Conoil

CONOIL PLC
Registered office:
Bull Plaza, 38/39, Marina,
P.M.B. 12915, Lagos.

Operations office:
1, Conoil/AP Road, off Naval Dockyard Road,
P.O.Box 45, Apapa, Lagos.
www.conoilplc.com
RC: 7288

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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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

RESULTS AT A GLANCE

	March 2023 N'000	March 2022 N'000	% Change
Revenue	34,967,564	26,148,587	33.7
Profit before taxation	3,692,866	742,963	397.0
Taxation	(683,181)	(185,741)	267.8
Profit for the year	3,009,685	557,222	440.1
Retained earnings	23,850,154	18,174,844	31.2
Share capital	346,976	346,976	-
Shareholders' funds	28,021,899	22,346,589	25.4
Per share data			
Earnings per share (kobo)	434	80	440.1
Dividend per share (kobo)	-	-	#DIV/0!
Net assets per share (kobo)	4,038	3,220	25.4

In conformity with the provisions of Section 377 of the Companies and Allied Matters Act 2020, the Directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, 2020. In doing so, they ensure that:

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

- Proper accounting records are maintained;
- Applicable accounting standards are complied with;
- Suitable accounting policies are adopted and consistently applied;
- Judgments and estimates made are reasonable and prudent;
- He going concern basis is used, unless it is inappropriate to presume that the Company will continue in business; and
- Internal control procedures are instituted which, as far as is reasonably possible, safeguards the assets and also prevents and detects 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 period ended 31 March 2023 were approved by the Directors on 18 April 2023.

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 the Financial Statements for the period ended 31 March 2023 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
Finance Director
FRC/2018/ICAN/00000018798

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

SHAREHOLDING STRUCTURE/FREE FLOAT STATUS

Description	31-Mar-23		31-Mar-22	
	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				
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 March 2023, is compliant with The Exchange's Free Float requirements for the companies listed on the Main Board.

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

	Note	Jan-Mar 2023 N'000	Jan-Mar 2022 N'000
Revenue	5	34,967,564	26,148,587
Cost of sales	6	(28,959,212)	(23,306,983)
Gross profit		**6,008,352**	**2,841,604**
Other operating income	7	39,671	30,900
Other gains or losses	8	-	-
Distribution expenses	9	(713,481)	(519,498)
Administrative expenses	10	(1,282,172)	(1,314,706)
Finance cost	11	(359,504)	(295,336)
Profit before tax	12	**3,692,866**	**742,963**
Income tax expense	13	(683,181)	(185,741)
Profit for the year		**3,009,685**	**557,222**
Other comprehensive income for the year net taxes		-	-
Total comprehensive income		**3,009,685**	**557,222**
Earnings per share			
Basic earnings per share (kobo)	14	434	80
Diluted earnings per share (kobo)	14	434	80
			-

The notes on pages 13 to 49 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 31 MARCH 2023

Assets	Note	March 2023 N'000	December 2022 N'000
Non-current assets			
Property, plant and equipment	15	1,196,999	1,409,586
Intangible assets	16	10	10
Investment property	17	37,238	49,650
Other financial assets	18	10	10
Prepayments	19	62,108	25,219
Deferred tax assets	13	2,207,361	2,207,361
Total non-current assets		**3,503,726**	**3,691,836**
Current assets			
Inventories	20	15,183,219	5,260,146
Trade and other receivables	21	51,338,690	50,979,568
Prepayments	19	50,579	96,120
Cash and bank balances	22	6,770,193	5,881,568
Total current assets		**73,342,681**	**62,217,402**
Total assets		**76,846,407**	**65,909,238**
Equity and liabilities			
Equity			
Share capital	23	346,976	346,976
Share premium	23	3,824,769	3,824,769
Retained earnings	24	23,850,154	20,840,469
Total equity		**28,021,899**	**25,012,214**
Non - Current liabilities			
Distributors' deposits	27	486,599	486,599
Deferred tax liabilities	13	162,944	162,944
Decommissioning liability	28	102,329	102,329
Total non-current liabilities		**751,872**	**751,872**
Current liabilities			
Borrowings	25	11,784,448	5,705,419
Trade and other payables	26	33,159,296	31,467,097
Current tax payable	13	3,128,892	2,972,636
Total current liabilities		**48,072,636**	**40,145,152**
Total liabilities		**48,824,508**	**40,897,024**
Total equity and liabilities		**76,846,407**	**65,909,238**

These financial statements were approved by the Board of Directors on 18 April 2023 and signed on its behalf by:

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

The notes on pages 13 to 49 form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2023

	Share capital N'000	Share premium N'000	Retained earnings N'000	Total equity N'000
Balance at 1 January 2022	**346,976**	**3,824,769**	**15,348,274**	**19,520,019**
Profit for the period	-	-	557,222	557,222
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income	-	-	**557,222**	**557,222**
Dividends to shareholders	-	-	-	-
Balance at 31 March 2022	**346,976**	**3,824,769**	**15,905,497**	**20,077,242**
Balance at 1 January 2023	**346,976**	**3,824,769**	**20,840,469**	**25,012,214**
Profit for the period	-	-	3,009,685	3,009,685
Prior year adjustments	-	-	-	-
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income	-	-	**3,009,685**	**3,009,685**
Dividends to shareholders	-	-	-	-
Balance at 31 March 2023	**346,976**	**3,824,769**	**23,850,153**	**28,021,898**

The notes on pages 13 to 49 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2023

	Note	March 2023 N'000	Dec 2022 N'000
Profit before tax		3,692,866	6,134,762
Adjustments to reconcile profit before tax to net cash provided:			
Interest from bank deposits	7	-	(6,619)
Interest on bank overdraft	11	359,504	1,465,777
Accretion expense	11	-	5,706
Depreciation of property, plant and equipment	15	212,588	469,546
Amortisation of intangible assets	16	-	24,685
Depreciation of investment property	17	12,413	49,650
Withholding tax credit	13	-	-
Changes in working capital:			
(Increase)/decrease in inventories		(9,923,073)	3,495,176
(Increase)/decrease in trade and other receivables		(350,471)	(16,719,623)
(Decrease) in trade and other payables		2,045,963	9,815,473
(Increase) in distributors' deposits		-	(1,571)
Cash generated/(used) in operations		(3,950,211)	4,732,961
Tax paid		(526,926)	(302,656)
Value added tax paid		(353,764)	(353,764)
Net cash generated/(used) in operating activities		**(4,830,900)**	**4,076,541**
Cashflows from investing activities			
Purchase of property, plant and equipment	15	-	(8,910)
Purchase of intangible assets	16	-	-
Interest received	7	-	6,619
Net cash used in investing activities		**-**	**(2,291)**
Cashflows from financing activities			
Interest paid	11	(359,504)	(1,471,483)
Dividends paid	24	-	(1,734,880)
Net cash used in financing activities		**(359,504)**	**(3,206,363)**
Net (decrease)/increase in cash and cash equivalents		**(5,190,404)**	**867,887**
Cash and cash equivalents at 1 January		176,149	(691,738)
Cash and cash equivalents at 31 March/December	22	**(5,014,255)**	**176,149**

(5,014,255)

Negative cash and cash equivalent position arose basically as a result of the need to invest more in inventory stock in the first quarter of the year.

The notes on pages 13 to 49 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 2023 to 31 March 2023 with comparative figures for the financial year from 1 January 2022 to 31 March 2022.

2. Adoption of new and revised International Financial Reporting Standards (IFRS) and Interpretations by the International Financial Reporting Interpretations Committee (IFRIC)

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 2022

- Property,plant and Equipments: Proceeds before intended use(Amendment to IAS 16)
- Amendments to IFRS 3: Reference to conceptual framework
- Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual improvements to IFRS standards 2018-2020

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 2023

-Definitions of accounting estimates (Amendment to IAS 8)

-Classification of liabilities as current and Non current (Amendment to IAS 1)

-Disclosures of accounting policies(Amendment to IAS 1 and IFRS practice statement 2

-Sales and contribution of Asset between an investor and its associate or Joint venture(Amendment to IFRS 10 and IAS 28)

-Amendment to IAS 12 Income Taxes. Deffered tax related to asset and liability arising from a single transaction

- 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	Nature of change	Required to be implemented for periods beginning on or after
Property, Plant and Equipment: Proceeds before intended use (Amendments to IAS 16)	The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.	1 January 2022

2.1 Accounting standards and interpretations issued and effective (continued)

Standard	Nature of change	Required to be implemented for periods
Amendments to IFRS 3 – Reference to the Conceptual Framework	The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.	1 January 2022
Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract	The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.	1 January 2022

2.1 Accounting standards and interpretations issued and effective (continued)

Standard	Nature of change	Required to be implemented for periods beginning on or after
Annual Improvements to IFRS Standards 2018–2020	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.	1 January 2022

2.2 Accounting standards and interpretations issued but not yet effective

Standard	Nature of change	Required to be implemented for periods beginning on or after
Definition of Accounting Estimates (Amendments to IAS 8)	The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications: • A change in accounting estimate that results from new information or new developments is not the correction of an error • The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments. The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier	1 January 2023

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

Standard	Nature of change	Required to be implemented for periods beginning on or after
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	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.	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is ‘material accounting policy information’ and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.	1 January 2023
Sale or contribution of assets between an investor and its associate or joint venture – (Amendments to IFRS 10 and IAS 28)	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 investors in the associate or joint venture. The amendments apply prospectively.	N/A**

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

Standard	Nature of change	Required to be implemented for periods beginning on or after
IFRS 17 Insurance Contracts	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 Consolidated Financial Statements.	1 January 2023

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

Standard	Nature of change	Required to be implemented for periods beginning on or after
Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with: • right-of-use assets and lease liabilities, and • decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.	1 January 2023

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)

4 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:

	life 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.

4 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.

4 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 estimates.

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).

	March **2022** **N'000**	March **2022** **N'000**
Revenue from sale of petroleum products	34,967,564	26,148,587

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 period ended 31 March 2023 are as follows:

	White Products N'000	%	Lubricants N'000	%	LPG N'000	%	Total N'000	%
Revenue	33,620,845	96	1,346,719	4	-	-	34,967,564	100
Cost of sales	(27,832,334)	96	(1,126,878)	4	-	-	(28,959,212)	100
Gross profit	**5,788,511**		**219,842**		**-**		**6,008,353**	

The segment results for the period ended 31 March 2022 are as follows:

	White Products N'000	%	Lubricants N'000	%	LPG N'000	%	Total N'000	%
Revenue	23,423,089	90	2,725,498	10	-	-	26,148,587	100
Cost of sales	(20,860,259)	90	(2,446,724)	10	-	-	(23,306,983)	100
Gross profit	**2,562,830**		**278,774**		**-**		**2,841,604**	

2023 segment cost of sales - Analysis

	White Products N'000	Lubricants N'000	LPG N'000	Total N'000
Stock at 1 January	4,251,028	1,008,389	729	5,260,147
Purchases	34,795,172	4,102,113	-	38,897,285
Stock at 31 March	(11,213,867)	(3,983,624)	(729)	(15,198,220)
	27,832,334	**1,126,878**	**-**	**28,959,212**

2022 segment cost of sales - Analysis

	White Products N'000	Lubricants N'000	LPG N'000	Total N'000
Stock at 1 January	2,725,366	6,029,228	729	8,755,322
Purchases	24,291,710	530,546	-	24,822,257
Stock at 31 March	(6,156,816)	(4,113,050)	(729)	(10,270,595)
	20,860,259	**2,446,724**	**-**	**23,306,983**

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.

		2023	2022
7.	**Other operating income**	**2023**	**2022**
	Rental income:	**N'000**	**N'000**
	Rental income	-	30,900
	Service income	39,671	-
	Interest income:		
	Interest from bank deposits	-	-
		39,671	**30,900**
8.	**Other gains or losses**		
	Exchange gain	-	-
		-	**-**
9.	**Distribution expenses**		
	Freight costs	661,628	467,645
	Marketing expenses	51,853	51,853
		713,481	**519,498**

10. Administration expenses	2023	2022
	N'000	N'000
Staff cost	524,541	505,000
Depreciation of property, plant and equipment	212,588	269,255
Rent and rates	165,000	165,000
Litigation claims (Note 35.1)	-	-
Provision for bad and doubtful debts	15,000	15,000
Repairs and maintenance	66,641	68,922
Pension fund - employer's contribution	26,560	29,682
Insurance	48,941	41,729
Security services	23,689	23,689
Throughput others	19,314	31,839
Postages, telephone and telex	20,408	20,408
Depreciation of investment property	12,413	12,413
Own used oil	21,833	12,141
Subscriptions	473	793
Travelling	16,132	16,731
Annual General Meeting	12,000	11,250
Staff training and welfare	6,610	502
Directors' remuneration	7,703	9,115
Consumables, small tools and equipment	13,974	15,073
Water and electricity	19,691	19,691
Audit fee	6,298	6,298
Amortisation of intangible asset	-	3,332
Health safety and environmental expenses	5,086	939
Printing and stationery	2,348	1,249
Bank charges	378	487
Vehicle, plant and equipment running	2,281	-
Legal and professional charges	13,320	13,320
Medical	184	937
Entertainment and hotels	1,775	1,175
Provision for obsolete stock	15,000	15,000
Other expenses	1,992	3,736
	1,282,172	**1,314,706**

11. Finance cost	2023	2022
Interest on bank overdraft	359,504	295,336
Accretion expense (Note 28)	-	-
	359,504	**295,336**

Bank overdrafts are repayable on demand. The average effective interest rate on bank overdrafts approximates 17% (2022: 14.9%) 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.

12. Profit before tax

	2023	2022
This is stated after charging/(crediting) the following:	**N'000**	**N'000**
Depreciation of property, plant and equipment	212,588	269,255
Depreciation of investment property	12,413	12,413
Director's emoluments	7,703	9,115
Auditors remuneration	6,298	6,298
Amortisation of intangible asset	-	3,332
Exchange gain	-	-

13. Taxation

13.1 Income tax recognised in profit or loss

	2023	2022
Current tax		
Income tax	590,859	167,167
Education tax	92,322	18,574
		-
Deferred tax		
Deferred tax (credited) in the current year	-	
Total income tax expense recognised in the current year	683,181	185,741
At 1 January	2,972,636	2,033,141
Payment during the year	(526,926)	
Withholding tax utilised during the year	-	-
Transfer to deferred tax (Note 13.1)	-	-
Per statement of financial position	**3,128,892**	**2,218,882**
Balance above is made up of :		
Company income tax	2,782,734	1,992,338
Education tax	345,571	226,263
Capital gains tax	280	280
Police trust fund levy	307	
	3,128,585	**2,218,882**

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

	March	December
	2023	**2022**
Deferred tax assets and liabilities are attributable to the following;	**N'000**	**N'000**
Deferred tax assets	2,207,361	2,207,361
Deferred tax liabilities	(162,944)	(162,944)
Deferred tax assets (net)	2,044,417	2,044,417

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.

	March	March
	2023	**2022**
Earnings	**N'000**	**N'000**
Earnings for the purposes of basic earnings per share being net profit attributable to equity holders of the Company	3,009,685	557,222
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
	2023	**2022**
Basic earnings per 50k share	**Kobo per share**	**Kobo per share**
From continuing operations	434	80
Diluted earnings per 50k share		
From continuing operations	434	80

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 2022	147,766	6,953,739	12,110,514	4,388,254	2,209,178	1,082,759	26,892,210
Additions	-	-	7,408	-	-	1,502	8,910
At 31 December 2022	147,766	6,953,739	12,117,922	4,388,254	2,209,178	1,084,261	26,901,120
Additions	-	-	-	-	-	-	-
At 31 March 2023	**147,766**	**6,953,739**	**12,117,922**	**4,388,254**	**2,209,178**	**1,084,261**	**26,901,120**
Accumulated depreciation and							
As at 1 January 2022	-	5,605,707	11,872,600	4,289,625	2,208,907	1,045,149	25,021,988
Adjustment (Note 15.5)	-	-	-	-	-	-	-
Charge for the year	-	347,687	79,902	30,044	262	11,652	469,546
At 31 December 2022	-	5,953,394	11,952,502	4,319,669	2,209,169	1,056,801	25,491,534
Adjustment (Note 15.5)	-	-	-	-	-	-	-
Charge for the period	-	157,503	36,196	13,610	-	5,278	212,588
At 31 March 2023	**-**	**6,110,897**	**11,988,698**	**4,333,279**	**2,209,169**	**1,062,079**	**25,704,121**
Carrying amount:							
At 31 March 2023	**147,766**	**842,842**	**129,224**	**54,975**	**10**	**22,183**	**1,196,999**
At 31 December 2022	**147,766**	**1,000,345**	**165,420**	**68,585**	**10**	**27,461**	**1,409,587**

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 March 2023 (2022: nil)

15.4 Work in progress

This refers to capital expenditure incurred on items of property plant and equipment which are however not ready for use and therefore not depreciated during the year.

		March	December
16.	**Intangible assets**	**2023**	**2022**
	Computer software:	**N'000**	**N'000**
	Cost:		
	As at 1 January	133,290	133,290
	Additions during the year	-	-
	At 31 March/December	**133,290**	**133,290**
	Accumulated amortisation:		
	As at 1 January	133,281	108,596
	Charge for the year	-	24,685
	At 31 March/December	**133,281**	**133,281**
	Carrying amount		
	At 31 March/December	**10**	**10**
17.	**Investment property**		
	Building:		
	Cost:		
	As at 1 January	993,000	993,000
	Additions during the year	-	-
	At 31 March/December	**993,000**	**993,000**
	Accumulated depreciation:		
	As at 1 January	943,350	893,700
	Charge for the year	12,413	49,650
	At 31 March/December	**955,763**	**943,350**
	Carrying amount		
	At 31 March/December	**37,238**	**49,650**

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**

has stopped business operations for several years, hence the Company has impaired its investments.

		2023	2022
19.	**Prepayments**	**N'000**	**N'000**
	Current		
	Prepaid rent and insurance	50,578.64	96,120
		50,579	**96,120**
	Non-current		
	Prepaid rent	62,108	25,219
		62,108	**25,219**

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.

	March 2023	December 2022
20. Inventories	**N'000**	**N'000**
White products (Note 20.1)	11,198,867	4,251,028
Lubricants	3,983,624	1,008,389
LPG	729	729
	15,183,219	**5,260,146**

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

	2023	2022
21. Trade and other receivables	**N'000**	**N'000**
Trade debtors	29,399,414	28,835,581
Allowance for bad and doubtful debts	(5,928,998)	(5,913,998)
	23,470,415	22,921,583
Bridging claims receivable (Note 21.3)	3,541,053	2,398,335
Advance from related company (Note 32)	-	211,939
Advance for product supplies	19,720,845	20,826,290
Deposit for litigation claims (Note 35.2)	4,347,126	4,347,126
Withholding tax recoverable (Note 21.4)	-	-
Other debtors (Note 21.1)	259,249.86	274,295
	51,338,690	**50,979,568**

21.1 Other debtors balance includes :		
Advance deposits	522,920	520,794
Insurance claims receivables	29,641	29,641
Employee advances	9,881	27,053
Retail outlet statutory fees	33,752	33,752
Provision for doubtful advance deposits	(336,944)	(336,944)
	259,250	**274,295**

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
The Company does not hold any collateral over these balances.

	2023	2022
Ageing of trade debtors	**N'000**	**N'000**
Current	20,931,957	22,762,015
Less than 90 days	2,524,543	148,765
91 - 180 days	20,724	10,803
181 - 360 days	8,192	-
Above 360 days	5,913,998	5,913,998
Total	**29,399,414**	**28,835,581**

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.

	March	December
	2023	**2022**
21. Trade and other receivables (Continued)	**N'000**	**N'000**
Ageing of allowance for bad and doubtful debts		
Less than 90 days	15,000	-
91 - 180 days	-	-
181 - 360 days	-	-
Above 360 days	5,913,998	5,913,998
Total	**5,928,998**	**5,913,998**

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

	2023	2022
Allowance for bad and doubtful debts	**N'000**	**N'000**
As at 1 January	5,913,998	5,913,998
Provision for the year	15,000	-
As at 31 March/ December	**5,928,998**	**5,913,998**

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.

	2023	2022
21.4 Withholding tax recoverable	**N'000**	**N'000**
As at 1 January	-	-
Addition during the year	-	-
Amount utilised during the year	-	-
As at 31 March/December	**-**	**-**

22. Cash and cash equivalents		
Cash and bank	6,770,193	5,881,568
Bank overdraft	(11,784,448)	(5,705,419)
Cash and cash equivalents	**(5,014,255)**	**176,149**

The Company did not have any restricted cash at the reporting date (2022: nil).

23. Share capital	**2023**	**2022**
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 March/December	3,824,769	3,824,769

		2023	2022
24.	**Retained earnings**	**N'000**	**N'000**
	At 1 January	20,840,469	17,617,623
	Dividend declared and paid	-	(1,734,880)
	Prior year adjustments (Note 15.5)	-	-
	Profit for the year	3,009,685	4,957,726
	At 31 March/December	**23,850,154**	**20,840,469**

At the Annual General Meeting held on 28 October 2022, the shareholders approved that dividend of 150 kobo per share be paid to shareholders (total value N1.04 billion) for the year ended 31 December 2021. In respect of the current year, the Directors proposed that a dividend of 250 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.

		2023	2022
24.1	**Dividend**	**N'000**	**N'000**
	Summary		
	As at 1 January	141,429	141,429
	Dividend declared	-	1,734,880
	Dividend - Sterling Registrars	-	-
		141,429	1,876,309
	Payments - Meristem Registrars	-	(1,734,880)
	As at 31 March/December	**141,429**	**141,429**

	2023	2022
25. Borrowings	**N'000**	**N'000**
Unsecured borrowing at amortised cost		
Bank overdraft	11,784,448	5,705,419

Bank overdrafts are repayable on demand. The average effective interest rate on bank overdrafts approximates 14.7% (2021: 14.90%) 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.

	2023	2022
26. Trade and other payables	**N'000**	**N'000**
Trade creditors - Local	3,187,726	4,024,006
Bridging contribution (Note 26.2)	1,958,911	1,512,402
Trade creditors - Imported	-	6,883,210
Due to related parties (Note 32)	-	82,336
Value added tax payable	1,557,272	1,557,272
Withholding tax payable	433,677	433,677
PAYE payable	397,471	397,471
Payables to PPPRA	-	44,816
Staff Pension and similar obligations (Note 26.3)	1,608	18,145
Unclaimed dividend (Note 24.1)	141,429	141,429
Other creditors and accruals (Note 26.1)	25,481,203	16,372,333
	33,159,296	**31,467,097**

26.1 Other creditors and accruals		
Non-trade creditors (Note 26.4)	18,168,045	8,942,605
Litigation claims	4,481,773	4,481,773
Rent	1,441,741	1,441,741
Insurance premium	900,543	900,543
Employees payables	407,333	507,217
Lube incentives	-	-
Surcharges	73,262	73,262
Audit fees	8,504	25,191
	25,481,203	**16,372,333**

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.

	2023	2022
26.3 Staff pension	**N'000**	**N'000**
At 1 January	1,608	1,608
Contributions during the year	47,808	204,966
Remittance in the year	(47,808)	(204,966)
At 31 December	**1,608**	**1,608**

26.4 Non-trade creditors represent sundry creditors balances for various supplies and contracts carried out but unpaid for as at 31 March 2023.

	2023	2022
27. Distributors' deposit	**N'000**	**N'000**
At 1 January	486,599	488,170
New deposits	-	1,000
Refunds	-	(2,571)
At 31 December	**486,599**	**486,599**

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:

	2023	2022
	N'000	**N'000**
At 1 January	102,329	96,623
Addition		
Asset decommissioned	-	-
Accretion	-	5,706
Balance at 31 December	**102,329**	**102,329**

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

	March	December
Financial asset	**2023**	**2022**
	N'000	**N'000**
Cash and bank balance	6,770,193	5,881,568
Loans and receivables	51,079,440	50,705,273
	57,849,633	**56,586,841**
Financial liabilities		
Financial liabilities at amortized cost:		
Trade and other payables	30,770,877	29,078,678
Borrowings	11,784,448	5,705,419
	42,555,325	**34,784,097**

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	2023	2022
Variable rate instruments:		N'000	N'000
Financial assets	-	-	-
Bank overdrafts	17% (2022: 14.7%)	11,784,448	5,705,419
		11,784,448	**5,705,419**

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 March 2023	359,504	+/-2	35,217
31 December 2022	1,465,777	+/-2	143,586

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 2022 are as follows:

	March 2023	December 2022
Assets	**N'000**	**N'000**
Cash and bank balance	1,870,302	300,975
	1,870,302	**300,975**
Liabilities		
Financial liabilities at amortized cost:		
Trade and other payables	6,883,210	6,883,210
	6,883,210	**6,883,210**

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 March 2023

	Foreign Currency	Naira Balance	Exchange Rate	Increase/ Decrease in Exchange Rate
	US$'000	**N'000**		**N'000**
USD	4,081	1,870,302	458.35	37,406

Effect in thousands of Naira
31 December 2022

	Foreign Currency	Naira Balance	Exchange Rate	Increase/ Decrease in Exchange Rate
	US$'000	**N'000**		**N'000**
USD	726	300,975	414.72	6,019

The weakening of the naira against the above currencies at 31 March 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.

	March 2023	December 2022
	N'000	N'000
Amount used	11,784,448	5,705,419
Amount unused	8,215,552	14,294,581
	20,000,000	**20,000,000**

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 March 2023	Weighted Average Effective Interest rate	0 - 3 Months	3 month -1 year	Total
	%	N'000	N'000	N'000
Trade and other payables	-	33,159,296	-	33,159,296
Borrowings	17.00	11,784,448	-	11,784,448
		44,943,744	**-**	**44,943,744**

31 December 2022	Weighted Average Effective Interest rate	0 - 3 Months	3 month -1 year	Total
	%	N'000	N'000	N'000
Trade and other payables	-	31,467,097	-	30,476,259
Borrowings	15.20	5,705,419	-	5,705,419
		37,172,516	**-**	**36,181,678**

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:

	2023 N'000	2022 N'000
Debt	11,784,448	5,705,419
Equity	28,021,899	25,012,214
Net debt to equity ratio	**0.42**	**0.23**

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 March 2023	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	-	-	2,977,495	-	-
Glo Mobile Limited	-	-	(15,227)	-	-
Conoil Producing Limited	-	-	44,922	-	-
Southern Air Limited	-	-	166,541	-	-
Proline (WA) Limited	-	-	(28,167)	-	-
SETA Investment Limited	-	-	476	-	-
	-	**-**	**3,146,040**	**-**	**-**

31 December 2022	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	-	-	2,992,286	-	-
Glo Mobile Limited	370	(55,814)	(54,167)	-	-
Conoil Producing Limited	44,922	-	44,922	-	-
Southern Air Limited	142,450	-	166,541	-	-
Proline (WA) Limited			(28,169)	-	-
SETA Investment Limited			476	-	-
	187,742	**(55,814)**	**3,121,889**	**-**	**-**

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, Proline West Africa Limited and Conpetro Limited.

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

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

33. Capital commitment

There were no capital commitments as at 31 March 2023 (2022: nil).

34. Financial commitment

As at 31 March 2023, the Company had outstanding letters of credit to the tune of N112m with First Bank Plc and N6.5billion with Guaranty Trust Bank Plc (Dec 2022: N6.5billion).

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 2022 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 company has considered the impact of COVID-19 on its business operations and has put in place appropriate safeguards to minimize the effects. In doing so, management has considered its impact 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 balances.

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).

3. The net realisable value of Inventory under IAS 2 - Inventories
   Since the company's tank farm was shut down as a result of the pandemic, the company has reviewed the cost of inventories to ensure that product loss arising from evaporation due to changes in temperature is recognized in the profit or loss account in the period in which they occured in accordance with IAS 2 - Inventories.

4. Deferred tax assets in accordance with IAS 12 - Income taxes
   Tax considerations, e.g . The impact of reduced flow of goods and services on transfer pricing agreements; recoverability of deferred tax assets, emergency economic stimulus by tax authorities in the form of special rebate has been accessed by the company.

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:

	2023	2022
	N'000	N'000
Employment cost including Directors' salaries and wages, staff training and benefit scheme	564,074	1,940,599

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

	2023	2022
	Number	Number
Up to 1,000,000	9	9
N1,000,001 - N2,000,000	37	42
N2,000,001 - N3,000,000	18	18
N3,000,001 - N4,000,000	20	20
N4,000,001 - N5,000,000	14	18
N5,000,001 - Above	55	61
	153	**168**

37.3 Average number of employees during the year:

Managerial staff	14	15
Senior staff	128	142
Junior staff	11	11
	153	**168**

37.4 Directors' emoluments:

	2023	2022
	N'000	N'000
Emoluments of the chairman	-	-
Directors' fees	375	1,500
Emoluments of executives	7,328	35,962
	7,703	**37,462**

37.5 The emoluments of the highest paid Director were N29.9 million (2021: N28.3 million)

	2023	2022
	Number	Number
37.6 Directors receiving no emolument	7	7

37.7 Number of Directors in receipt of emoluments within the 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**

STATEMENT OF VALUE ADDED
FOR THE PERIOD ENDED 31 MARCH 2023

	2023		2022	
	₦'000	%	₦'000	%
Revenue	34,967,564		131,422,272	
Other operating income	39,671		141,561	
Other gains and losses	-		8,336	
	35,007,235		131,572,169	
Bought in materials and services:				
Imported	-		(6,883,210)	
Local	(30,165,792)		(114,702,399)	
Value added	**4,841,444**	**100**	**9,986,559**	**100**
Applied as follows:				
To pay employees' salaries, wages, and social benefits:				
Employment cost including Directors salaries and wages, staff training and benefit scheme	564,074	12	1,940,599	19
To pay providers of capital:				
Interest payable and similar charges	359,504	8	1,471,483	15
To pay government:				
Taxation	683,181	14	1,177,036	12
To provide for maintenance and development				
Depreciation	225,000	5	504,832	5
Deferred tax	-	-	(65,115)	(1)
Retained earnings	3,009,685	61	4,957,726	50
Value added	**4,841,444**	**100**	**9,986,559**	**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.