Conoil

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

Nexia
Agbo Abel & Co

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Conoil

Directors:	Dr. Mike Adenuga (Jr), GCON	-	Chairman
	Mr. Kheterpal Hardeep Singh	-	Managing Director
	Dr. Moses Ebietsuwa Omatsola	-	Director
	Mr. Mike Jituboh	-	Director
	Mr. Ike Oraekwuotu	-	Director
	Engr Babatunde Okuyemi	-	Director
	Mr. Joshua Ariyo	-	Director
	Mr. Ademola Idowu	-	Director
	Miss Abimbola Michael - Adenuga	-	Executive Director
	Mr. Salam Ajani Ismail	-	Executive Director

Company Secretary: Mr. Conrad Eberemu

RC Number: 7288

Registered Office:
Bull Plaza
38/39 Marina
Lagos
www.conoilplc.com

Auditors:
Nexia Agbo Abel & Co
43 Anthony Enahoro Street
Utako
FCT Abuja.
www.nexianigeria.com

Registrars:
Meristem Registrars Limited
213 Herbert Macaulay Way
Adekunle
Yaba
Lagos
www.meristemregistrars.com

Bankers:
First Bank of Nigeria Limited
Guaranty Trust Bank Plc
Sterling Bank Plc
United Bank for Africa Plc

Conoil

	2020 N'000	2019 N'000	% Change
Revenue	117,470,576	139,758,285	(15.9)
Profit before taxation	2,145,493	2,832,469	(24.3)
Taxation	(705,308)	(860,147)	(18.0)
Profit for the year	1,440,185	1,972,322	(27.0)
Retained earnings	15,348,273	15,295,992	0.3
Share capital	346,976	346,976	-
Shareholders' funds	19,520,018	19,467,737	0.3
Per share data			
Earnings per share (kobo)	208	284	(27.0)
Dividend per share (kobo)	150	200	(25.0)
Net assets per share (kobo)	2,813	2,805	0.3
Stock exchange quotation at 31 December (naira)	18.7	18.5	1.1

The Directors hereby submit to the members, their Annual Report together with the Audited Financial Statements for the year ending 31 December 2020.

1. Legal status

Conoil Plc (formerly National Oil and Chemical Marketing Plc) was incorporated in 1960 as a private limited liability company – Shell Nigeria Limited. In April 1975, the Federal Government of Nigeria acquired 60% shares of the Company through the Nigerian National Petroleum Corporation (NNPC) and the Company became known as National Oil and Chemical Marketing Company (NOLCHEM). The Company was later converted to a public company and in the year 2000, the Federal Government of Nigeria through the Bureau of Public Enterprises (BPE) bought 40% issued ordinary shares of the Company held by Shell Company of Nigeria (UK) Limited. After the privatization of the Company, Conpetro Limited acquired 60% of the issued shares of the Company. As a result of a rights offering by the Company in 2002, Conpetro Limited now holds 74.4% of the issued capital while members of the Nigerian public hold the remaining 25.6% stake in the Company. The Company's name was formally changed from National Oil and Chemical Marketing Plc to Conoil Plc on the 14th day of January, 2003.

2. Principal activities

The principal activities of the Company are the marketing of refined petroleum products, manufacturing and marketing of lubricants, household and liquefied petroleum gas for domestic and industrial use.

3. Results for the year

The following is a summary of the Company's operating results:	2020 ₦'000	2019 ₦'000	% Change
Revenue	117,470,576	139,758,285	(15.9)
Profit before tax	2,145,493	2,832,469	(24.3)
Profit after tax	1,440,185	1,972,322	(27.0)
Proposed dividend	1,040,928	1,387,904	(25.0)
Share capital	346,976	346,976	-
Shareholders fund	19,520,018	19,467,737	0.3

4. Dividends

The Directors recommend the payment of a dividend of 150 Kobo per share on the results for year 2020.

5. Changes on the Board of Directors

The names of the Directors that served during the year are as listed on page 2

In the course of the financial year ended December 31, 2020, there were no changes in the Board of Directors of Conoil Plc.

6. Directors' interest in shares

The Directors who held office during the year, together with their direct and indirect interests in the issued share capital of the Company as recorded in the Register of Directors' Shareholding and/or as notified by the Directors for the purposes of sections 301 and 302 of the Companies and Allied Matters Act, 2020 and the listing requirements of the Nigerian Stock Exchange is as follows:

Directors	Direct Number	Indirect Number	Total 2020 Number	Total 2019 Number
Dr Mike Adenuga (Jr), GCON *	Nil	103,259,720	103,259,720	103,259,720
Mr. Hardeep Kheterpal (Indian)	Nil	Nil	Nil	Nil
Dr M. E. Omatsola	541	Nil	541	541
Engr Babatunde Okuyemi	8,500	Nil	8,500	8,500
Mr Mike Jituboh	Nil	Nil	Nil	Nil
Mr Ike Oraekwuotu	Nil	Nil	Nil	Nil
Miss Abimbola Michael - Adenuga	Nil	Nil	Nil	Nil
Mr. Ismail Salam	Nil	Nil	Nil	Nil
Mr Joshua Ariyo	25,365	Nil	25,365	25,365
Mr Ademola Idowu	15,125	Nil	15,125	-

*Representing Conpetro Limited

There were no material changes to Directors' shareholdings within the year ended 31st December, 2020.

7. Contracts

For the purposes of Section 303 of the Companies and Allied Matters Act, 2020, none of the Directors have notified the Company of any disclosable interests in contracts involving the Company during the year.

8. Directors' remuneration

The Company ensures that remuneration paid to its Directors complies with the provisions of the codes of corporate governance issued by its regulators. In compliance with Section 34 (5) of the Code of Corporate Governance for Public Companies as issued by the Securities and Exchange Commission, the Company makes disclosure of remuneration paid to its directors as follows:

Remuneration package	Description	Time of payment
Basic Salary	•Part of gross salary package for Executive Directors only •Reflects the industry competitive salary package and the extent to which the Company's objectives have been met for the financial year.	Paid monthly during the financial year
13th Month Salary	•Part of gross salary package for Executive Directors only •Reflects the industry competitive salary package and the extent to which the Company's objectives have been met for the financial year.	Paid in the last month of the financial year
Director's Fee	Paid annually immediately after the Annual General Meeting ('AGM') to Non-Executive Directors only.	Paid annually immediately after the AGM
Sitting Allowances	Allowances paid to Non-Executive Directors only for attending Board and Board Committee Meetings.	Paid after each meeting

9. Retirement by rotation

Pursuant to Articles 92, 93 & 94 of the Company's Articles of Association, which requires one third of the Directors (excluding Executive Directors) who shall be those who have been longest in office since their last election; the following Directors: Engr. Babatunde Okuyemi and Dr. M. E. Omatsola who are non-executive directors, are due to retire by rotation and being eligible, have offered themselves for re-election.

Summary profile of retiring directors

I. **Dr. Ebi Omatsola** – Non Executive Director
B.Sc., M.Sc. Ph.D.
Over 45 years' working experience in Telecommunications, Petroleum Upstream and Downstream sect

II. **Engr. Babatunde Okuyemi** – Non Executive Director
B.Sc. Chemical Engineering; FNSCHE
Over 49 Years working experience.

10. Shareholding analysis

As at 31 December 2020, the range of shareholdings of the Company was as follows:

Share Range	No of Holders	Holders' %	Holders' Cum	Units	% Units	Units Cum
1 - 1,000	126,286	88.46	126,286	52,055,537	7.50	52,055,537
1,001 - 5,000	14,196	9.94	140,482	25,680,339	3.70	77,735,876
5,001 - 10,000	1,060	0.74	141,542	7,685,176	1.11	85,421,052
10,001 - 50,000	980	0.69	142,522	20,220,759	2.91	105,641,811
50,001 - 100,000	127	0.09	142,649	9,075,890	1.31	114,717,701
100,001 - 500,000	90	0.06	142,739	17,173,287	2.47	131,890,988
500,001 - 1,000,000	14	0.01	142,753	10,215,306	1.47	142,106,294
1,000,001 – 5,000,000	5	0.00	142,758	8,475,990	1.22	150,582,284
5,000,0001 – 10,000,000	4	0.00	142,762	27,071,230	3.90	177,653,514
10,000,001 - and above	1	0.00	142,763	516,298,603	74.40	693,952,117
	142,763	**100.00**		**693,952,117**	**100.00**	

11. Major shareholding

According to the register of members, no shareholder of the Company other than Conpetro Limited, as noted below, held more than 5% of the issued shares of the Company as at 31 December 2020.

The shares of the Company were held as follows:

	2020 Number of Shares	%	2019 Number of Shares	%
Conpetro Limited	516,298,603	74.40	516,298,603	74.40
Other Shareholders	177,653,514	25.60	177,653,514	25.60
Total	**693,952,117**	**100.00**	**693,952,117**	**100.00**

12. Share capital history

Conoil Plc ("Company"), which commenced operations in 1927 under the name Shell Trading Company, was incorporated as a limited liability company in 1960 and later converted to a public limited company with an authorized share capital of N14 Million divided into ordinary shares of N2.00 each, all of which were fully issued and paid up. The shares were sub-divided into ordinary shares of 50 Kobo each in 1991. The authorized share capital of the Company was increased to N350 Million divided into 700 Million ordinary shares of 50 Kobo each, out of which N171.5 Million made up of 343 Million ordinary shares of 50 Kobo each were issued and paid up.

Year	Authorised share capital		Issued & fully paid		Number of	
	Increase	Cumulative	Increase	Cumulative	shares	Consideration
	N	N	N	N		
1975	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	Cash
1983	42,000,000	56,000,000	28,000,000	42,000,000	42,000,000	Bonus (2:1)
1991	19,000,000	75,000,000	-	42,000,000	-	-
1991	-	75,000,000	14,000,000	56,000,000	56,000,000	Cash
1995	125,000,000	200,000,000	28,000,000	84,000,000	168,000,000	Bonus (1:2)
1996	-	200,000,000	42,000,000	126,000,000	252,000,000	Bonus (1:2)
1997	-	200,000,000	21,000,000	147,000,000	294,000,000	Bonus (1:6)
1998	-	200,000,000	24,500,000	171,500,000	343,000,000	Bonus (1:6)
2002	150,000,000	350,000,000	-	171,500,000	343,000,000	-
2003	-	350,000,000	117,647,059	289,147,059	578,294,117	Convertible loan stock
2004	-	350,000,000	57,829,000	346,976,059	693,952,117	Bonus (1:5)

13. Dividend payment history

DIV No.	DIV. Type	Year ended	Declaration date	Dividend rate per share	Total amount of dividend gross	Total amount of dividend net
				N	N	N
12	Final	31/12/2001	21/06/2002	0.50	171,500,000.0	154,350,000.0
13	Final	31/12/2002	20/06/2003	2.00	686,000,000.0	617,400,000.0
14	Final	31/12/2003	27/08/2004	3.50	2,024,029,409.5	1,821,626,468.6
15	Final	31/12/2004	25/11/2005	2.00	1,387,904,234.0	1,249,113,810.6
16	Final	31/12/2005	27/10/2006	2.50	1,734,880,292.5	1,561,392,263.3
17	Final	31/12/2006	31/08/2007	2.75	1,908,368,321.8	1,717,531,489.6
18	Final	31/12/2007	29/08/2008	2.75	1,908,368,321.8	1,717,531,489.6
19	Final	31/12/2008	18/12/2009	1.00	693,952,117.0	624,556,905.3
20	Final	31/12/2009	22/10/2010	1.50	1,040,928,175.5	936,835,358.0
21	Final	31/12/2010	24/06/2011	2.00	1,387,904,234.0	1,249,113,810.6
22	Final	31/12/2011	30/08/2012	2.50	1,734,880,292.5	1,561,392,263.3
23	Final	31/12/2012	04/10/2013	1.00	693,952,117.0	624,556,905.3
24	Final	31/12/2013	30/09/2014	4.00	2,775,808,468.0	2,498,227,621.2
25	Final	31/12/2014	23/10/2015	1.00	693,952,117.0	624,556,905.3
26	Final	31/12/2015	28/10/2016	3.00	2,081,856,351.0	1,873,670,715.9
27	Final	31/12/2016	11/08/2017	3.10	2,151,251,562.7	1,936,126,406.4
28	Final	31/12/2017	13/07/2018	2.00	1,387,904,234.0	1,249,113,810.6
29	Final	31/12/2018	16/08/2019	2.00	1,387,904,234.0	1,249,113,810.6
30	Final	31/12/2019	23/10/2020	2.00	1,387,904,234.0	1,249,113,810.6

14. Property, plant and equipment

Changes in the value of property, plant and equipment were due to additions and depreciation as shown in Note 15. In the opinion of the Directors, the market value of the Company's properties is not lower than the value shown in the financial statements.

15. Suppliers

The Company obtains its materials from overseas and local suppliers. Among its foreign and local suppliers, the major suppliers of petroleum products to the Company are – Pipeline and Products Marketing Company (PPMC), Subsaharan Integrated Services Africa Limited (SISA) and Tulcan Energy Resources Limited.

16. Distribution network

The distribution of the Company's products is done through its own network of branches, numerous dealers and distributors who are spread around the country. The Company has 395 dealers and distributors.

Some of the Company's major dealers and distributors are as follows:

S/No.	Dealer	Station	Location of station
1.	Alhaja Bola Alanamu	Marina Service Station	Marina, Lagos Island, Lagos.
2.	Mrs. Magret Uyokpeyi	Alapere Mega Station	3rd Axial Road, Lagos - Ibadan Expressway, Alapere Area, Lagos.
3.	Capt. A. Adeyinka	Kilometer 10	FAAN Local Airport, Km. 10 Agege Motor Road, Ikeja, Lagos.
4.	Mrs M. O. Labinjo	Airport Road Station	Murtala Muhammed Airport Road, Lagos.
5.	Mrs Lami Ahmed	Herbert Macaulay Filling Station, Abuja	Plot 763, Herbert Macaulay Way, CBD, FCT, Abuja.
6.	Mr Akin Olanrewaju	Kado Mega Station, Abuja	B5, Cadastral Zone, Kado Estate, Kado, FCT, Abuja.
7.	Mr Samuel Dixon	Iganmu Station	Old Apapa Road, by Costain Roundabout, Iganmu, Lagos.
8.	Mr Sheyi Adebayo	Eric Moore Service Station	Eric Moore Road, Eric Moore, Surulere, Lagos.
9.	Mrs Rewane-Fabyan	Hughes Avenue Service Station	Herbert Macaulay Way, Alagomeji, Yaba, Lagos.
10.	Mr. Kennedy Izuagbe	Toll Gate Mega Station	Along Lagos - Ibadan Expressway, near old Toll gate, Alausa, Lagos.

16. Distribution network (Continued)

S/No.	Dealer	Station	Location of station
11.	Mrs C. O. Okonede	Western Avenue Service Station	Western Avenue, Barracks Bus Stop, Surulere, Lagos.
12.	Mr. Adewale Adeleye	G.R.A Mega Station	Oba Akinjobi Road, by GRA Roundabout, Ikeja,
13.	Mr Tunde Thani	Lasu Service Station	KM 13, Lagos Badagry Express Way LASU
14.	Mr Abimbola Olawale	Ikate - Lekki Mega Station	Ikate Elegushi/Lekki, Lekki - Epe Expressway, Lagos.
15.	Mr Kadiri Yunusa	Durumi Mega Station, Abuja	B5, Cadastral Zone, Durumi District, Area 1, Durumi, FCT, Abuja.
16.	Mr Samuel Okorho	Lugbe Extension Mega Station	Plot 199 Cadastral Zone, Airport Road, Lugbe District, Abuja, F.C.T.
17.	Golddust Ventures	Utako Mega Station	Utako Cadastral Zone B5, Utako District, Abuja,
18.	Mr Chinedu Iroegbu	Obio Mega Station	Port Harcourt – Aba Express Way, Market Junction, Port Harcourt City, Rivers State.
19.	A.M and Sons	Kaita Road, Service Station	Kaita Road, Katsina.
20.	A. Likoro	Sokoto Road, Service Station	Sokoto Road, Zaria.
21.	Ubolo Okpanachi	Garki Service Station	42 Festival Road, Area 10, Garki, Abuja, F.C.T.
22.	Mr Akinyemi Omoyeni	Chevron Mega Station	Lekki – Epe, Express Way, Chevron Roundabout.
23.	Mr Adebambo Bashorun	Ajah Mega Station	Lekki – Epe Express Way, Ajah
24.	Mr Olubusuyi Oladele	Kilometer 2 Service Station	FAAN Local Airport, Km. 2, Ikeja.
25.	Dr. Desmond Amegbeboh	Oregun Service Station	Kudirat Abiola way, Oregun Ikeja.
26.	Mrs Tola Aworh	Poly South Service Station	South Gate, The Polytechnic, Ibadan.
27.	Mr.Paul Nwokobia	Mile 2 Mega Station	109 Ikwerre Road, by Ikoku Junction, Port Harcourt.
28.	Hon. Andrew Momodu	Airport Road Service Station	Along Air Port Road Benin City
29.	Prince Simeon Ajibola	Ikere Filling Station Ikere Ekiti	Along Ado/Ikere Road Ikere Ekiti
30.	Alhaji Mohammed Okeji	Millenium Estate Service Station	Plot 3283 Sabon Lugbe Extension, Airport Road, Lugbe, Abuja.

17. Post balance sheet events

There were no post balance sheet events which could have had a material effect on the state of affairs of the Company as at 31st December 2020 and on the profit for the period to that date which have not been adequately provided for.

18. Human resources policy

(i). Recruitment

The Company conforms with all regulatory requirements in the employment of staff, whilst also ensuring that only fit and proper persons are approved for appointment to board or top management positions. All prescribed pre-employment screening for prospective employees and other requirements for regulatory confirmation of top management and expatriates' appointments are duly implemented.

(ii). Diversity and Inclusion

The Company treats all employees, prospective employees and customers fairly and equally, regardless of their gender, sexual orientation, family status, race, colour, nationality, ethnic or national origin, religious belief, age, physical or mental disability, or any such factor. In the coming years, the Company seeks to increase the female representation at Board and Top Management levels respectively, subject to identification of candidates with appropriate skills. For the purpose of this statement, "Board" refers to Managing Director/CEO, Executive Directors and Non-Executive Directors while 'Top Management' refers to the Managing Director and the Heads of Departments in the company.

Gender Analysis	Male	Female	Total	Ratio
Permanent staff	168	24	192	7:1
Expatriates	16	0	16	16:0
Others	470	28	498	17:1

19. Employment and employees

(i). Employment of disabled persons

The Company's employment policies ensure that there is no discrimination in considering application for employment including those of disabled persons. As at 31st December 2020, there were 3 (three) disabled persons in the employment of the Company.

(ii). Employees involvement

During the year, the Company maintained good relationship with its employees. To enhance communication between management and staff, management briefings were extended to all levels of staff during the year. These efforts were supplemented by regular consultative departmental / divisional meetings and in-house bulletins to keep employees informed on the state of the Company's operations.

(iii). Employees development

The development and training of the Company's staff continue to receive constant attention. It is the belief of the Company that the professional and technical expertise of its staff constitutes a major asset. The Company has established a Training School for Staff to initiate and foster a culture of excellence in its operations and service delivery.

(iv). Welfare

The Company operates the requisite Insurance cover for the varied cadre of its employees including Employee Compensation Act contributions for the benefits of its employees. Employees are insured against occupational and other hazards. The Company also operates a contributory pension plan in line with the Pension Reform Act 2004 (amended in 2014) as well as a terminal payment scheme for its employees.

(v). Health

The Company maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. The Company maintains well-equipped medical clinics at its head office and other major operational locations. This is complemented by medical services during and after working hours by medical retainers in locations across the country. Staff also enjoy medical insurance with negotiated bulk benefits from credible Health Maintenance Organizations under the National Health Insurance Scheme (NHIS).

(vi). Safety and environment

To enhance the health and safety of all employees, safety regulations are conspicuously displayed and enforced in all the Company's offices and installations. .Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises.

The Company carries out safety and operations inspections on a regular basis. It also provides safety equipment in all its installation and retail outlets. In addition, safety training is provided for staff. Fire-fighting drills are regularly carried out to keep workers at alert in the event of a fire outbreak. The Company lays emphasis on industrial hygiene, and inspection, and provides good sanitary facilities for its employees. The Company ensures non-pollution of the environment within its areas of operation.

20. Compliance with code of corporate governance

Conoil Plc ("the Company")is committed to carry on its operations in a fair, honest and transparent manner in compliance with the best practice and procedure in Corporate Governance. With the goal to deliver greater shareholder value, the Company has continued to subject its operations to the high standards of corporate governance, which is an essential foundation for sustainable corporate success. We are dedicated to uphold the creed and principles of good Corporate Governance in all our operations which is the bedrock of the public trust and confidence reposed in us by shareholders, business partners, employees and the financial markets; and the key to our continued long-term success.

Particularly, the Company complies with the provisions of the Code of Best Practices on Corporate Governance in Nigeria and the requirements of the current Nigerian Code of Corporate Governance. The Company adopts a responsible approach in its activities by maintaining a high standard of openness and accountability while also taking into consideration the interest of stakeholders.

20. Compliance with code of corporate governance (Continued)

During the year under review, Conoil Plc duly observed all regulations guiding its activities. Conoil Plc established structures / mechanism to enhance its internal control while the efficiency of measures for enhancing operational and compliance control are continually reviewed from time to time. The Company executed various governance activities which included the review of the mandate of all the Board Committees in order to align same with leading practices and extant regulations. The Board and its Committees also carried out self-assessment to review their compliance with their terms of reference. Entrenched in the fibre of Conoil Plc is the culture of openness which promotes healthy discourse and encourages employees to report improper activities. The belief that success is only worth celebrating when achieved the right way through a process supported and sustained with the right values remains one of the Company's guiding principles.

20.1 The Board

The Board of Directors is responsible for the governance of the Company and is accountable to shareholders for creating and delivering sustainable value through the management of the Company's business. The Board is committed to the highest standards of business integrity, ethical values and governance. It recognizes the responsibility of the Company to conduct its affairs with transparency, prudence, fairness, accountability and social responsibility, thereby safeguarding the interests of all stakeholders. The Board ensures that an appropriate level of checks and balances is maintained, in order to ensure that decisions are taken with the best interest of the Company's stakeholders in mind. The company's Directors possess the right balance of expertise, skills and experience, which translates to an effective Board and executive management team capable of steering the affairs of the Company in an ever changing and challenging environment. The Board determines the overall strategy of the Company and follows up on its implementation, supervises the performance of the Company and ensures adequate management, thus actively contributing to developing the Company as a focused, sustainable and global brand. The synergy between the Board and Management fosters interactive dialogue in setting broad policy guidelines in the management and direction of the Company to enhance optimal performance and ensures that associated risks are properly managed. Furthermore, the Board plays a central role in conjunction with Management in ensuring that the Company is financially balanced, well governed and risks are identified and well mitigated.

In addition to the Board's direct oversight, the Board exercises its oversight responsibilities through five (5) Board Committees. Members of the Board of Directors are seasoned professionals, who have excelled in various sectors including accounting, engineering, oil and gas, telecommunications, manufacturing and banking. They possess the requisite integrity, skills and experience to bring to bear independent judgment on the deliberations of the Board and decisions of the Board. They have a good understanding of the Company's business and affairs to enable them properly evaluate information and responses provided by Management, and to provide objective challenge to management.

The Board meets quarterly and additional meetings are convened as required. Material decisions may be taken between meetings by way of written resolutions, as provided for in the Articles of Association of the Company. The Directors are provided with comprehensive information at each of the quarterly Board meetings and are also briefed on business developments between Board meetings.

20.2 Responsibilities of the Board

The Board has ultimate responsibility for determining the strategic objectives and policies of the Company to deliver long-term value by providing overall strategic direction within a framework of rewards, incentives and controls. The Board has delegated the responsibility for day-to-day operations of the Company to Management and ensures that Management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives. In fulfilling its primary responsibility, the Board acknowledges the relationship between good governance and risk management practices, in relation to the achievement of the Company'sstrategic objectives and good financial performance.

20. Compliance with code of corporate governance (Continued)

20.2 Responsibilities of the Board (Cont'd)

Notwithstanding the delegation of the operation of the Company to Management, the Board reserved certain powers which include the approval of quarterlyand full year financial statements (whether audited or unaudited) and any significant change in accounting policies and/or practices; approval of major changes to the Company's corporate structure and changes relating to the Company's capital structure or its status as a public limited company; the determination and approval of the strategic objectives and policies of the Company to deliver long-term value; approval of the Company's strategy, medium and short term plan and its annual operating and capital expenditure budget; appointment or removal of Company Secretary; recommendation to shareholders of the appointment or removal of auditors and the remuneration of Auditors; approval of resolutions and corresponding documentation for shareholders in general meeting(s), shareholders circulars, prospectus and principal regulatory filings with the Regulators. Other powers reserved for the Board are the determination of Board structure, size and composition, including appointment and removal of Directors, succession planning for the Board and senior management and Board Committee membership; approval of mergers and acquisitions, expansion and establishment of subsidiaries; approval of remuneration policy and packages of the Managing Director and other Board members, appointment of the Managing Director and other Directors nominated by the Company; approval of the Board performance evaluation process, corporate governance framework and review of the performance of the Managing Director; approval of policy documents on significant issues including Enterprise-wide Risk Management, Human Resources, Credit, Corporate governance and Anti – Money laundering, and approval of all matters of importance to the Company as a whole because of their strategic, financial, risk or reputational implications or consequences.

20.3 Role of the Chairman and Chief Executive

The Chairman's main responsibility is to lead and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Chairman is responsible for ensuring that Directors receive accurate, timely, and clear information to enable the Board to make informed decisions and provide advice to promote the success of the Company. The Chairman also facilitates the contribution of Directors and promotes effective relationships and open communications between Executive and Non-Executive Directors, both inside and outside the Boardroom.

20.4 Role of the Managing Director / Chief Executive Officer

The Board has delegated the responsibility for the day-to-day management of the Company to the Managing Director/Chief Executive Officer, who is supported by Executive Management. The Managing Director executes the powers delegated to him in accordance with guidelines approved by the Board of Directors. Executive Management is accountable to the Board for the development and implementation of strategies and policies. The Board regularly reviews group performance, matters of strategic concern and any other matter it regards as material.

20.5 Board Composition

The Company's Articles of Association provide that the Company's Board of Directors shall consist of no less than five (5) and not more than fifteen (15) Directors. The Board during the year under review had a Non-Executive Director as Chairman, six (6) other Non-Executive Directors and three (3) Executive Directors. The thorough process for selecting Board members gives premium to educational and professional background, integrity, competence, capability, knowledge, expertise, skills, experience and diversity. During the year under review, the Board provided the required leadership for the Company for prudent and effective risk management while it also ensured that resources were available to enable the Company achieve its aims.

20.6 Board Meetings and Attendance

Members of the Board of Directors hold a minimum of four quarterly meetings to approve the company's business strategy and objectives, decide on policy matters, direct and oversee the Company's affairs, progress, performance, operations, and finances; and ensure that adequate resources are available to meet the Company's goals and objectives. Attendance of Directors at quarterly meetings is very good.

20. Compliance with code of corporate governance (Continued)

20.6 Board Meetings and Attendance (Cont'd)

The Board held four (4) meetings during the financial year ended 31 December 2020. The notice for each meeting was in line with the Company's Articles of Association and Board papers were provided to directors in advance. Senior Executives of the company are from time to time invited to attend Board meetings and make representations of their business units. The Board meetings were held on Tuesday, January 28th, 2020; Thursday, May 7th, 2020; Monday, August 17th, 2020 and Friday, November 27th, 2020. A summary of the record of attendance at Board meetings is presented below.

Names of Directors	28th January 2020	7th May 2020	17th August 2020	27th November 2020
Dr Mike Adenuga (Jr), GCON	P	P	P	P
Mr. Hardeep Kherterpal (Managing Director)	P	P	P	P
Dr M. E. Omatsola	P	P	P	P
Engr. Babatunde Okuyemi	A	P	P	P
Mr Mike Jituboh	P	A	P	P
Mr Ike Oraekwuotu	P	P	P	P
Miss Abimbola Michael - Adenuga	P	P	P	P
Mr. Ismail Salam (Exec. Director, Finance)	P	P	P	P
Mr Joshua Ariyo	P	P	P	P
Mr Ademola Idowu	P	P	P	P

Attendance keys: P=Present; A= Absent with apology.

20.7 Board committees:

The Board carries out its responsibilities through its Standing Committees, which have clearly defined terms of reference, setting out their roles, responsibilities, functions and scope of authority. The Board has five (5) Standing Committees alongside other Board Supervised Management Committees:

- **i.** Executive Board Committee;
- **ii.** Operation Review Committee;
- **iii.** Risk Management Committee;
- **iv.** Remuneration Committee; and
- **v.** Statutory Audit Committee.

Through these Committees, the Board is able to effectively carry out its oversight responsibilities and take advantage of individual expertise to formulate strategies for the Company. The Committees make recommendations to the Board, which retains responsibility for final decision making. All Committees in the exercise of their powers so delegated conform to the regulations laid down by the Board, with well-defined terms of reference. The Committees render reports to the Board at the Board's quarterly meetings. A summary of the roles, responsibilities, composition and frequency of meetings of each of the Committees are

20. Compliance with code of corporate governance (Continued)

20.7 Board committees (cont'd)

i. The Executive Board Committee

I. The Executive Board Committee, led by the Managing Director and comprising the Executive Directors, sets the Company's priorities and targets, allocates resources and ensures the effective running of the Company. The Executive Board ensures that the Company's resources are fully utilized to meet the Company's goals. The Committee held five (5) meetings on Monday, 6th January 2020; Tuesday, 7th April 2020;Thursday, July 9th 2020, Wednesday, 16th September, 2020; and Friday 11th December 2020.

Names	6th January 2020	7th April 2020	9th July 2020	16thSeptember 2020	11th December 2020
Mr. Hardeep Kherterpal	P	P	P	P	P
Miss Abimbola Michael - Adenuga	P	P	P	P	P
Mr. Ismail Salam	P	P	P	P	P

Attendance keys: P=Present

ii. Operation Review Committee

Members of this Committee are one Executive Director and two non-executive Directors. Mr. Mike Jituboh, a non-executive Director is Chairman of the Committee and the Head, Internal Audit in attendance. The Committee deliberates on matters relating to the general Operating Expenditure (OPEX), Capital Expenditure (CAPEX), general finance and administration of the Company and reports same to the Board. The Committee held three (3) meetings on Tuesday, 17th March 2020; Wednesday, 26th August 2020; and Friday, 27th November, 2020. The meetings were well attended.

Names	17th March, 2020	26th August 2020	27th November 2020
Mr. Mike Jituboh	P	P	P
Ms. Abimbola Michael - Adenuga	P	P	P
Mr. Joshua Ariyo	P	P	P

Attendance key: P=Present

iii. Risk Management Committee

This Committee is tasked with the responsibility of setting and reviewing the Company's risk policies. The coverage of supervision includes the following: Credit Risk, Reputational Risk, Operations Risk, Technology Risk, Market Risk, Liquidity Risk and other pervasive risks as may be posed by the events in the industry at any point in time. The Terms of Reference of the Board Risk Management Committee include to:

• Review and recommend for the approval of the Board, the Company's Risk Management Policies including the risk profile and limits;

• Determine the adequacy and effectiveness of the Company's risk detection and measurement systems and controls;

• Evaluate the Company's internal control and assurance framework annually, in order to satisfy itself on the design and completeness of the framework;

• Oversee Management's process for the identification of significant risks across the Company and the adequacy of risk mitigation, prevention, detection and reporting mechanisms;

• Review and recommend to the Board for approval, the contingency plan for specific risks;

• Review the Company's compliance level with applicable laws and regulatory requirements which may impact on the Company's risk profile;

• Conduct periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the Company's risk profile;

• Handle any other issue referred to the Committee from time to time by the Board.

20. Compliance with code of corporate governance (Continued)

iii. Risk Management Committee (cont'd)

The Chief Risk Officer of the Company presents regular briefings to the Committee at its meetings. The Committee met three (3) times during the financial year ended December 31, 2020 on Wednesday, 19th February 2020, Tuesday, 16th June 2020 and Friday, 20th November 2020. The Board Risk Management Committee comprised the following members during the year under review:

Names	19th February 2020	16th June 2020	20th November 2020
Dr. M. E. Omatsola	P	P	P
Mr. Ike Oraekwuotu	P	P	P
Mr. Ismail Salam	P	P	P

Attendance keys: P=Present

iv. Remuneration Committee

The Board Remuneration Committee has the responsibility of setting the principles and parameters of Remuneration Policy across the Company, determining the policy of the Company on the remuneration of the Managing Director and other Executive Directors and the specific remuneration packages and to approve the policy relating to all remuneration schemes and long-term incentives for employees of the Company.

The Committee is responsible for the determination of remuneration policy and its application for senior executives, performance evaluation, the adoption of incentive plans, and various governance responsibilities related to remuneration to a stand-alone committee, or to any other committee capable of combining it with their existing functions, as is appropriate.

The Committee acts on behalf of the Board on all matters related to the workforce. The Committee held two (2) meetings within the year on Friday, 10th April, 2020 and Thursday, 3rdSeptember 2020. The meetings were well attended.

Names	10th April 2020	3rd September 2020
Mr. Mike Jituboh	P	P
Mr. Ademola Idowu	P	P
Arch. Harcourt Adukeh	P	P

Attendance key: P=Present.

20.8 Audit Committee

This Committee is responsible for ensuring that the Company complies with all the relevant policies and procedures both from the regulators and as laid-down by the Board of Directors. Its major functions include the approval of the annual audit plan of the internal auditors, review and approval of the audit scope and plan of the external auditors, review of the audit report on internal weaknesses observed by both the internal and external auditors during their respective examinations and to ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices. The Committee also reviews the Company's annual and interim financial statements, particularly the effectiveness of the Company's disclosure controls and systems of internal control as well as areas of judgment involved in the compilation of the Company's results. The Committee is responsible for the review of the integrity of the Company's financial reporting and oversees the independence and objectivity of the external auditors, review and ensures that adequate whistle blowing procedures are in place and that a summary of issues reported are highlighted to the Committee; and review the independence of the external auditors and ensures that where non-audit services are provided by the external auditors and that there is no conflict of interest. The Committee has access to external auditors to seek explanations and additional information, while the internal and external auditors have unrestricted access to the Committee, which ensures that their independence is in no way impaired.

The Committee is made up of three (3) Non-Executive Directors and three (3) Shareholders of the Company appointed at Annual General Meetings with the Company Secretary/Legal Adviser as the Secretary. The membership of the Committee at the Board level is based on relevant experience of the Board members, while one of the shareholders serves as the Chairman of the Committee. The Committee has as its Chairman, a member representing the shareholders and holds meetings from time to time to deliberate on Audit Scope & Plan, the Audit Time Table of the Company for the year, the Audited Accounts & unaudited trading results of the Company, Management Letter prepared by the External Auditors of the Company. In the performance of its functions, the Committee has unrestricted, direct access not just to the internal audit department but also to the external auditors.

20. Compliance with code of corporate governance (Continued)

20.8 Audit Committee (Cont'd)

Any shareholder may nominate another shareholder as member of the Audit Committee, by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting. The internal and external auditors are invited from time to time to attend the Meetings of the Committee. The Director of Finance, the Financial Adviser and appropriate members of Management also attend the meetings upon invitation. The Committee is required to meet quarterly and additional meetings may be convened as the need arises. The Statutory Audit Committee of the Company met four (4) times during the year. The meetings were held on Thursday, February 6th, 2020; Tuesday, June 2nd, 2020; Tuesday, September 15th, 2020 and Monday, November 23rd, 2020. The following members served on the Committee during the year ended December 31, 2020:

Names	Designation	06/02/2020	02/06/2020	15/09/2020	23/11/2020
Mr. Oladepo Olalekan Adesina	Chairman Rep. of Shareholders	P	P	P	P
Chief Joshua Oluwole Oginni	Member Rep. of Shareholders	P	P	P	P
Comrade S.B. Aderenle	Member Rep. of Shareholders	P	P	P	P
*Mr. Mike Jituboh	Member Rep. of Shareholders	P	P	P	P
Mr. Ike Oraekwuotu	Member Rep. of Shareholders	P	P	P	P
Mr. Joshua Ariyo	Member Rep. of Shareholders	P	P	P	P

*Mr. Jituboh has stepped down from the Committee in order to comply with the new provisions of Section 404 (3) of the Companies and Allied Matters Act 2020, which requires the Director representatives to be two (2).

20.9 Board Supervised Management Committee

These are Committees comprising senior management staff of the Company. The Committees are risk driven as they are basically set up to identify, analyze, synthesize and make recommendations on risks arising from day to day activities of the Company. They also ensure that risk limits as contained in the Board and Regulatory policies are complied with at all times. They provide inputs for the respective Board Committees and also ensure that recommendations of the Board Committees are effectively and efficiently implemented. They meet as frequently as necessary to immediately take action and decisions within the confines of their powers. The standing Management Committees in the Company are:

- **i.** Management Credit Committee;
- **ii.** Executive Management Committee;
- **iii.** Tender Committee;
- **iv.** Import Committee; and
- **v.** Process and Expenditure Committee.

i. Management Credit Committee

This is the Committee responsible for ensuring that the Company complies fully with the Credit Policy Guide as laid down by the Board of Directors. The Committee also provides inputs for the Board Credit. This Committee reviews and approves credit facilities to individual obligors not exceeding an aggregate sum to be determined by the Board from time to time. The Management Credit Committee is responsible for reviewing and approving all credits that are above the approval limit of the Managing Director as determined by the Board. The Committee reviews the entire credit portfolio of the Company and conducts periodic assessment of the quality of risk assets in the Company. It also ensures that adequate monitoring of credits is carried out. The Committee meets weekly depending on the number of credit applications to be considered.

The secretary of the Committee is the Head of the Credit Control Department of the Company.

20. Compliance with code of corporate governance (Continued)

20.9 Board Supervised Management Committee (Cont'd)

ii. Executive Management Committee

The Committee is comprised of Senior Management staff and Heads of Department. The Committee holds its meetings every Friday to deliberate on daily management operations, business reviews, targets and sundry issues. Members of the Committee are:

The Managing Director	-	Chairman
Finance Director	-	Member
Financial Controller	-	Member
Head, Retail Business	-	Member
Deputy Head, Retail	-	Member
Head of Business, Aviation	-	Member
Head Internal Audit	-	Member
Head, Central Operations Unit	-	Member
Head, Apapa Installation	-	Member
Head, Imports	-	Member
Head, Supply and Distribution	-	Member
Head, Lubricants Business	-	Member
Corporate Affairs Manager	-	Member
IT Manager	-	Member
Head, Credit Control	-	Member
Treasurer	-	Member
Company Secretary/Legal Adviser	-	Member
Head, Human Resources	-	Member

iii. Tender Committee

The Committee holds its meetings every Tuesday and Thursday to conduct negotiation to determine the most technically and commercially competitive bids/vendor. The Committee thereafter makes recommendation to the Management or the Board as the case may be. The members of the Committee are as follows:

Finance Director	-	Chairman
Head, Internal Audit	-	Member
Head, Apapa Installation	-	Member
Procurement Manager	-	Member
Head of User Department concerned	-	Member

iv. Import Committee

The Committee is responsible for the procurement of petroleum products and to ensure that petroleum products are available to the Company timely and at the best possible price. The Committee meets as the need arises on every transaction. The Committee thereafter makes recommendation to the Management or the Board as the case may be for approval. Members of the Committee are as follows:

Managing Director	-	Chairman
Finance Director	-	Member
Head, Imports	-	Member
Head, Central Operations Unit	-	Member

v. Process & Expenditure Committee

The Committee sits to consider all processes and identify areas of bottlenecks that may impede smooth and speedy resolution of issues with a view to having better control in running of the Company. The Committee also scrutinizes all proposed expenditure of the Company to determine that the expenditures are reasonable and fair. The Committee meets every week. The members of the Committee are as follows:

Managing Director	-	Chairman
Financial Controller	-	Member
Head, Internal Audit	-	Member

20. Compliance with code of corporate governance (Continued)

20.10 Conoil Plc and its shareholders

The Company is conscious of and promotes shareholders' rights. It continues to take necessary steps to improve on same. In its interaction with its shareholders, the Company lays emphasis on effective communication. Through its reports and the Annual General Meeting, the Board renders stewardship to the Company's shareholders. Besides these formal relations, the Board has in place other avenues for interaction with shareholders such as other less formal meetings and contacts.

The benefits from contributions, advice and wisdom from the shareholder members of the statutory Audit Committee remain invaluable.The inclusion of the representatives of the shareholders in the Audit Committee and also on the Board ensures that the shareholders are kept abreast of developments in the Company.

20.11 Shareholders

The General Meeting of the Company is the highest decision-making body of the Company. The Company's General Meetings are conducted in a transparent and fair manner. Shareholders have the opportunity to express their opinions on the Company's financial results and other issues affecting the Company. The Annual General Meeting is attended by representatives of regulators such as the Securities and Exchange Commission, the Nigerian Stock Exchange, the Corporate Affairs Commission as well as representatives of Shareholders' Associations. The Company's has a Relations Unit, which deals directly with enquiries from shareholders and ensures that Shareholders' views are escalated to Management and the Board. In addition, quarterly and annual financial results are published in national newspapers.

20.12 Management, Protection of Shareholders' Rights

The Board ensures the protection of the statutory and general rights of shareholders at all times, particularly their right to vote at general meetings. All shareholders are treated equally, regardless of volume of shareholding or social status

20.13 The Company Secretary

The Company Secretary provides a point of reference and support for all Directors. The Company Secretary also consults regularly with Directors to ensure that they receive required information promptly. The Board may obtain information from external sources, such as consultants and other advisers, if there is a need for outside expertise, via the Company Secretary or directly. The Company Secretary is also responsible for assisting the Board and Management in the implementation of the Nigerian Code of Corporate Governance, coordinating the orientation and training of new Directors and the continuous education of Non-Executive Directors; assisting the Chairman and Managing Director to formulate an annual Board Plan and with the administration of other strategic issues at the Board level; organizing Board meetings and ensuring that the minutes of Board meetings clearly and properly capture Board discussions and decisions.

20.14 Insider Trading and Price Sensitive Information

The Company has in place a policy regarding trading in its shares by its Directors and employees on the terms and conditions similar to the standards set out by the Nigerian Stock Exchange. Directors, insiders and their related persons in possession of confidential price sensitive information ("insider information") are prohibited from dealing with the securities of the Company where such would amount to insider trading. Directors, insiders and related parties are prohibited from disposing, selling, buying or transferring their shares in the Company for a "lock up" period commencing from the date of receipt of such insider information until such a period when the information is released to the public or any other period as defined by the Company from time to time. In addition to the above, the Company makes necessary disclosure as required under Rule 111 of the Securities and Exchange Commission ("SEC") Rules and Regulations which stipulates that Directors and top Management employees and other insiders of public companies shall notify the SEC of any sale or purchase of shares in the company, not later than forty-eight (48) hours after such activity. The Directors of the Company comply strictly with the laid down procedure and policy regarding trading in the Company's shares.

20.15 Corporate Social Responsibilities

Interaction with the society

The Company in its activities pays due attention to ethical values, complies with legal requirements and takes into consideration the various stakeholders comprising not just its members but also the general populace and communities where it carries on business. The Company ensures maximum care for the environment where it operates by maintaining the highest environmental standards. Being an employer, supplier and consumer, Conoil Plc contributes to the economic growth of the country.

In order to identify with the aspirations of various sections of the society in which it operates, the Company donated a total sum of N68,000,000.00 (Sixty-eight Million Naira) as charitable contributions during the year. It also championed several initiatives to provide aid and relief in some host communities. A listing of the beneficiary organizations and the amounts donated to them is shown in the table below:

20.14 Corporate Social Responsibilities (cont'd)
Interaction with the society (cont'd)

S/N	Project	Cost Estimate
1	Naval Dockyard Road Reconstruction, Apapa, Lagos.	N1,500,000
2	Community Development Projects in Magcobar Community, Port Harcourt in collaboration with OVH Energy Marketing Limited	N5,000,000
3	De-silting the drainage along Harbour Road, Apapa, Lagos.	N1,000,000
4	Construction of Jetty in Magcobar Community, Port Harcourt, Rivers State (in collaboration with OVH Energy Marketing Limited)	Up to N60,000,000 (2019 – 2020)
5	Donation to the Nigerian Navy Association	N500,000
Total		**Up to N68,000,000**

20.15 Internal Financial Controls

The Company has in place procedures and structures for an effective control environment that promotes an orderly and efficient conduct of the Company's business. These include the safeguarding of the Company's assets and the maintenance of proper accounting records and financial information among others.

The Audit Committee also plays a vital role in ensuring a sound system of internal control.

20.16 Conoil Plc and the Law

Conoil Plc ensures compliance with the laws and regulations guiding its operations in Nigeria. The Company has in place the following Policies which are available on the website of the Company www.conoilplc.com:

i. Securities Trading Policy
ii. Complaint management policy
iii. Code of Conduct and Business Ethics
iv. Anti-Bribery and Corruption Policy
v. Anti-Money Laundering and Combating Terrorism Financing Policy
vi. Market Conduct Policy

21 Regulatory Compliance

The Company complied with all relevant laws and regulations within the year ended December 31, 2020.

22. Auditors

The Auditors, Messrs. Nexia Agbo Abel & Co. having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as the Auditors of the Company. In accordance with Section 401 (2) of the Companies and Allied Matters Act, 2020 therefore, the Auditors will be re-appointed at the next Annual General Meeting of the Company without any resolution being passed.

By order of the Board

Conrad Eberemu
Company Secretary / Legal Adviser
FRC/2017/NBA/00000016701

18 May 2021

Conoil Plc
Bull Plaza
38/39, Marina
Lagos

The Directors of Conoil Plc ("the Company") are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 December 2020, and the results of its operations, cash flows and changes in equity for the period ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act 2020 and the Financial Reporting Council of Nigeria Act, 2011.

In preparing the financial statements, the Directors are responsible for:

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

The Directors are responsible for:

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

Going Concern

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

The financial statements of the Company for the year ended 31 December 2020 were approved by the Directors on 18 May 2021.

On behalf of the Directors of the Company

Mr. Salam Ismail Ajani	**Dr. M. Ebietsuwa Omatsola**	**Mr. Kheterpal Hardeep Singh**
Finance Director	Director	Managing Director
FRC/2018/ICAN/00000018798	FRC/2013/COMEG/00000003735	FRC/2018/NIM/00000018841

CERTIFICATION IN PURSUANT TO S. 60(2) OF THE INVESTMENT & SECURITIES ACT NO. 29 OF 2007

We, the undersigned, hereby certify the following with regards to Audited Financial Statements for the period ended 31 December 2020 that:

a. We have reviewed the reports;

b. To the best of our knowledge, the report does not contain:
   i. Any untrue statement of a material fact, or
   ii. Omit to state a material fact, which would make the statements misleading in the light of the circumstance under which such statement was made.

c. To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operations of the Company as of, and for the periods presented in the reports.

d. We:
   i. Are responsible for establishing and maintaining internal controls;
   ii. Have designed such internal controls to ensure that material information relating to the company and its consolidated subsidiary is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
   iii. Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date.
   iv. Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date.

e. We have disclosed to the Auditors of the Company and Audit Committee:
   i. All significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's Auditors any material weakness in internal controls; and
   ii. Any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls.

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

Mr. Salam Ismail Ajani	**Mr. Kheterpal Hardeep Singh**
Finance Director	Managing Director
FRC/2018/ICAN/00000018798	FRC/2018/NIM/00000018841

CERTIFICATION IN COMPLIANCE WITH RULE 17.15 DISCLOSURE OF DEALINGS IN ISSUER'S SHARES

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Conoil Plc maintains effective Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares.

The Policy is regularly reviewed and updated by the Board. The Company has made specific inquiries of all the directors and other insiders and is not aware of any infringement.

Mr. Salam Ismail Ajani
Finance Director
FRC/2018/ICAN/00000018798

Mr. Kheterpal Hardeep Singh
Managing Director
FRC/2018/NIM/00000018841

SHAREHOLDING STRUCTURE/FREE FLOAT STATUS

Description	31-Dec-20		31-Dec-19	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	693,952,117.00	100	693,952,117.00	100
Substantial Shareholdings (5% and above)				
Conpetro Limited	516,298,603.00	74.40	516,298,603.00	74.40
Total Substantial Shareholdings	516,298,603.00	74.40	516,298,603.00	74.40
Directors Shareholdings (Direct & Indirect), Excluding Directors with substantial Interests				
Dr. M. E. Omatsola	541.00	0.000001	541	0.000001
Engr. Babatunde Okuyemi	8,500.00	0.000012	8,500	0.000012
Mr. Joshua Ariyo	25,365.00	0.000037	25,365	0.000037
Mr. Ademola Idowu	15,125.00	0.000022	15,125	0.000022
Total Directors Shareholding	49,531.00	0.000071	49,531	0.000071
Other Influential Shareholdings	Nil	Nil	Nil	Nil
Total Other Influential Shareholdings	**Nil**	**Nil**	**Nil**	**Nil**
Free Float in Units and Percentage	**168,336,550.00**	**24.26%**	**168,336,550**	**24.26%**

DECLARATION:

Conoil Plc with a free float percentage of 24.26% as at 31 December 2020, is compliant with The Exchange's Free Float requirements for the companies listed on the Main Board.

Nexia
Agbo Abel & Co

43 Anthony Enahoro Street
Utako District
Abuja - Nigeria.

T: +234 (0) 809. 238. 4074
E: info@nexianigeria.com

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF CONOIL PLC
ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **Conoil Plc** which comprise the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information set out on pages 31 to 62.

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Conoil Plc** as at 31 December 2020 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, Companies and Allied Matters Act 2020 and the Financial Reporting Council of Nigeria Act No 6, 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the requirements of the Institute of Chartered Accountants of Nigeria Professional Code of Conduct and Guide for Accountants (ICAN Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition		
See note 3.3 and note 5 to the financial statements.		
Key audit matter	**How our audit addressed the matter**	
Revenue is a significant measure of the performance of the Company.	-	We carried out a test of control to confirm the design, implementation and operating effectiveness of the controls around revenue completion and cut-off across individual product lines.
"There is an inherent risk of misstatement due to the nature and significance of revenue to management and stakeholders. Also, due to the impact of COVID 19 pandemic on the company's operations, there is heightened pressure from management to report higher revenue.	-	We evaluated the appropriateness of the revenue recognition policies and methods and checked if applied consistently in compliance with IFRS 15.
	-	We performed substantive analytical procedures to ensure that revenue earned in the current period has been completely captured approriately and investigated differences in excess of the threshold.
	-	We reviewed basis of valuation of foreign denominated contracts for appropriateness.
	-	We selected samples and tested early and late cut off of sales. Focus was on sales made before and after the year end to ensure they were recorded in the appropriate period.

Key audit matters (Continued)

Contingent liabilities	
See note 3.14 and note 35 to the financial statements.	
Key audit matter	**How our audit addressed the matter**
Contingent liabilities relate to estimates including costs related to litigation and claims. The Company is exposed to a number of litigation and claims from suppliers. In recognising the contingent liabilities, the Directors determine their best estimate of related expenses and liabilities based on their judgment of specific details of the individual litigation and claims. Since actual expenses will depend on the future outcome of the litigation and claims, the provision for contingent liabilities is subject to inherent uncertainty.	- We received the list of outstanding litigation and claims and discussed the developments in the new and outstanding litigation and claims. - We considered management's assessment of the possible outcome of the litigation and claims for selected cases by discussing the matters with the legal team. - We reviewed the likelihood of each contingent event and estimated the impact on the financial statements. This was corroborated with confirmations from solicitors. - We recomputed the provisions for significant provisions.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regards.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Companies and Allied Matters Act 2020, the Financial Reporting Council of Nigeria Act No 6, 2011, the International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

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

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
ii) the Company have kept proper books of account, so far as appears from our examination of those books; and
iii) the statements of financial position and comprehensive income are in agreement with the books of account and returns.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
36/ICAN
0584919

Abel Onyeke, FCA - FRC/2012/ICAN/00000000119

for: Nexia Agbo Abel & Co
Chartered Accountants
Abuja, Nigeria
18 May 2021

Conoil

REPORT OF THE AUDIT COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2020

In compliance with the provisions of Section 407 of the Companies and Allied Matters Act 2020, we confirm that we have:

1. Reviewed the scope and planning of the audit requirements
2. Reviewed the external auditors' Management Letter for the year ended 31 December 2020 as well as the Management's response thereon; and
3. Ascertained that the accounting and reporting policies of the Company for the year ended 31 December 2020 are in accordance with legal requirements and agreed ethical practices.

In our opinion, the scope and planning of the audit for the year ended 31 December 2020 were adequate and Management's responses to the External Auditors' findings were satisfactory.

In addition, the scope, planning and reporting of these Financial Statements were in compliance with the requirement of the Financial Reporting Standards as adopted by the Company.

Mr. Adesina Olalekan Oladepo
Chairman
FRC/2013/NIM/00000003678

18 May 2021

Members of the Audit Committee

Chief Joshua Oluwole Oginni
Comrade S.B. Aderenle
Mr. Mike Jituboh
Mr. Ike Oraekwuotu
Arch. Harcourt Adukeh

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 N'000	2019 N'000
Revenue	5	117,470,576	139,758,285
Cost of sales	6	(107,652,191)	(126,319,031)
Gross profit		**9,818,385**	**13,439,254**
Other operating income	7	151,738	116,502
Other gains or losses	8	134,385	67,772
Distribution expenses	9	(2,071,570)	(3,074,330)
Administrative expenses	10	(5,182,872)	(6,603,406)
Finance cost	11	(704,573)	(1,113,323)
Profit before tax	12	**2,145,493**	**2,832,469**
Income tax expense	13	(705,308)	(860,147)
Profit for the year		**1,440,185**	**1,972,322**
Other comprehensive income for the year net taxes		-	-
Total comprehensive income		**1,440,185**	**1,972,322**
Earnings per share			
Basic earnings per share (kobo)	14	208	284
Diluted earnings per share (kobo)	14	208	284

The notes on pages 31 to 67 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

Assets	Note	2020 N'000	2019 N'000
Non-current assets			
Property, plant and equipment	15	2,299,567	3,072,094
Intangible assets	16	35,054	49,684
Investment property	17	148,950	198,600
Other financial assets	18	10	10
Prepayments	19	77,559	59,559
Deferred tax assets	13	2,374,681	2,677,565
Total non-current assets		**4,935,821**	**6,057,512**
Current assets			
Inventories	20	7,387,937	9,823,798
Trade and other receivables	21	30,570,237	40,441,201
Prepayments	19	76,134	181,906
Cash and bank balances	22	5,894,536	7,080,449
Total current assets		**43,928,844**	**57,527,354**
Total assets		**48,864,665**	**63,584,866**
Equity and liabilities			
Equity			
Share capital	23	346,976	346,976
Share premium	23	3,824,769	3,824,769
Retained earnings	24	15,348,273	15,295,992
Total equity		**19,520,018**	**19,467,737**
Non - Current liabilities			
Distributors' deposits	27	498,933	499,033
Deferred tax liabilities	13	401,385	734,179
Decommissioning liability	28	64,475	60,435
Total non-current liabilities		**964,793**	**1,293,647**
Current liabilities			
Borrowings	25	189,730	9,150,541
Trade and other payables	26	25,890,041	31,578,330
Current tax payable	13	2,300,083	2,094,610
Total current liabilities		**28,379,854**	**42,823,481**
Total liabilities		**29,344,647**	**44,117,128**
Total equity and liabilities		**48,864,665**	**63,584,865**

These financial statements were approved by the Board of Directors on 18 May 2021 and signed on its behalf by:

Mr. Salam Ismail Ajani	**Dr. M. Ebietsuwa Omatsola**	**Mr. Kheterpal Hardeep Singh**
Finance Director	Director	Ag. Managing Director
FRC/2018/ICAN/00000018798	FRC/2013/COMEG/00000003735	FRC/2018/NIM/00000018841

The notes on pages 31 to 67 form part of these financial statements.

Conoil

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2020

	Share capital	Share premium	Retained earnings	Total equity
	N'000	N'000	N'000	N'000
Balance at 1 January 2019	**346,976**	**3,824,770**	**14,129,328**	**18,301,074**
Profit for the year	-	-	1,972,322	1,972,322
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income	-	-	**1,972,322**	**1,972,322**
Prior year adjustments	-	-	582,246	582,246
Dividends to shareholders	-	-	(1,387,904)	(1,387,904)
Balance at 31 December 2019	**346,976**	**3,824,770**	**15,295,992**	**19,467,738**
Balance at 1 January 2020	**346,976**	**3,824,770**	**15,295,992**	**19,467,738**
Profit for the year	-	-	1,440,185	1,440,185
Prior year adjustments	-	-	-	-
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income	-	-	**1,440,185**	**1,440,185**
Dividends to shareholders	-	-	(1,387,904)	(1,387,904)
Balance at 31 December 2020	**346,976**	**3,824,770**	**15,348,274**	**19,520,020**

The notes on pages 31 to 67 form part of these financial statements.

Conoil

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 N'000	2019 N'000
Profit before tax		2,145,493	2,832,469
Adjustments to reconcile profit before tax to net cash provided:			
Interest from bank deposits	7	(21,837)	(2,949)
Interest on bank overdraft	11	700,533	1,109,892
Accretion expense	11	4,040	3,431
Depreciation of property, plant and equipment	15	904,650	964,062
Amortisation of intangible assets	16	14,630	16,134
Depreciation of investment property	17	49,650	49,650
Withholding tax credit	13	-	(238,067)
Changes in working capital:			
Decrease/(increase) in inventories		2,435,861	(682,199)
Decrease/(increase) in trade and other receivables		9,958,737	(10,075,257)
Decrease in trade and other payables		(5,601,483)	(3,336,164)
(Increase)/increase in distributors' deposits		(100)	1,999
Cash generated/(used) in operations		10,590,173	(9,357,001)
Tax paid		(529,746)	(268,198)
Value added tax paid		(82,768)	(147,945)
Net cash generated/(used) in operating activities		**9,977,659**	**(9,773,144)**
Cashflows from investing activities			
Purchase of property, plant and equipment	15	(132,123)	(369,308)
Purchase of intangible assets	16	-	(15,977)
Interest received	7	21,838	2,949
Net cash used in investing activities		**(110,285)**	**(382,336)**
Cashflows from financing activities			
Interest paid	11	(704,573)	(1,113,323)
Dividends paid	24	(1,387,904)	(1,387,904)
Net cash used in financing activities		**(2,092,477)**	**(2,501,227)**
Net increase/(decrease) in cash and cash equivalents		**7,774,898**	**(12,656,707)**
Cash and cash equivalents at 1 January		(2,070,092)	10,586,615
Cash and cash equivalents at 31 December	22	**5,704,806**	**(2,070,092)**

The notes on pages 31 to 67 form part of these financial statements.

1. The Company

Conoil Plc ("The Company") was incorporated in 1960. The Company's authorised share capital is 700,000,000 ordinary shares of 50k each.

The Company was established to engage in the marketing of refined petroleum products and the manufacturing and marketing of lubricants, household and industrial chemicals.

1.1 Composition of Financial Statements

The financial statements are drawn up in Nigerian Naira, the financial currency of Conoil Plc, in accordance with IFRS accounting presentation. The financial statements comprise:

- Statement of profit or loss and other comprehensive income
- Statement of financial position
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements

Additional information provided by the management includes:

- Value added statement
- Five-year financial summary

1.2 Financial period

These financial statements cover the financial year from 1 January 2020 to 31 December 2020 with comparative figures for the financial year from 1 January 2019 to 31 December 2019.

2. Adoption of new and revised International Financial Reporting Standards (IFRS) and Interpretations

2.1 Accounting standards and interpretations issued and effective

The following revisions to accounting standards and pronouncements were issued and effective at the reporting period.

Effective for the financial year commencing 1 January 2020

- Amendments to References to Conceptual Framework in IFRS Standards
- Amendments to IAS 1 and IAS 8 - Definition of Material
- Amendments to IFRS 3 – Definition of a Business
- Revised Conceptual Framework for Financial Reporting
- Interest Rate Benchmark Reform (Amendments to IFRS 7, IFRS 9 and IAS 39)
- Covid-19-related Rent Concessions (Amendments to IFRS 16)

2.2 Accounting standards and interpretations issued but not yet effective

The following revisions to accounting standards and pronouncements that are applicable to the Company were issued but are not yet effective. Where IFRSs and IFRIC interpretations listed below permit early adoption, the Company has elected not to apply them in the preparation of these financial statements.

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

Effective for the financial year commencing 1 January 2022

-Property, Plant and Equipment: Proceeds before intended use (Amendments to IAS 16)

- Annual Improvements to IFRS Standards 2018–2020
- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Interest Rate Benchmark Reform (Amendments to IFRS 7, IFRS 9 and IAS 39)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)
- IFRS 17 - Insurance Contracts

2.1 Accounting standards and interpretations issued and effective

All standards and interpretations will be adopted at their effective date and their implications on the Company are stated below:

Standard/Interpretation effective as at 31 December 2020	Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
Amendments to References to Conceptual Framework in IFRS Standards	March 2018	1 January 2020	The main changes to the Framework's principles have implications for how and when assets and liabilities are recognised and derecognised in the financial statements. Under the new framework, a company would book as an asset a right to use the asset, rather than the asset itself. A liability will be recognised if a company has no practical ability to avoid it. This may bring some liabilities on the balance sheet earlier than at present. A company will take an asset off balance sheet when it loses control over all or part of it – i.e. the focus is no longer on the transfer of risks and rewards. Some of the concepts in the revised Framework are entirely new – such as the 'practical ability' approach to liabilities. As they have not been tested as part of any recent standard-setting process, it is unclear what challenges the Board will encounter when using them to develop standards in the future. It is also unclear what challenges preparers of financial statements will face after those future standards become effective.
Amendments to IAS 1 and IAS 8 - Definition of Material	October 2018	1 January 2020	The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information. In particular, the amendments clarify: • that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and • the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.
Amendments to IFRS 3 - Definition of a Business	October 2018	1 January 2020	The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions.

2.1 Accounting standards and interpretations issued and effective (continued)

Standard/Interpretation effective as at 31 December 2020	Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
Revised Conceptual Framework for Financial Reporting	March 2018	1 January 2020	The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include: • increasing the prominence of stewardship in the objective of financial reporting • reinstating prudence as a component of neutrality • defining a reporting entity, which may be a legal entity, or a portion of an entity • revising the definitions of an asset and a liability • removing the probability threshold for recognition and adding guidance on derecognition • adding guidance on different measurement basis, and • stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.
			No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 January 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised Framework.
Interest Rate Benchmark Reform (Amendments to IFRS 7, IFRS 9 and IAS 39)	April 2020	1 January 2020	The amendments made to IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement provide certain reliefs in relation to interest rate benchmark reforms. The reliefs relate to hedge accounting and have the effect that the reforms should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.

2.1 Accounting standards and interpretations issued and effective (continued)

Standard/Interpretation effective as at 31 December 2020	Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
Covid-19-related Rent Concessions (Amendments to IFRS 16)	May 2020	1 June 2020	As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.
			Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

2.2 Accounting standards and interpretations issued but not yet effective

Standard/Interpretation not yet effective as at 31 December 2020	Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
Property, Plant and Equipment: Proceeds before intended use (Amendments to IAS 16)	May 2020	1 January 2022	The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.
Reference to the Conceptual Framework (Amendments to IFRS 3)	May 2020	1 January 2022	The following improvements were finalised in May 2020: • IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities. • IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives. • IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption. • IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.
Annual Improvements to IFRS Standards 2018–2020	May 2020	1 January 2022	Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

2.2 Accounting standards and interpretations issued but not yet effective (continued)

Standard/Interpretation not yet effective as at 31 December 2020	Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)	May 2020	1 January 2022	This amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. The costs that relate directly to a contract can either be the incremental costs of fulfilling that contract such as direct labour, materials or an allocation of other costs that relate directly to fulfilling the contracts such as the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	January 2020	1 January 2023	The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (eg the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.
			The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023.

2.2 Accounting standards and interpretations issued but not yet effective (continued)

Standard/Interpretation not yet effective as at 31 December 2019		Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
IFRS 17	Insurance Contracts	May 2017	1 January 2023	IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of: • Discounted probability-weighted cash flows • An explicit risk adjustment, and • A contractual service margin ("CSM") representing the unearned profit of the contract which is recognised as revenue over the coverage period. The standard allows a choice between recognising changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.
				An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach the entity's share of the fair value changes of the underlying items is included in the contractual service margin. The results of insurers using this model are therefore likely to be less volatile than under the general model. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features. The directors do not anticipate that the application of the Standard in the future will have an impact on the financial statements.

2.2 Accounting standards and interpretations issued but not yet effective (continued)

Standard/Interpretation not yet effective as at 31 December 2020	Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture	December 2015	N/A	The IASB has made limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in Associates and Joint Ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's investments in the associate or joint venture. The amendments apply prospectively.
			In December 2015, the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method. The directors do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

3. Significant accounting policies

3.1 Statement of compliance

The annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies and Allied Matters Act (CAMA) and the Financial Reporting Council of Nigeria Act.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below.

3.2 Accounting principles and policies

The financial statements have been prepared in accordance with the Company's accounting policies approved by the Board of Directors of the Company.

3.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes (where applicable) as provided in the contract with the customers.

Exchanges of petroleum products within normal trading activities do not generate any income and therefore these flows are shown at their net value in both the statement of profit or loss and other comprehensive income and the statement of financial position.

3.3.1 Sale of goods

Revenue is measured based on the consideration stated in the contract with a customer while it recognises revenue when control over the good or service is transferred to a customer.

The timing of the satisfaction of performance obligation in contract with a customer, including significant payment terms and related revenue policies are met when:

- the good or service is delivered to a customer or its premises in line with the contract term.
- the customer accepts the good or service.
- obtain full control of the good or service delivered.
- at a point in time, invoices are generated and revenue is recognised in the books.

3.3.2 Interest revenue

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.3.3 Service income

Service income represents income from Entity's property at service stations while rental income represents income from letting of the entities building. Both service income and rental income are credited to the statement of comprehensive income when they are earned.

3.4 Foreign currency translation

The financial statements of the Company are prepared in Nigerian Naira which is its functional currency and presentation currency.

In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. Significant accounting policies (Continued)

3.5 Pensions and other post-employment benefits

The Company operates a defined contribution pension plan for its employees and pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years.

In addition, payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The Company also operated a gratuity scheme for its qualified employees prior to 2008 which it has discontinued.

3.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

3.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

3.6.2 Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the reporting date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.7 Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at cost less accumulated depreciation and accumulated impairment losses.

The initial cost of the property plant and equipment comprise of its purchase price or construction cost, any directly attributable cost to bringing the asset into operation, the initial estimate of dismantling obligation (where applicable) and any borrowing cost.

3. Significant accounting policies (Continued)

3.7 Property, plant and equipment (Continued)

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and assets under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting year, with the effect of any changes in estimate accounted for on a prospective basis. The basis for depreciation is as follows:

	range	Rate
Freehold land and buildings	20 - 50 Years	5%
Leasehold land and buildings	20 - 50 Years	Over the period of the lease
Plant and machinery	5 - 10 Years	15%
Motor vehicles	2 - 5 Years	25%
Furniture, fittings and equipment:		
- Office furniture	3 - 12 Years	15%
- Office equipment	5 - 15 Years	15%
- Computer equipment	2 - 10 Years	33.33%
Intangible Assets - Software	5 - 10 Years	10%

Freehold land and Assets under construction are not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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

3.8 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets are amortised on a straight-line basis over the following periods:

Software	10 Years	10%

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

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

3.9 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

The initial cost of the investment property comprise of its purchase price or construction cost, any cost directly attributable to bringing the asset into operation, the initial estimating of dismantling obligation (where applicable) and any borrowing cost.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and assets under construction) less their residual values over their useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting year, with the effect of any changes in estimate accounted for on a prospective basis. The basis for depreciation is as follows:

Leasehold land and buildings	20 Years	5%

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year in which the property is derecognised.

3. Significant accounting policies (Continued)

3.10 Impairment of long lived assets

The recoverable amounts of intangible assets and property, plant and equipment are tested for impairment as soon as any indication of impairment exists. This test is performed at least annually. The recoverable amount is the higher of the fair value (less costs to sell) or its value in use.

Assets are grouped into cash-generating units (or CGUs) and tested. A cash-generating unit is a homogeneous group of assets that generates cash inflows that are largely independent of the cash inflows from other groups of assets. The value in use of a CGU is determined by reference to the discounted expected future cash flows, based upon the management's expectation of future economic and operating conditions. If this value is less than the carrying amount, an impairment loss on property, plant and equipment, or on other intangible assets, is recognised either in "Depreciation, depletion and amortization of property, plant and equipment, or in "Other expense", respectively. Impairment losses recognised in prior years can be reversed up to the original carrying amount, had the impairment loss not been recognised.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount in which case the reversal of the impairment loss is treated as a revaluation increase.

3.11 Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

3.12 Inventories

Inventories are valued at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses. Cost is determined on weighted average basis and includes all costs incurred in acquiring the inventories and bringing them to their present location and condition.

3.13 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions and highly liquid short term investments that are convertible into known amounts of cash and are subject to insignificant risks of changes in value. Investments with maturity greater than three months or less than twelve months are shown under current assets.

3.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. Significant accounting policies (Continued)

3.14 Provisions (Continued)

i. Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

ii. Restructuring

A restructuring provision is recognised when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

3.15 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.15.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

a. Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost. Interest income is recognised in profit or loss and is included in the "investment income" line item.

b. Classification of financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

• the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

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

3. **Significant accounting policies (Continued)**

b. Classification of financial assets (Continued)

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

• the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

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

By default, all other financial assets are measured subsequently

Trade and other receivables

Trade and other receivables are initially recognised at fair value, and are subsequently classified as loans and receivables and measured at amortised cost using the effective interest rate method. The provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due in accordance with the original terms of the credit given and includes an assessment of recoverability based on historical trend analyses and events that exist at reporting date. The amount of the provision is the difference between the carrying value and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition.

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

• the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

• the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts are not offset against positive bank balances unless a legally enforceable right of offset exists, and there is an intention to settle the overdraft and realise the net cash simultaneously, or to settle on a net basis. All short term cash investments are invested with major financial institutions in order to manage credit risk.

c. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. The foreign exchange component forms part of its fair value gain or loss. Therefore, for financial assets that are classified as at FVTPL, the foreign exchange component is recognised in profit or loss.

For foreign currency denominated debt instruments measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the financial assets and are recognised in the 'other gains and losses' line item in the Profit or loss.

d. Impairment of financial assets

Financial assets that are measured at amortised cost are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the asset have been affected.

The Company recognises loss allowances for Expected Credit Losses (ECLs) on:

– Financial assets measured at amortised cost;

– Debt investments measured at FVOCI; and

– Contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

– Debt securities that are determined to have low credit risk at the reporting date; and

– Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

3. Significant accounting policies (Continued)

d. Impairment of financial assets (Continued)

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty or
- breach of contract, such as a default or delinquency in interest or principal payments or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation or
- the disappearance of an active market for that financial asset because of financial difficulties

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows reflecting the amount of collateral and guarantee, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written-off against the allowance account.

Subsequent recoveries of amounts previously written-off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

e. Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a financial asset that is classified as fair-value-through-other-comprehensive-income (FVTOCI), the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is reclassified to retained earnings.

3. Significant accounting policies (Continued)

3.15 Financial instruments

3.15.2 Financial liabilities and equity

a. Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

c. Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. The Company does not have financial liabilities classified as financial liabilities 'at FVTPL'.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

d. Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the 'other gains and losses' line item (note 8) in the profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period, For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

e. De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.16 Creditors and accruals

Creditors and accruals are the financial obligations due to third parties and are falling due within one year.

3.17 Asset retirement obligations

Asset retirement obligations, which result from a legal or constructive obligation, are recognised based on a reasonable estimate in the year in which the obligation arises. The associated asset retirement costs are capitalized as part of the carrying amount of the underlying asset and depreciated over the useful life of this asset. An entity is required to measure changes in the liability for an asset retirement obligation due to the passage of time (accretion) by applying a risk-free discount rate to the amount of the liability. The increase of the provision due to the passage of time is recognised as part of finance cost.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these

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

4.1 Critical judgments in applying the accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

4.1.1 Revenue recognition

Revenue is measured based on the consideration stated in the contract with a customer. While the Company recognises revenue when it transfers control over the good or service to a customer.

The timing of the satisfaction of performance obligation in contract with a customer, including significant payment terms and related revenue policies are met when:

- the good or service is delivered to a customer or its premises in line with the contract term
- and the customer accepts the good or service
- and obtain full control of the good or service delivered
- at that point in time, invoices are generated and revenue is recognised in the books.

4.1.2 Contingent liabilities

During the evaluation of whether certain liabilities represent contingent liabilities or provisions, management is required to exercise significant judgment. Based on the current status, facts and circumstances, management concluded that the dispute with one of its former suppliers (as disclosed in Note 35) should be classified as a contingent liability rather than a provision.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation 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 discussed below:

4.2.1 Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the useful lives of property, plant and equipment remained constant.

4.2.2 Decommissioning liabilities

Estimates regarding cash flows, discount rate and weighted average expected timing of cashflows were made in arriving at the future liability relating to decommission costs.

4.2.3 Impairment losses on receivables

The Company reviews its receivables to access impairment at least on an annual basis. The Company's credit risk is primarily attributable to its trade receivables. In determining whether impairment losses should be reported in profit or loss, the Company makes judgments as to whether there is any observable data indicating that there is a measureable decrease in the estimated future cash flow. Accordingly, an allowance for impairment is made where there are identified loss events or condition which, based on previous experience, is evident of a reduction in the recoverability of the cash flows.

4.2.4 Allowance for obsolete inventory

The Company reviews its inventory to assess losses on account of obsolescence on a regular basis. In determining whether an allowance for obsolescence should be recorded in profit or loss, the Company makes judgments as to whether there is any observable data indicating that there is any future saleability of the product and the net realizable value of such products. Accordingly, allowance for impairment, if any, is made where the net realisable value is less than cost based on best estimates by the management.

4. Critical accounting judgements and key sources of estimation uncertainty (Continued)

4.2.5 Valuation of financial liabilities

Financial liabilities have been measured at amortised cost. The effective interest rate used in determining the amortised cost of the individual liability amounts has been estimated using the contractual cash flows on the loans. IAS 39 requires the use of the expected cash flows but also allows for the use of contractual cash flows in instances where the expected cash flows cannot be reliably determined. However, the effective interest rate has been determined to be the rate that effectively discounts all the future contractual cash flows on the loans including processing, management fees and other fees that are incidental to the different loan transactions.

4.2.6 Impairment on non-current assets

Determining whether non-current assets are impaired requires an estimation of the value in use of the cash generating units to which assets have been allocated. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The assets were tested for impairment and there was no indication of impairment observed after testing. Therefore, no impairment loss was recognised during the year.

5. Revenue

The following is the analysis of the Company's revenue for the year from continuing operations (excluding investment income).

	2020	**2019**
	N'000	**N'000**
Revenue from sale of petroleum products	117,470,576	139,758,285

5.1 All the sales were made within Nigeria.

6. Segment information

The reportable segments of Conoil Plc are strategic business units that offer different products. The report of each segment is reviewed by management for resource allocation and performance assessment. Operating segments were identified on the basis of differences in products. The Company has identified three operating and reportable segments: White products, Lubricants and Liquefied Petroleum Gas (LPG). The White products segment is involved in the sale of Premium Motor Spirit (PMS), Aviation Turbine Kerosene (ATK), Dual Purpose Kerosene (DPK), Low-pour Fuel Oil (LPFO) and Automotive Gasoline/grease Oil (AGO). The products under the lubricants segment are Lubricants transport, Lubricants industrial, Greases, Process Oil and Bitumen. Products traded under LPG segment are Liquefied Petroleum Gas - Bulk, Liquefied Petroleum Gas - Packed, cylinders and valves.

6. Segment information (Continued)

The segment results for the year ended 31 December 2020 are as follows:

	White Products N'000	%	Lubricants N'000	%	LPG N'000	%	Total N'000	%
Revenue	109,560,495	93	7,910,081	7		-	117,470,576	100
Cost of sales	(101,547,432)	94	(6,101,700)	6	(3,059)	0	(107,652,191)	100
Gross profit	**8,013,064**		**1,808,381**		**(3,059)**		**9,818,386**	

The segment results for the year ended 31 December 2019 are as follows:

	White Products N'000	%	Lubricants N'000	%	LPG N'000	%	Total N'000	%
Revenue	132,576,015	95	7,182,270	5	-	-	139,758,285	100
Cost of sales	(121,941,477)	97	(4,377,554)	3	-	-	(126,319,031)	100
Gross profit	**10,634,537**		**2,804,716**		**-**		**13,439,254**	

2020 segment cost of sales - Analysis

	White Products N'000	Lubricants N'000	LPG N'000	Total N'000
Stock at 1 January	7,821,538	1,998,424	3,836	9,823,799
Purchases	98,639,549	6,576,781	-	105,216,330
Stock at 31 Decemt	(4,913,655)	(2,473,505)	(777)	(7,387,938)
	101,547,432	**6,101,700**	**3,059**	**107,652,191**

2019 segment cost of sales - Analysis

	White Products N'000	Lubricants N'000	LPG N'000	Total N'000
Stock at 1 January	7,360,859	1,776,904	3,836	9,141,600
Purchases	122,402,156	4,599,074	-	127,001,230
Stock at 31 Decemt	(7,821,538)	(1,998,424)	(3,836)	(9,823,798)
	121,941,478	**4,377,554**	**-**	**126,319,032**

6.1 There is no disclosure of assets per business segment because the assets of the Company are not directly related to a particular business segment.

6.2 There is also no distinguishable component of the Company that is engaged in providing products or services within a particular economic environment and that is subject to risk and returns that are different from those of components operating in other economic environments.

6.3 The stock value in this segment analysis does not include provision for stock loss.

		2020	2019
7.	**Other operating income**		
	Rental income:	**N'000**	**N'000**
	Rental income	20,779	10,995
	Service income	109,121	102,558
	Interest income:		
	Interest from bank deposits	21,837	2,949
		151,738	**116,502**
8.	**Other gains or losses**		
	Exchange gain	134,385	67,772
		134,385	**67,772**
9.	**Distribution expenses**		
	Freight costs	1,848,430	2,879,811
	Marketing expenses	223,140	194,519
		2,071,570	**3,074,330**

10. Administration expenses	**2020**	**2019**
	N'000	**N'000**
Staff cost	2,216,517	2,087,792
Depreciation of property, plant and equipment	904,650	964,062
Rent and rates	495,069	661,796
Litigation claims (Note 35.1)	375,000	1,208,340
Provision for bad and doubtful debts	197,286	357,778
Repairs and maintenance	184,835	282,628
Pension fund - employer's contribution	129,799	132,229
Insurance	81,199	168,816
Security services	66,356	72,153
Throughput others	67,954	71,241
Postages, telephone and telex	64,523	52,538
Depreciation of investment property	49,650	49,650
Own used oil	48,564	99,793
Subscriptions	42,855	18,530
Travelling	20,629	77,517
Annual General Meeting	26,124	45,000
Staff training and welfare	27,475	32,461
Directors' remuneration	28,450	29,850
Consumables, small tools and equipment	21,238	28,430
Water and electricity	21,452	26,595
Audit fee	25,191	25,191
Amortisation of intangible asset	14,630	16,134
Health safety and environmental expenses	13,849	20,029
Printing and stationery	7,014	4,260
Bank charges	6,906	3,414
Vehicle, plant and equipment running	4,887	17,180
Legal and professional charges	2,850	10,275
Medical	4,139	5,134
Entertainment and hotels	3,128	5,051
Other expenses	30,652	29,539
	5,182,872	**6,603,406**

11. Finance cost		
Interest on bank overdraft	700,533	1,109,892
Accretion expense (Note 28)	4,040	3,431
	704,573	**1,113,323**

Bank overdrafts are repayable on demand. The average effective interest rate on bank overdrafts approximates 15% (2019: 18.5%) per annum and are determined based on NIBOR plus lender's mark-up.

The overdraft was necessitated by delay in payment of outstanding subsidy claims from the Federal Government on importation/purchase of products for resale in line with the provision of Petroleum Support Fund Act for regulated petroleum products.

	2020	2019
12. Profit before tax		
This is stated after charging/(crediting) the following:	**N'000**	**N'000**
Depreciation of property, plant and equipment	904,650	964,062
Depreciation of investment property	27,475	32,461
Director's emoluments	67,954	71,241
Auditors remuneration	25,191	25,191
Amortisation of intangible asset	4,887	17,180
Exchange gain	(134,385)	(67,772)

13. Taxation

13.1 Income tax recognised in profit or loss

	2020	2019
Current tax		
Income tax	673,142	715,289
Education tax	62,077	75,999
Deferred tax		
Deferred tax (credited)/charged in the current year	(29,911)	68,859
Total income tax expense recognised in the current year	705,308	860,147
At 1 January	2,094,610	1,809,587
Payment during the year	(529,746)	(268,198)
Withholding tax utilised during the year	-	(238,067)
Transfer to deferred tax (Note 13.1)	29,911	(68,859)
Per statement of financial position	**2,300,083**	**2,094,610**
Balance above is made up of :		
Company income tax	2,111,218	1,906,042
Education tax	188,585	188,288
Capital gains tax	280	280
	2,300,083	**2,094,610**

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

	2020	2019
Profit before tax from operations	**2,145,493**	**2,832,469**
Expected income tax expense calculated at 30% (2019: 30%)	643,648	849,741
Education tax expense calculated at 2% (2019: 2%) of assessable profit	62,077	75,999
Effect of expenses that are not deductible in determining taxable profit	287,503	290,248
Investment allowance	(418)	(6,764)
Effect of capital allowance on assessable profit	(257,591)	(417,936)
Timing difference recognised as deferred tax asset	(29,911)	68,859
Income tax expense recognised in profit or loss	**705,308**	**860,146**
Adjustments recognised in the current year in relation to the tax of prior years	-	-
	705,308	**860,146**

The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act CAP C21 LFN 2004 as amended to date, tertiary education tax charge is based on the Tertiary Education Trust Fund Act, 2011 and Capital Gains Tax Act CAP C1 LFN 2004.

13. Taxation (Continued)

13.2 Deferred tax

	2020	2019
Deferred tax assets and liabilities are attributable to the following;	N'000	N'000
Deferred tax assets	2,374,681	2,677,565
Deferred tax liabilities	(401,385)	(734,179)
Deferred tax assets (net)	1,973,296	1,943,386

Deferred tax assets

	Property, plant and equipment	Provisions and others	Total
	N'000	N'000	N'000
Balance at 1 January 2020	-	(2,677,565)	**(2,677,565)**
Charged to profit or loss	-	302,884	**302,884**
Balance at 31 December 2020	**-**	**(2,374,681)**	**(2,374,681)**

Deferred tax liabilities

	Property, plant and equipment	Provisions and others	Total
	N'000	N'000	N'000
Balance at 1 January 2020	734,179	-	**734,179**
Charged to profit or loss	(332,794)	-	**(332,794)**
Balance at 31 December 2019	**401,385**	**-**	**401,385**

Deferred tax as at 31 December 2020 is mainly attributed to the result of differences between the rates of depreciation adopted for accounting purposes and the rates of capital allowances granted for tax purposes. Provision for bad and doubtful debt as well as provision for litigation claims also contributed to the deferred tax asset balance.

14. Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows.

	2020	2019
Earnings	N'000	N'000
Earnings for the purposes of basic earnings per share being net profit attributable to equity holders of the Company	1,440,185	1,972,322
Number of shares	**Number**	**Number**
Weighted average number of ordinary shares for the purposes of basic earnings per share	693,952,117	693,952,117
	2020	**2019**
Basic earnings per 50k share	**Kobo per share**	**Kobo per share**
From continuing operations	208	284
Diluted earnings per 50k share		
From continuing operations	208	284

Earnings per share is calculated by dividing net income by the number of ordinary shares outstanding during the year.

15. Property, plant and equipment	Freehold land	Freehold buildings	Plant & machinery	Furniture & fittings	Motor vehicles	Computer equipment	Total
Cost:	**₦ '000**	**₦ '000**	**₦ '000**	**₦ '000**	**₦ '000**	**₦ '000**	**₦ '000**
As at 1 January 2019	147,766	6,731,754	11,960,026	4,257,238	2,209,178	1,049,303	26,355,265
Additions	-	112,600	106,483	122,201	-	28,024	369,308
At 31 December 2019	147,766	6,844,354	12,066,509	4,379,439	2,209,178	1,077,327	26,724,573
Additions	-	109,385	10,222	8,815	-	3,701	132,123
At 31 December 2020	**147,766**	**6,953,739**	**12,076,731**	**4,388,254**	**2,209,178**	**1,081,028**	**26,856,696**
Accumulated depreciation and impairment loss:							
As at 1 January 2019	-	4,568,116	11,860,377	4,211,547	1,648,116	982,507	23,270,663
Adjustment	-	-	(559,325)	(22,921)	-	-	(582,246)
Charge for the year	-	342,218	370,043	21,534	205,138	25,129	964,062
At 31 December 2019	-	4,910,334	11,671,095	4,210,160	1,853,254	1,007,636	23,652,479
Reclassification	-	-	(9,945)	9,945	-	-	-
Charge for the year	-	347,687	289,585	35,879	205,138	26,362	904,650
At 31 December 2020	**-**	**5,258,021**	**11,950,735**	**4,255,983**	**2,058,392**	**1,033,998**	**24,557,129**
Carrying amount							
At 31 December 2020	**147,766**	**1,695,718**	**125,996**	**132,270**	**150,787**	**47,030**	**2,299,567**
At 31 December 2019	**147,766**	**1,934,020**	**395,414**	**169,279**	**355,924**	**69,691**	**3,072,094**

15.1 Impairment assessment

Impairment assessment of assets in the year under review disclosed no material impairment loss on any of the Company's assets.

15.2 Contractual commitment for capital expenditure

There were no capital commitments for the purchase of property, plant and equipment in the year.

15.3 Assets pledged as security

No asset was pledged as security as at 31 December 2020 (2019: nil)

16. Intangible assets

	2020	2019
Computer software:	**N'000**	**N'000**
Cost:		
As at 1 January	130,321	114,344
Additions during the year	-	15,977
At 31 December	**130,321**	**130,321**
Accumulated amortisation:		
As at 1 January	80,637	64,503
Charge for the year	14,630	16,134
At 31 December	**95,267**	**80,637**
Carrying amount		
At 31 December	**35,054**	**49,684**

17. Investment property

Building:		
Cost:		
As at 1 January	993,000	993,000
Additions during the year	-	-
At 31 December	**993,000**	**993,000**
Accumulated depreciation:		
As at 1 January	794,400	744,750
Charge for the year	49,650	49,650
At 31 December	**844,050**	**794,400**
Carrying amount		
At 31 December 2020	**148,950**	**198,600**

The Company's investment property is held under freehold interests.

18. Other financial assets

Investment in Nigerian Yeast and Alcohol Manufacturing Plc		
Cost	1,846	1,846
Impairment	(1,836)	(1,836)
	10	**10**

Nigerian Yeast and Alcohol Manufacturing Company Plc (NIYAMCO) has stopped business operations for several years, hence the Company has impaired its investments.

19. Prepayments

	2020	2019
	N'000	**N'000**
Current		
Prepaid rent and insurance	76,134	181,906
	76,134	**181,906**
Non-current		
Prepaid rent	77,559	59,559
	77,559	**59,559**

Prepayments are rents paid in advance to owners of properties occupied by Conoil Plc for the purpose of carrying out business in various locations in Nigeria.

		2020	2019
20.	**Inventories**	**N'000**	**N'000**
	White products (Note 20.1)	4,913,655	7,821,538
	Lubricants	2,473,505	1,998,424
	LPG	777	3,836
		7,387,937	9,823,798
	Obsolete stock provision	-	-
		7,387,937	**9,823,798**

20.1 White products include Premium Motor Spirit (PMS), Aviation Turbine Kerosene (ATK), Dual Purpose Kerosene (DPK), Low-pour Fuel Oil (LPFO) and Automotive Gasoline/Grease Oil (AGO).

		2020	2019
21.	**Trade and other receivables**	**N'000**	**N'000**
	Trade debtors	20,833,286	21,499,342
	Allowance for bad and doubtful debts	(5,811,612)	(5,614,326)
		15,021,674	15,885,016
	Bridging claims receivable (Note 21.3)	1,929,655	1,165,399
	Advance from related company (Note 33)	282,936	14,774
	Advance for product supplies	8,620,324	12,731,417
	Deposit for litigation claims (Note 35.2)	4,347,126	4,347,126
	Withholding tax recoverable (Note 21.4)	109,431	-
	Receivables from PPPRA	-	6,061,168
	Other debtors (Note 21.1)	259,091	236,301
		30,570,237	**40,441,201**

21.1	**Other debtors balance includes :**		
	Advance deposits	493,802	486,216
	Insurance claims receivables	29,641	29,835
	Employee advances	48,163	57,194
	Retail outlet statutory fees	24,429	-
	Provision for doubtful advance deposits	(336,944)	(336,944)
		259,091	**236,301**

21.2 Third party trade receivables above are non-interest bearing, and include amounts which are past due at the reporting date but against which the Company has not received settlement. Amounts due from related parties are also unsecured, non-interest bearing, and are repayable upon demand. The Company has a payment cycle of between 30 and 60 days for credit sales. Specific provisions are made for trade debts on occurrence of any situation judged by management to impede full recovery of the trade debt.

The Company does not hold any collateral over these balances.

	2020	2019
Ageing of trade debtors	**N'000**	**N'000**
Current	13,408,749	14,816,706
Less than 90 days	1,094,389	1,073,047
91 - 180 days	913,785	5,471
181 - 360 days	5,449	1,051
Above 360 days	5,410,913	5,614,326
Total	**20,833,286**	**21,510,601**

Based on credit risks and historical payments pattern analysis of customers, the Directors are of the opinion that the unimpaired amounts that are past due by more than 90 days are still collectible in full.

	2020	2019
21. Trade and other receivables (Continued)	**N'000**	**N'000**
Ageing of allowance for bad and doubtful debts		
Less than 90 days	-	-
91 - 180 days	-	-
181 - 360 days	-	-
Above 360 days	5,811,612	5,614,326
Total	**5,811,612**	**5,614,326**

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

	2020	2019
Allowance for bad and doubtful debts	**N'000**	**N'000**
As at 1 January	5,614,326	5,256,548
Provision for the year	197,286	357,778
As at 31 December	**5,811,612**	**5,614,326**

21.3 Bridging claims receivable

Bridging claims are costs of transporting white products such as Premium Motor Spirit (PMS), Dual Purpose Kerosene (DPK) except Aviation Turbine Kerosene (ATK) and Automotive Gas Oil (AGO) from specific Pipelines and Products Marketing Company depots to approved zones which are claimable from the Federal Government. Bridging claims are handled by the Petroleum Equalization Fund. The bridging claims receivable at the end of the year is stated after deduction of a specific provision for claims considered doubtful of recovery.

	2020	2019
21.4 Withholding tax recoverable	**N'000**	**N'000**
As at 1 January	-	64,884
Addition during the year	109,431	173,184
Amount utilised during the year	-	(238,068)
As at 31 December	**109,431**	**-**

22. Cash and cash equivalents		
Cash and bank	5,894,536	7,080,449
Bank overdraft	(189,730)	(9,150,541)
Cash and cash equivalents	**5,704,806**	**(2,070,092)**

The Company did not have any restricted cash at the reporting date (2019: nil).

	2020	2019
23. Share capital		
Authorised	**N'000**	**N'000**
700,000,000 ordinary shares of 50k each	350,000	350,000
Issued and fully paid		
693,952,117 ordinary shares of 50k each	346,976	346,976
Share premium account		
At 31 December	3,824,769	3,824,769

	2020	2019
24. Retained earnings	**N'000**	**N'000**
At 1 January	15,295,992	14,129,328
Dividend declared and paid	(1,387,904)	(1,387,904)
Prior year adjustments	-	582,246
Profit for the year	1,440,185	1,972,322
At 31 December	**15,348,273**	**15,295,992**

At the Annual General Meeting held on 23 October 2020, the shareholders approved that dividend of 200 kobo per share be paid to shareholders (total value N1.39 billion) for the year ended 31 December 2019. In respect of the current year, the Directors proposed that a dividend of 200 kobo per ordinary share be paid to shareholders. The dividend is subject to approval by shareholders at the Annual General Meeting and deduction of withholding tax at the appropriate rate. Consequently, it has not been included as a liability in these financial statements.

	2020	2019
24.1 Dividend	**N'000**	**N'000**
Summary		
As at 1 January	141,429	8,927
Dividend declared	1,387,904	1,387,904
Dividend - Sterling Registrars	-	132,502
	1,529,333	1,529,333
Payments - Meristem Registrars	(1,387,904)	(1,387,904)
As at 31 December	**141,429**	**141,429**

24.2 Unclaimed dividends are the amounts payable to Nigerian shareholders in respect of dividends previously declared by the Company which have been outstanding for more than 15 months after the initial payment.

	Year	No. of Shareholders	2019
			N
Dividend No. 15	2005	84,678	96,704,118
Dividend No. 16	2006	92,078	129,651,096
Dividend No. 17	2007	101,602	175,789,166
Dividend No. 18	2008	98,854	155,953,368
Dividend No. 19	2009	97,128	60,051,838
Dividend No. 20	2010	105,918	117,335,900
Dividend No. 21	2011	106,339	159,632,278
Dividend No. 22	2012	107,944	186,618,512
Dividend No. 23	2013	97,516	75,999,695
Dividend No. 24	2014	97,618	265,140,714
Dividend No. 25	2015	103,594	65,389,328
Dividend No. 26	2016	107,525	213,490,548
Dividend No. 27	2017	110,679	226,378,430
Dividend No. 28	2018	115,673	162,508,651
Dividend No. 29	2019	115,919	160,194,278
Dividend No. 30	2020	-	0
			2,250,837,920

24.3 Dividend per share is based on the issued and fully paid up shares as at 31 December 2020.

	2020	2019
25. Borrowings	**N'000**	**N'000**
Unsecured borrowing at amortised cost		
Bank overdraft	189,730	9,150,541

Bank overdrafts are repayable on demand. The average effective interest rate on bank overdrafts approximates 15% (2019: 18.50%) per annum and is determined based on NIBOR plus lender's mark-up.

There is no security or pledge on the Company's assets with respect to the borrowings.

	2020	2019
26. Trade and other payables	**N'000**	**N'000**
Trade creditors - Local	7,072,915	10,172,032
Bridging contribution (Note 26.2)	4,333,281	4,426,881
Trade creditors - Imported	-	1,673,923
Due to related parties (Note 32)	43,394	546,126
Value added tax payable	502,031	168,789
Withholding tax payable	535,669	328,472
PAYE payable	306,277	155,069
Payables to PPPRA	55,777	140,809
Staff Pension and similar obligations (Note 26.3)	1,608	-
Unclaimed dividend (Note 24.1)	141,429	141,429
Other creditors and accruals (Note 26.1)	12,897,660	13,824,800
	25,890,041	**31,578,330**

	2020	2019
26.1 Other creditors and accruals		
Non-trade creditors (Note 26.4)	5,785,488	7,646,321
Litigation claims	4,350,000	3,975,000
Rent	1,344,997	1,142,890
Insurance premium	803,760	751,721
Employees payables	417,702	126,108
Lube incentives	89,301	34,796
Surcharges	82,342	122,773
Audit fees	24,070	25,191
	12,897,660	**13,824,800**

26.2 Bridging contributions

Bridging contributions are mandatory contributions per litre of all white products lifted to assist the Federal Government defray the Bridging claims.

	2020	2019
26.3 Staff pension	**N'000**	**N'000**
At 1 January	-	1,609
Contributions during the year	238,130	238,130
Remittance in the year	(236,522)	(239,739)
At 31 December	**1,608**	**-**

26.4 Non-trade creditors represent sundry creditors balances for various supplies and contracts carried out but unpaid for as at 31 December 2020.

		2020	2019
27.	**Distributors' deposit**	**N'000**	**N'000**
	At 1 January	499,033	497,034
	New deposits	1,000	3,500
	Refunds	(1,100)	(1,501)
	At 31 December	**498,933**	**499,033**

Distributors' deposit represents amounts collected by the Company from its various dealers and distributors as security deposit against the value of the Company's assets with these dealers.

28. Decommissioning liability

The following table presents the reconciliation of the carrying amount of the obligation associated with the decommissioning of the Company's signages and fuel pumps:

	2020	2019
	N'000	**N'000**
At 1 January	60,435	57,005
Addition	-	-
Asset decommissioned	-	-
Accretion	4,040	3,430
Balance at 31 December	**64,475**	**60,435**

Decommissioning liabilities is accounted for in accordance with IAS 37, Provisions, contingent liabilities and contingent assets and IAS 16, Property, plant and equipment. The associated asset retirement costs are capitalized as part of the carrying cost of the asset. Asset retirement obligations consist of estimated costs for dismantlement and removal of signages and pumps from dealer-owned service stations. An asset retirement obligation and the related asset retirement cost are recorded when an asset is first constructed or purchased.

The asset retirement cost is determined and discounted to present value using commercial lending rate ruling at the reporting period. After the initial recording, the liability is increased for the passage of time, with the increase being reflected as accretion expense in the statement of profit or loss and other comprehensive income.

29. Financial instrument

29.1 Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in the accounting policies in Note 3 to the financial statements.

29.2 Significant accounting policies

Financial asset	2020	2019
	N'000	N'000
Cash and bank balance	5,894,536	7,080,449
Loans and receivables	30,311,145	40,204,900
	36,205,681	**47,285,349**
Financial liabilities		
Financial liabilities at amortized cost:		
Trade and other payables	24,546,065	30,926,000
Borrowings	189,730	9,150,541
	24,735,795	**40,076,541**

29.3 Fair value of financial instruments

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values.

30. Financial risk management

Risk management roles and responsibilities are assigned to stake holders in the Company at three levels: The Board, Executive Committee and Line Managers.

The Board oversight is performed by the Board of Directors through the Board Risk and Management Committee.

The second level is performed by the Executive Management Committee (EXCOM).

The third level is performed by all line managers under EXCOM and their direct reports. They are required to comply with all risk policies and procedures and to manage risk exposures that arise from daily operations.

The Internal Audit Department provides an independent assurance of the risk frame work. They assess compliance with established controls and recommendations for improvement in processes are escalated to relevant management, Audit Committee and Board of Directors.

30.1 Financial risk management objectives

The Company manages financial risk relating to its operations through internal risk reports which analyses exposure by degree and magnitude of risk. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

30.2 Interest rate risk management

The Company is exposed to interest rate risk because the Company borrows funds at both fixed and floating interest rates (overdraft). The risk is managed by the Company by maintaining an appropriate mix between short and long term borrowings. The risk is managed by the Company by constantly negotiating with the banks to ensure that interest are consistent with the monetary policy rates as defined by the Central Bank of Nigeria.

Interest rate risk

Sensitivity Analysis

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

	Average rate	2020	2019
Variable rate instruments:		N'000	N'000
Financial assets	-	-	-
Bank overdrafts	15% (2019: 18.5%	189,730	9,150,541
		189,730	**9,150,541**

Sensitivity Analysis of variable rate instruments

A change of 200 basis points (2%) in interest rates at the reporting date would have increased/(decreased) equity and profit and loss after tax by the amounts shown below:

	Interest charged		Effect of Increase/ Decrease in Exchange Rate
31 December 2020	700,533	+/-2	73,733
31 December 2019	1,109,892	+/-2	116,820

30. Financial risk management (Continued)

30.3 Foreign currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts.

The carrying amounts of the Company's foreign denominated monetary assets and monetary liabilities as at 31 December 2020 are as follows:

	2020	2019
Assets	**N'000**	**N'000**
Cash and bank balance	1,820,646	5,714,452
	1,820,646	**5,714,452**
Liabilities		
Financial liabilities at amortized cost:		
Trade and other payables	-	1,673,923
	-	**1,673,923**

A movement in the exchange rate either positively or negatively by 200 basis points is illustrated below. Such movement would have increased/(decreased) the cash and bank balance by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables in particular interest rates remain constant.

Effect in thousands of Naira 31 December 2020	**Foreign Currency**	**Naira Balance**	**Exchange Rate**	**Effect of Increase/ Decrease in Exchange Rate**
	US$'000	**N'000**		**N'000**
USD	4,761	1,820,646	382.38	36,412.92

Effect in thousands of Naira 31 December 2019	**Foreign Currency**	**Naira Balance**	**Exchange Rate**	**Effect of Increase/ Decrease in Exchange Rate**
	US$'000	**N'000**		**N'000**
USD	15,676	5,714,452	361.4	63,328.20

The weakening of the naira against the above currencies at 31 December would have had an equal but opposite effect on the above currencies to the amount shown above where other variables remain constant.

30.4 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

30. Financial risk management (Continued)

30.5 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established a liquidity risk management framework for the management of the Company's short-medium - and longterm funding and liquidity management requirements. The Company manages liquidity risk by maintaining reserves, banking facilities and reserve borrowing facilities, by monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Financing facilities

Unsecured bank loans and overdrafts payable at call and reviewed annually.

	2020	2019
	N'000	N'000
Amount used	189,730	9,150,541
Amount unused	26,997,270	31,269,459
	27,187,000	**40,420,000**

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the balance sheet date. The contractual maturity is based on the earliest date on which the Company may be required to pay.

31 December 2020	Weighted Average Effective Interest rate	0 - 3 Months	3 month -1 year	Total
	%	N'000	N'000	N'000
Trade and other payables	-	25,890,041	-	25,890,041
Borrowings	15.00	189,730	-	189,730
		26,079,771	**-**	**26,079,771**

31 December 2019	Weighted Average Effective Interest rate	0 - 3 Months	3 month -1 year	Total
	%	N'000	N'000	N'000
Trade and other payables	-	31,578,330	-	31,578,330
Borrowings	18.50	9,150,541	-	9,150,541
		40,728,872	**-**	**40,728,872**

31. Gearing ratio and capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing returns to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from prior year.

The capital structure of the Company consists of debt, which includes the borrowings disclosed in, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in relevant notes in the financial statements.

The Company is not subject to any externally imposed capital requirements. The gearing ratio at the year end is as follows:

	2020	2019
	N'000	N'000
Debt	189,730	9,150,541
Equity	19,520,018	19,467,737
Net debt to equity ratio	**0.01**	**0.47**

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

32. Related party transactions

During the year, the Company traded with the following companies with which it shares common ownership based on terms similar to those entered into with third parties as stated below:

31 December 2020	Sales of Goods	Purchase of Goods	Balance due (to)/from	Deposits/ (Payable)	Overdraft and Term loan
	N'000	N'000	N'000	N'000	N'000
Sterling Bank Plc	-	-	3,063,554	-	-
Glo Mobile Limited	-	(41,579)	(15,227)	-	-
Conoil Producing Limited	586,181	-	-	-	-
Southern Air Limited	47,290	-	282,466	-	-
Proline (WA) Limited	-	(100,259)	(28,167)	-	-
SETA Investment Limited	-	-	470	-	-
	633,472	**(141,838)**	**3,303,095**	**-**	**-**

31 December 2019	Sales of Goods	Purchase of Goods	Balance due (to)/from	Deposits	Overdraft and Term loan
	N'000	N'000	N'000	N'000	N'000
Sterling Bank Plc	-	-	-	-	2,165,176
Glo Mobile Limited	8,564	(45,973)	(8,727)	-	-
Conoil Producing Limited	671,982	-	-	-	-
Southern Air Limited	107,696	-	11,259	-	-
Proline (WA) Limited	-	(161,878)	(37,399)	-	-
SETA Investment Limited	-	-	-	3,515	-
Conpetro Limited	-	-	-	500,000	-
	788,242	**(207,851)**	**(34,867)**	**503,515**	**2,165,176**

32. Related party transactions (Continued)

The Chairman of the Company, Dr Mike Adenuga (Jr.) GCON, has significant interests in Glo Mobile Limited, Principal Enterprises, Southern Air Limited, Sterling Bank Plc (formerly Equitorial Trust Bank), Conoil Producing Limited (formerly Consolidated Oil Limited), Synopsis Enterprises Limited and Conpetro Limited.

During the year, the Company sold petroleum products - Premium Motor Spirit (PMS) and Automotive Gas Oil (AGO) to Conoil Producing Limited. It also sold Aviation Turbine Kerosene (ATK) to Southern Air Limited.

The Company also purchased goods from Glo Mobile Limited and utilizes the service of Proline (WA) Limited to manage its stations.

As at 31 December 2020, N15.2 million was due to Glo Mobile Limited (2019: N8.7 million), N282.3 million (2019: N11.3 million) from Southern Air Limited, N0.47 million (2019: N3.5 million) from Seta Investment Limited and N28.2 million (2019: N37.4 million) to Proline (WA) Limited.

The Company also carried out banking transactions with Sterlings Bank Plc during the period. As at 31 December 2020, the Company had deposits totalled N3.1 billion with the Bank.

33. Capital commitment

There were no capital commitments as at 31 December 2020 (2019: nil).

34. Financial commitment

As at 31 December 2020, the Company had outstanding letters of credit to the tune of N7.2 billion with First Bank of Nigeria Limited (2019: N5.7 billion).

35. Contingent liabilities

The Company is in litigation with Nimex Petrochemical Nigeria Limited (Nimex), one of its former suppliers of products. In 2007, Nimex sued the company for US$3,316,702.71 and US$127,060.62 being demurrage and interest incurred for various supplies of petroleum products. The Federal High Court gave judgment in favour of Nimex in the sum of US$13,756,728 which included the amount claimed and interest at 21% till judgment was delivered and also granted a stay of execution with a condition that the judgment sum be paid into the court. The court also granted a garnishee order against First Bank of Nigeria Limited to pay the Company's money with the bank into the court. Conoil Plc has appealed against the judgment to the Court of Appeal in Abuja. The appeal is pending and the Directors, on the advice of the external solicitors, are of the opinion that the judgement of the Federal High Court will be upturned. The current value of the judgment sum which is N4.3 billion has been fully provided for in these financial statements to mitigate any possible future loss.

36. Post balance sheet events

There were no material events after the reporting period which could have had material effect on the state of affairs of the Company as at 31 December 2020 and the profit for the year then ended date that have not been adequately provided for or recognised in the financial statements.

37. Impact of Covid-19 Pandemic

The whole world and therefore the company is affected by the COVID-19 pandemic which started to impact on its operations as from middle of March 2020. Following Governmental regulations on COVID-19, a shutdown of business activities had been carried out between March and May 2020. After a phased and gradual easing of the lockdown, operations across all conoil depots and stations have resumed. Due to persisting pandemic, the company considered expected future impacts on the basis of the following accounting standards.

1. Expected credit losses under IFRS 9 'Financial instruments'
   COVID-19 can affect the ability of the Company to receive payments as and when due which is an indication of a significant increase in credit risk. For this, the Company reviewed its impairment assessment of trade receivables.

2. Impairment of tangible and intangible assets under IAS 36 'Impairment of non-financial assets'
   As a result of the impact of COVID-19, the Company performed an impairment assessment of assets (in addition to the requirement to perform an impairment test at least annually of goodwill and intangible assets with an indefinite useful life).

The Board of Directors is taking all necessary steps to ensure business continuity for the Company and to protect its turnover, results and cash-flow as much as possible against the impacts from the COVID-19 pandemic and its impact on the Nigerian economy.

37. Information on Directors and employees

37.1 Employment costs:

	2020 N'000	2019 N'000
Employment cost including Directors' salaries and wages, staff training and benefit scheme	2,392,754	2,287,466

37.2 Number of employees of the Company in receipt of emoluments within the bands listed below are:

	2020 Number	2019 Number
Up to 1,000,000	10	10
N1,000,001 - N2,000,000	33	34
N2,000,001 - N3,000,000	24	25
N3,000,001 - N4,000,000	25	27
N4,000,001 - N5,000,000	23	21
N5,000,001 - Above	83	84
	198	**201**

37.3 Average number of employees during the year:

Managerial staff	19	20
Senior staff	167	169
Junior staff	12	12
	198	**201**

37.4 Directors' emoluments:

	2020 N'000	2019 N'000
Emoluments of the chairman	-	-
Directors' fees	1,000	1,500
Emoluments of executives	27,450	28,350
	28,450	**29,850**

37.5 The emoluments of the highest paid Director were N24 million (2019: N29.9 million)

	2020 Number	2019 Number
37.6 Directors receiving no emolument	7	7

37.7 following ranges:

Below N15,000,000	3	3
N15,000,001 - N20,000,000	-	-
N20,000,001 - N25,000,000	-	-
Above N25,000,000	1	1
	4	**4**

	2020 ₦'000	%	2019 ₦'000	%
Revenue	117,470,576		139,758,285	
Other operating income	151,738		116,502	
Other gains and losses	134,385		67,772	
	117,756,699		139,942,559	
Bought in materials and services:				
Imported	1,585,308		(5,714,452)	
Local	(113,192,085)		(126,912,289)	
Value added	**6,149,922**	**100**	**7,315,818**	**100**
Applied as follows:				
To pay employees' salaries, wages, and social benefits:				
Employment cost including Directors salaries and wages, staff training and benefit scheme	2,392,754	39	2,287,466	31
To pay providers of capital:				
Interest payable and similar charges	704,573	11	1,113,323	15
To pay government:				
Taxation	705,308	11	860,147	12
To provide for maintenance and development				
Depreciation	937,013	15	1,013,702	14
Deferred tax	(29,911)	(0)	68,859	1
Retained earnings	1,440,185	22	1,972,322	26
Value added	**6,149,922**	**100**	**7,315,818**	**100**

Value added represents the additional wealth which the Company has been able to create by its employees' efforts. This statement shows the allocation of that wealth between employees, shareholders, government, providers of finance and that retained for the future creation of more wealth.

Conoil

Statement of financial position

	2020	2019	2018	2017	2016
Assets	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Property, plant and equipment	2,299,567	3,072,094	3,084,601	2,519,941	2,438,466
Other non-current assets	261,563	307,842	491,504	550,451	574,275
Other financial assets	10	10	10	10	10
Total current assets	43,928,844	57,527,354	54,908,451	57,372,002	64,070,771
Deferred tax assets	2,374,681	2,677,565	2,412,680	2,412,680	2,749,942
Total assets	**48,864,665**	**63,584,866**	**60,897,246**	**62,855,084**	**69,833,464**
Liabilities					
Total current liabilities	28,379,854	42,823,481	41,641,699	44,045,149	50,384,090
Non-current liabilities	563,409	559,468	554,038	551,226	555,001
Deferred tax liabilities	401,385	734,179	400,435	365,773	428,693
Total liabilities	**29,344,648**	**44,117,128**	**42,596,172**	**44,962,148**	**51,367,784**
Equity					
Share capital	346,976	346,976	346,976	346,976	346,976
Share premium	3,824,769	3,824,770	3,824,770	3,824,770	3,824,770
Retained earnings	15,348,273	15,295,992	14,129,328	13,721,190	14,293,934
Total equity	**19,520,018**	**19,467,738**	**18,301,074**	**17,892,936**	**18,465,680**
Equity and liabilities	**48,864,665**	**63,584,866**	**60,897,246**	**62,855,084**	**69,833,464**
Revenue and profit					
Revenue	117,470,576	139,758,285	122,213,014	115,513,246	85,023,546
Profit before taxation	2,145,493	2,832,469	2,566,765	2,304,627	4,280,549
Taxation	(705,308)	(860,147)	(770,723)	(726,120)	(1,442,665)
Profit after taxation	1,440,185	1,972,321	1,796,042	1,578,507	2,837,664
Profit for the year retained	**1,440,185**	**1,972,322**	**1,796,042**	**1,578,507**	**2,837,884**
Earnings per share (Kobo)	208	284	259	227	409
Dividend per share (Kobo)	150	200	200	200	310
Net Asset per share (Kobo)	2,813	2,805	2,637	2,578	2,661

Note:

Earnings per share are based on profit after tax and the number of ordinary shares in issue at 31 December of every year.

Net assets per share are based on the net asset and number of ordinary shares in issue at 31 December of every year.

Dividend per share is based on the dividend proposed for the year which is subject to approval at the Annual General Meeting divided by the number of ordinary shares of 50k in issue at the end of the financial year.