property demolition issues and which are possible obligation as a result of past event, the outcome of which could result in outflow of resources or service potential. The Zaria Water provision is in respect of facilitation fee due on the receivable from the project.

35 FINANCIAL LIABILITIES	31 Dec. 2023	31 Dec. 2022
Non Current	N'000	N'000
FGN Bail-Out Facility	11,826,862	11,578,158
FGN Excess Crude Account Facility	8,270,533	8,096,614
Power Aviation Intervention Fund (PAIF)	5,551,789	-
Commercial Agricultural Guarantee Credit Scheme (CAGCS)	5,651,617	-
FGN Bridge Financing	18,043,083	-
Federal Government (BSF)	17,243,065	17,314,096
Development Partners	454,899,115	265,569,969
	521,486,064	302,558,837
Current		
Power Aviation Intervention Fund (PAIF)	1,222,592	487,688
Commercial Agricultural Guarantee Credit Scheme(CAGCS)	1,983,311	341,041
	3,205,903	828,728
	524,691,967	303,387,565

35A FINANCIAL LIABILITIES - MOVEMENT	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
35B Zenith Bank		
Opening balance		
Interest accretion based on effective interest rate		
Repayment		
Closing balance		
35C FGN Bail-Out Facility		
Opening balance	12,065,846	12,516,159
Interest accretion	478,682	985,019
Repayment	(717,666)	(1,435,331)
Closing balance	11,826,862	12,065,846
35D FGN Excess Crude Account Facility		
Opening balance	8,437,655	8,752,558
Interest accretion	334,742	688,824
Repayment	(501,864)	(1,003,728)
Closing balance	8,270,533	8,437,655
35E Power Aviation Intervention Fund (PAIF)		
New drawdown	7,500,000	
Interest accretion	669,719	
Repayment	(1,395,338)	
Closing balance	6,774,381	
35F Commercial Agricultural Guarantee Credit Scheme(CAGCS)		
New drawdown	10,500,000	
Interest accretion	2,893,801	
Repayment	(5,758,874)	
Closing balance	7,634,928	

35G	FGN Bridge Financing		
	New drawdown	18,043,083	
	Interest accretion	-	
	Repayment	-	
	Closing balance	18,043,083	
35E	Federal Government Budget Support		
	Opening balance	17,314,096	17,438,227
		-	-
	Interest accretion	858,418	1,734,766
	Repayment	(929,449)	(1,858,897)
	Closing balance	17,243,065	17,314,096
35F	Foreign loans		
	Opening balance	265,569,969	264,390,004
	Foreign exchange loss	171,698,491	-
	Additional receipt	31,450,504	16,981,944
	DMO Reconciliation	-	-
	Interest	4,054,899	(3,597,189)
	Repayment	(17,874,748)	(12,204,790)
	Closing balance	454,899,115	265,569,969
		524,691,967	303,387,565

Financial liabilities above are measured at initial recognition at fair value, which is the net amount received after deducting any directly related transaction cost. They are measured and carried subsequently at amortized cost with the exception of foreign loans. Determination of contractual repayment cash flows are daunting for foreign loans, hence are carried at provisional amounts after due reconciliation and consultation with the Debt Management Office (DMO).

36 Employee benefits	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Gratuity -A	54,527,310	69,527,310
Pension (defined benefits) - B	41,707,677	59,707,677
Pension (defined contributions)	-	4,443,653
Pension liability held in trust for workers without RSA Number	1,692,350	-
Severance benefits of political office holders	190,460	1,285,614
Payment of gratuity and death benefits - C	(3,291,405)	(4,401,651)
Investments domiciled in the Central Bank of Nigeria D	(620,739)	(620,739)
	94,205,653	129,941,864

36A Employee benefits	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Gratuity A + C	51,235,904	65,125,659
Pension (defined benefits) B + D	41,086,938	59,086,938
Pension (defined contributions)	-	4,443,653
Pension liability held in trust for workers without RSA Number	1,692,350	-
Severance benefits of political office holders	190,460	1,285,614
	94,205,653	129,941,864

Gratuity and Defined Benefits Obligations are a form of Post-Employment arrangements under which KDSG provides post-employment benefits for her employees. Under these arrangements, the obligation of Government is not limited to contributions, if any, made on behalf of the employees. In 2016, the Government discontinued the Defined Benefits Scheme and transited to Defined Contribution Plans. (Contributory Pension Scheme).

Defined contribution plans are post-employment benefit plans under which KDSG pays fixed contributions to the Pension Fund Administrators of employees' choice and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

37 Accumulated Surplus	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Beginning balance	3,713,357,507	3,587,987,366
Surplus for the period	9,765,194	125,370,142
Closing balance	<u>3,723,122,701</u>	<u>3,713,357,507</u>

38 Fair Value Through Net Assets/Equity Reserves	31 Dec. 2023	31 Dec. 2022
	N'000	N'000
Beginning balance	15,329,264	9,650,099
Fair value movement	11,164,901	5,679,165
Closing balance	<u>26,494,165</u>	<u>15,329,264</u>

The schedule above represents the net changes in the fair value of equity instruments that are recognized in net assets/equity in accordance with IPSAS 41.