



**TOTALENERGIES MARKETING NIGERIA PLC
AUDITED FINANCIAL STATEMENTS
DECEMBER 2023**

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CORPORATE PROFILE

TotalEnergies Marketing Nigeria Plc was incorporated in 1956 and was listed on the Nigerian Exchange Limited in 1979. Our first petrol station was commissioned at Herbert Macaulay Street, Yaba, Lagos in 1956. Today we have over 540 service stations, 2 lubricants blending plants, 2 petroleum product depots, 1 bitumen depot, holdings in 5 aviation depots and have other facilities spread across the country. We are the only International Oil Company (IOC) actively present in the downstream sector. We are the market leader, reference point and pacesetter in the downstream sector of the Nigerian oil and gas industry.

TotalEnergies S.E. which holds 62% of TotalEnergies Marketing Nigeria Plc is a publicly-traded oil company that produces and markets fuels, natural gas and electricity. Active in more than 130 countries with over 100,000 employees, TotalEnergies SE wants to be part of the solution to climate change with a commitment to delivering reliable, affordable and clean energy to the population as many people as possible. TotalEnergies, the company of responsible energies, aims to be one of the major players in the energy transition to get to Net Zero by 2050, together with society.

MISSION STATEMENT

We are in business to ensure total customer satisfaction is guaranteed by the creation of quality products and services delivered with a strong commitment to safety and respect for the environment.

This objective drives all our corporate actions and the mutual acknowledgement of same by our partners forms the basis for our business relationships.

To sustain this objective and our leadership of the market, our commitment is to build and sustain a work culture firmly rooted in professionalism, respect for employees, internal efficiency and dedicated services.

A handwritten signature in blue ink, appearing to be 'Samba Seye', written in a cursive style.

Dr. Samba Seye
Managing Director

TOTALENERGIES MARKETING NIGERIA PLC

COMPANY REGISTRATION NO. 1396

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr. Jean-Phillipe Torres	-	Chairman	(French)
Dr. Samba Seye	-	Managing Director	(Senegalese)
Mrs. Olubunmi Popoola-Mordi	-	Executive Director	
Mr. Emmanuel Morand-Fehr	-	Executive Director	(French)
Ms. Tejiro Ibru	-	Non Executive Director	
Engr. Ahmed Rufai Sirajo	-	Non Executive Director	
Prince (Dr.) Jeff Nnamani	-	Non Executive Director	
Mr. Noubi Ben Hamida	-	Non Executive Director	(French)
Mr. Sebastien Bariller	-	Non Executive Director	(French)

COMPANY SECRETARY

Mr. Mark N. Mannok

REGISTERED OFFICE

TotalEnergies House
4 Churchgate Street,
Victoria Island,
Lagos.
Telephone No. 01 4617041-2

REGISTRAR

CardinalStone Registrars Limited
335-337 Herbert Macaulay Way,
Yaba, Lagos.
Telephone No. 01 712 0090

AUDITOR

Pricewaterhousecoopers Chartered Accountants
Landmark Towers,
5B Water Corporation Road,
Victoria Island, Lagos.
Nigeria
Telephone No. +234 12711700

BANKERS

Access Bank Plc
Citibank Nigeria Limited
Ecobank Nigeria Limited.
First Bank of Nigeria Ltd.
Guaranty Trust Bank Plc
Stanbic IBTC Bank Plc
Standard Chartered Bank Nigeria Limited
United Bank for Africa Plc
Wema Bank Plc
Zenith Bank Plc

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER, 2023

CORPORATE DIRECTORY

HEAD-OFFICE

TOTAL ENERGIES HOUSE

4, Churchgate Street,
Victoria Island, Lagos.
P.M.B 2143, Lagos
Tel: 01 4631681-4
01 4617041 – 2
TOTAL CARD: 01- 4617044

SALES AREA OFFICES

ABUJA

Total House
Plot 247, Herbert Macaulay Way.
Central Business District, Abuja
Tel: 01- 4618914

KANO

181, Airport Road,
P.O.Box 21, Kano.
Tel: 01- 4619183

BENIN

8/10, Akpakpava Street
P.O.Box 20, Benin City.
Tel: 01- 4619189

LAGOS SOUTH

6, Bonny Road, Apapa, Lagos
Tel: 01- 4618913

IBADAN

Mokola Roundabout
P.O. Box 868, Ibadan
Tel: 01- 4619188

LAGOS NORTH

3, Steve Ajose Street
Former SCOA Yard,
Behind Elida Hotel,
Kirikiri, Lagos
Tel: 01- 4619182

PORT HARCOURT

NO. 59 Trans Amadi Industrial
Layout
Port Harcourt.
Tel: 01- 4619180

AIR TOTAL ENERGIES

IKEJA
JUHI
ABUJA Tel: 08113624144

TOTAL ENERGIES MARKETING NIGERIA PLC

RESULTS AT A GLANCE FOR THE YEAR ENDED

	31 December 2023	31 December 2022	Change
	₦'000	₦'000	%
Revenue	635,951,600	482,470,780	32
Profit before income taxation	17,580,931	24,532,280	(28)
Profit for the year	12,912,544	16,118,376	(20)
Total comprehensive income for the year	12,920,891	16,112,008	(20)
Share capital	169,761	169,761	-
Shareholders' funds	56,077,742	50,286,810	12
Total dividend	8,488,046	8,488,046	
Interim dividend - declared	-	1,358,087	
Final dividend - proposed	8,488,046	7,129,959	
Dividend declared	7,129,959	6,179,297	

	31 December 2023	31 December 2022	Change
PER SHARE DATA:			%
<i>Based on 339,521,837 ordinary shares of 50 kobo each:</i>			
<i>Earnings per 50 kobo share (Naira) - basic</i>	38.03	47.47	(20)
<i>Dividend per 50 kobo share (Naira) ¹</i>	25.00	25.00	-
<i>Dividend cover (times)</i>	1.52	1.90	(20)
<i>Stock exchange quotation (Naira)</i>	385.00	193.00	99

Number of staff	424	429	(1)
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No interim dividend was paid during the year (2022: ₦4.00). At the board of directors meeting of 22nd March, 2024, a final dividend of ₦25.00 was proposed for the year ended 31st December, 2023 (2022: ₦21.00)

TOTALENERGIES MARKETING NIGERIA PLC

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 46th Annual General Meeting of TOTALENERGIES MARKETING NIGERIA PLC will hold at The Grand Banquet Hall, The Civic Centre, Ozumba Mbadiwe Street, Victoria Island, Lagos on Friday, the 21st day of June, 2024 at 10.30 a.m. to transact the following:

ORDINARY BUSINESS:

1. To lay before Members for approval, the Financial Statements for the year ended 31st December, 2023 and receive the Reports of the Directors, Auditors and Statutory Audit Committee thereon;
2. To declare a final dividend;
3. To re-elect Directors;
4. To appoint Directors;
5. To disclose the remuneration of Managers of the Company;
6. To authorize the Directors to fix the remuneration of the External Auditors; and
7. To elect members of the Statutory Audit Committee.

SPECIAL BUSINESS:

- 1 To fix the remuneration of the Directors; and
2. To renew general mandate for Related Party Transactions.

To consider and if thought fit, pass this resolution as Special Resolution

3. That the Article of Association of the Company be and is hereby altered by deleting the present Article 48 and substituting same with the following new Article:

Article 48" The Company shall in each calendar year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year and shall specify the meeting as such in the notice calling it and not more than fifteen months shall elapse between the date of the one Annual General Meeting of the Company and that of the next. The General Meeting of the Company may, at the discretion of the Board hold either physically or hybrid as the circumstances may require"

BY ORDER OF THE BOARD



Mark N. Mannok
FRC/2024/PRO/NBA/002/552036
Company Secretary
22nd day of March, 2024

Registered Office
TOTALENERGIES HOUSE
4 Churchgate Street,
Victoria Island,
Lagos,
Nigeria.

NOTES:**I. PROXY**

A member of the Company entitled to attend and vote at the meeting who is unable to attend the meeting and wishes to be represented at the meeting is entitled to appoint a proxy to attend, speak and vote in his/her stead. A proxy need not be a member of the Company. A Proxy Form is enclosed herewith, and if it is to be valid for the purpose of the meeting, it must be completed and duly stamped by the Commissioner of Stamp Duties and deposited at the office of the Registrars, CardinalStone Registrars Limited, 335-337 Herbert Macaulay Way, Yaba, Lagos not less than 48 hours before the time of the meeting.

II. PAYMENT OF DIVIDEND

If the payment of a dividend is approved and declared by members at the Annual General Meeting, the dividend warrants will be posted or the accounts of shareholders whose names are registered in the Company's Register of Members as at close of business on Tuesday 23rd April, 2024 will be credited on Monday 24th June, 2024.

III. CLOSURE OF REGISTER AND TRANSFER BOOKS

Notice is hereby given that the Register of Members and Transfer Books of the Company will be closed from Wednesday the 24th day of April, 2024 to Friday the 26th day of April, 2024 both days inclusive for the purpose of preparing an up-to date Register of Members.

IV. BIOGRAPHICAL DETAILS OF DIRECTORS

The biographical details of the Directors standing for re-election and appointment are provided in the 2023 annual report and posted on the Company's website www.services.totalenergies.ng

V. NOMINATION OF MEMBERS OF THE STATUTORY AUDIT COMMITTEE

Pursuant to Section 404 (6) of the Companies and Allied Matters Act (CAMA) 2020 any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting. Nominations should please be accompanied by a copy of the nominee's curriculum vitae.

VI. RIGHT OF SHAREHOLDERS TO ASK QUESTIONS

Shareholders have a right to ask questions not only at the meeting but also in writing prior to the meeting and such questions must be submitted to the Company Secretary on or before the 7th day of June, 2024

VII. UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES

Several dividend warrants and share certificates remain unclaimed, and are yet to be presented for payment or returned to the Registrars for revalidation. We implore any shareholder affected by this to please write to the Company Secretary or Registrars or call at either office during working hours. We have also published a list in the newspapers and on our website.

VIII. e-DIVIDEND

In accordance with the Securities and Exchange directives, Shareholders are hereby advised to open bank accounts, stockbroking and CSCS accounts for the purpose of timely receipt of dividend payments. A detachable application form for e-dividend is attached to this Annual Report to enable all shareholders furnish particulars of their bank accounts/CSCS details to the Registrar or Company Secretary expeditiously.

IX. e-REPORT

To improve delivery of our Annual Reports, we have inserted a detachable form to this Annual Report and are requesting shareholders who wish to receive the Annual Report in an electronic format to complete and return the form to the Registrars or Company Secretary for further processing.

X. SEC RULE ON COMPLAINTS MANAGEMENT FRAMEWORK

Please note that in accordance with the Securities and Exchange Commission rule No. 10 (a) shareholders who have complaints should use the electronic complaints register on the website of the company at www.services.totalenergies.ng to register their complaints. This will enable the company handle complaints from shareholders in a timely, effective, fair and consistent manner.

BY ORDER OF THE BOARD

Mark N. Mannok

FRC/2024/PRO/NBA/002/552036

Company Secretary

22nd day of March, 2024

The electronic version of the Annual Report and Accounts 2023 is available on the Company's website

CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT AT THE 46TH ANNUAL GENERAL MEETING OF TOTALENERGIES MARKETING NIGERIA PLC

INTRODUCTION

Good morning distinguished shareholders, members of the Board of Directors of TotalEnergies Marketing Nigeria Plc, esteemed customers, our able regulators, gentlemen of the press, invited guests, distinguished ladies and gentlemen. It is with great pleasure that I, on behalf of the Board of Directors of TotalEnergies Marketing Nigeria Plc (TEMNPLC), welcome you to the 46th Annual General Meeting of your Company. During the course of this meeting, I shall present to you the Directors' Report and Financial Statements for the year ended 31st December, 2023.

THE BOARD

Since our last Annual General Meeting, there have been some changes to the composition of the Board. Mrs. Lesley Baxter-Green and Mrs. Lucile Badaire resigned from the Board to take on other responsibilities within TotalEnergies, we thank them for their services. Messrs. Emmanuel Morand-Fehr and Sebastien Bariller were appointed as Directors of the Company on the 1st of September and 26th of October respectively. At this meeting we shall be asking you to ratify their appointments. Please join me in wishing Messrs. Morand-Fehr and Bariller a very successful tenure on the Board.

OUR ENVIRONMENT AND YOUR COMPANY'S PERFORMANCE

2023 was a year like no other. It was an extremely complicated and difficult year for your Company.

Security remained a significant challenge throughout the year, Kidnapping and banditry were sporadic and rampant across the country, with several kidnappings and recurrent explosions causing safety concerns in the Niger Delta region.

At the start of the year, Nigeria introduced new Naira notes as part of the Central Bank of Nigeria (CBN) Naira redesign policy for the ₦200, ₦500 and ₦1,000 notes, along with enforcing a cash withdrawal limit. This led to a cash availability crisis which was ended following a Supreme Court ruling on March 1, 2023, nullifying the policy.

Presidential, Gubernatorial, State and National Houses of assembly elections were held in the early part of 2023. Senator Bola Ahmed Tinubu presidential candidate of the All-Progressives Congress was declared President elect of Nigeria on the 1st of March. During his inauguration on the 29th of May the President announced an end to over 40 years of Premium Motor Spirit (PMS /Petrol) subsidy citing humongous subsidy costs, huge budget deficit and soaring government debt as some of the reasons for taking this bold step. Thereafter, PMS price moved from ₦195 to ₦545. Average PMS price for 2023 was around ₦650 representing over 220.5% increase. The labour unions called for several strike actions and an increase in minimum wage. The President announced several palliatives including ₦75billion for manufacturing, 225,000 MT for fertiliser seedlings, ₦50billion for 1million nano businesses, ₦100 billion for 2,000 gas powered buses, 200,000MT of grains for household etc.

On the 14th of June the CBN "floated" the Naira by announcing the removal of all restrictions on foreign exchange rates. This was accompanied by directives which unified the multiple foreign exchange tiers. While this aimed to bridge the gap between official and parallel markets. In the aftermath the Naira fell by around 40% in the official market by year-end. Inflation remained broadly elevated with sharp increases in the prices for food, goods and services. According to the National Bureau of Statistics, Nigeria's inflation rate rose from 21.82% in January to 28.92% by December whilst Gross Domestic Product grew by 2.74% in 2023 compared to 3.10 % in 2022.

Nigeria's oil production increased to approximately 1.6 million barrels per day, the country remains heavily dependent on imports. However, the refineries in Kaduna and Port Harcourt are currently undergoing refurbishment and it has been reported that they will commence operations in 2024. On the 22nd of May the President commissioned the 650,000 barrels per day Dangote Refinery and it received its first crude feedstock in December.

In 2023, due to unavailability of foreign exchange, TotalEnergies like other marketers did not import PMS. NNPC maintained the role of sole importer of PMS and we and other marketers purchased PMS and AGO from NNPC. During the year, there were several outages of PMS which slowed activities in our stations across the country. AGO & Jet A1 remain fully deregulated but access to foreign exchange by marketers continues to be a challenge, inhibiting imports. The price of AGO opened the year at ₦850/L and closed as high as ₦1,200/L.

KEY DEVELOPMENTS

In TEMNPLC, safety is our way of life and our core value. Our priority has always been to focus on Safety, Health, Quality and Environmental Protection across all our operations. We implemented our MAESTRO log action plan, thus improving the safety of our

depots and the supply chain.

In our retail business, we closed the year with 525 stations country wide. During the customer service week with the theme '*inspired by your energy*', TEMNPLC interacted and engaged with our customers through several activities. 14 T-Air, 13 Mobility Shops, and 8 new QAS bays were opened in 2023, improving our station outlook and upgrading our One-Stop shops. In addition to these, an AutoFast twin-bay was commissioned at our Lekki 1 Service station in Lagos and an additional 15 Pies and More Stands were opened at various locations in Lagos, 119 stations were solarised in 2023 and we rebranded 356 stations.

Our B2B business grew as we expanded our VMS portfolio with 3 new sites; our Solar and Low Carbon team also closed out on great partnerships with Mamuda Industries and Rite Foods with a combined capacity of 8MW (Megawatts) solar Hybrid solution. We also installed solar solutions in 5 different sites of DHL International

The frequent change in the official exchange rate by the CBN negatively impacted lubricant margins but your Company continued to grow its market share in lubricants rising to 16%. We had a positively eventful year in our lubricant business. The winner of our Quartz Mega promo received a brand-new car and we launched *Mechademix*, a nationwide training program specially designed for Mechanics to help them understand how to use TotalEnergies Lubricants. We also launched several products: the Quartz 9000 Extra Future XT, specially designed for hybrid vehicles and to improve fuel consumption and engine life, TotalEnergies Hiperf Bajaj RE and Bajaj Boxer.

AWARDS

I am delighted to inform you that your Company won multiple awards. In validation of the Company's efforts at its reporting which meets international standards as well as its transparency in its reporting process, TotalEnergies Marketing Nigeria Plc was awarded the "Best Company in Reporting & Transparency" at the 2023 Africa Social Enterprise and Sustainability Awards. TEMNPLC also emerged the 'Company with the Most Sustainable Stakeholder Engagement Initiatives at the Social Impacts & Sustainability Awards 2023.

COMPANY PERFORMANCE

Distinguished shareholders, it was indeed a year like no other. In spite of the difficult terrain, your Company increased her turnover by 32% from ₦482.47 billion in 2022 to ₦635.95. This could not have been possible without the patronage of our loyal Customers, for this I say a BIG thank you. Additional gratitude to you our Shareholders, the Board, Management and Staff for this performance in the face of such adversity. However, Profit after tax decreased by 20% from ₦16.12 Billion to ₦12.91 Billion.

DIVIDENDS

The Board proposes for approval by shareholders that the sum of ₦8.49 billion representing ₦25.00 (Twenty-Five Naira only) per share be distributed as full and final dividend for the year 2023 subject to the deduction of appropriate withholding taxes at the time of payment. In line with our corporate reputation for early disbursement of shareholders' dividends, we are delighted to confirm to you that if approved at this meeting, your dividends will be paid on the 23rd of June, 2024.

OUR PEOPLE

The employees of TotalEnergies Marketing Nigeria Plc are our most valuable asset and remain the differentiating element between us and our competitors. They have continued to align with our vision, value proposition and our core values of Safety, Respect for each other, Pioneer Spirit, Standing Together and being performance minded. I extend a heartfelt thank you for your teamwork which has led to the numerous achievements for our Company. I look forward to accomplishing even more in 2024 as we move Faster, Higher, Stronger- Together. Yes, we are indeed *Better Together*.

AHEAD

2024 commenced amidst a further devaluation of the Naira and a very unstable exchange rate creating a new kind of economic conundrum but it would appear that the situation is stabilising.

The Federal government announced eight priorities for 2024 - food security, ending banditry, economic growth and job creation, access to capital, inclusivity, fairness and rule of law, anti-corruption stance alongside an ambitious budget.

The International Monetary Fund downgraded Nigeria's economic growth projections for 2024 to 3.0% from an earlier the 3.1% forecast.

Inflation continues to rise but notwithstanding the difficulties in our environment, TotalEnergies is filled with audacious hope. For 67 years, we have provided top-tier products and services to our diverse clientele, guided by a steadfast commitment to ethical standards. Our commitment is unwavering – we will continue to invest and deliver top tier services.

CONCLUSION

On behalf of my colleagues on the Board of our great company, I express our gratitude to the management and staff of the Company for their unwavering loyalty and commitment to the Company. I also extend thanks to my colleagues on the Board for their input and support.

Our appreciation also extends to you our esteemed shareholders, customers, transporters and suppliers. We thank you for your support, cooperation, patronage and contributions to achieving the results for 2023 and towards fulfilling the Company's goals this year and beyond.

Finally, I thank you all for your presence at this meeting, and I look forward to your participation during the meeting.

Thank you.

A handwritten signature in black ink, appearing to read 'J. Torres', with a stylized, flowing script.

Mr. JEAN-PHILLIPE TORRES

Chairman

22nd March, 2024

BOARD OF DIRECTORS PROFILE



M**R. JEAN-PHILIPPE TORRES:** Mr. Torres is a finance graduate of the University of Lille. He obtained a Masters in finance from the Ecole Supérieure de Commerce de Tours in France and a Master of Science in Management from the IÉSEG School of Management, Lille. He started his working career as an Analyst in the French Ministry for Economy and Finance. He joined the TotalEnergies in 1992 as a Financial Controller in the Combustible Fuels Division of Elf Antar France. In 1993 he moved to Elf Raffinage Distribution as Treasurer in charge of the African affiliates. In 1995 he was the Sales and Marketing Manager for Elf Oil Zaire and went on to hold a similar position in Senegal in 1997.

Thereafter in 1999 he was appointed General Manager of TotalFinaElf Gambia. In 2001, he was appointed Managing Director of TotalEnergies Togo and Total Benin and in 2004, Managing Director of Fina Congo. In 2007 he was appointed Strategy and M&A Senior Project Manager, Strategy & Development Division, TotalEnergies Marketing, Paris. In 2011 he was appointed General Manager Retail and Fuel Cards of TotalEnergies Germany. In 2014 Mr. Torres became the Executive Vice-President North & Central America of TotalEnergies Marketing & Services, Americas Division. He was appointed Managing Director of TotalEnergies Marketing Nigeria Plc in 2016, Vice President East & Central Africa TotalEnergies Marketing & Services in 2018, Executive Vice President Mediterranean & Indian Ocean TotalEnergies Marketing & Services in 2021 and in 2021 he was appointed Senior Vice President Africa Middle/East and a director of TotalEnergies Marketing Nigeria Plc. on the 25th of November, 2021. He is the Chairman of the Board.



D**R. SAMBA SEYE:** Dr. Seye holds a Doctorate Degree in fluid mechanics from the University of Sciences and Techniques of Lille, France, where he worked as an assistant lecturer from 1990 until 1993 when he joined Shell, working in various capacities before joining Total Marketing and Services in 2014 as a Project Manager in the Strategy Department. In 2015, he was appointed Deputy Executive Vice President, West Africa, a position he held until his appointment as Vice President Specialties/General Trade Total MS /Africa, in 2016. Thereafter, he was appointed Executive Vice President West Africa, Total MS /Africa, in 2017. He has been a member of the TotalEnergies SE Ethics Committee since 2019. Dr. Seye was appointed to the Board in July 2021 and Managing Director of TotalEnergies Marketing Nigeria Plc. on the 1st of September, 2021.



*

M**RS. BUNMI POPOOLA-MORDI:** Mrs Bunmi Popoola-Mordi is a law graduate, member of the Nigerian Bar Association, Fellow of the Institute of Chartered Secretaries and Administrators holds several post graduate degrees in law and an MBA. Her career spans over legal practice, banking, human resources management, industrial relations, communication, corporate governance, public relations amongst others. She joined TotalEnergies Marketing Nigeria Plc in 2011 as Legal Affairs Manager / Company Secretary, was promoted General Manager Human Resources & Corporate Services in 2015 and appointed Executive General Manager Total Country Services in 2019. Mrs Popoola-Mordi was appointed Executive Director effective 1st April, 2023.

M R. EMMANUEL MORAND-FEHR: Mr. Emmanuel Morand-Fehr is an Economics graduate of HEC Paris. He started his career in TotalEnergies as Finance and Corporate Affairs Director, TotalEnergies Cote d'Ivoire in 1999. He moved to TotalEnergies Kenya as Finance and Corporate Affairs Director in 2004, **thereafter he was appointed** as Head of Financial Controlling Department Africa Zone in 2007. Emmanuel was appointed Head of Governance and Assistance Filiales, Africa Zone in 2012 and in 2017 he was appointed Finance and Corporate Affairs Director, TotalEnergies Marketing Egypt which position he held until he joined TotalEnergies Marketing Nigeria Plc. Emmanuel was appointed a Executive Director of TotalEnergies Marketing Nigeria Plc on the 1st of September 2023



M S. TEJIRO IBRU: Ms. Tejiro Ibru obtained a Masters in Engineering and a Master of Finance from Imperial College, London and started her career with Deloitte & Touche Petroleum Services Group, London. In 2005, she joined Oceanic Bank International Plc as Head of the International Banking Group and later as Head of the Project Management Office. In 2010, she was appointed the Head of Corporate Services of Destiny Dredgers International Limited and in 2014 she joined Dorman Long Engineering Limited as Head of the Programme Management Office. From 2015 to 2017, she worked at Midwestern Oil and Gas Company Limited as a Corporate Finance Analyst. She is an Associate of the Royal School of Mines, Imperial College. She was appointed to the Board to the Board as a Non-Executive Director on the 27th of October, 2011.



ENGR. RUFA'I SIRAJO: Engr. Rufa'i Sirajo obtained a National Diploma in Electrical/Electronic Engineering from the Federal Polytechnic Mubi, Adamawa State, a Higher National Diploma in Electronics/Telecommunications Engineering from Kaduna Polytechnic, Kaduna State, a Post Graduate Diploma in Electrical Engineering from Bayero University, Kano and an MBA degree from the University of Calabar. He commenced his working career in 1986 as Engineering Superintendent (Electrical) at Geotechnical Services Limited from where he moved on to Northern Cables Processing and Manufacturing Company Limited as Quality Control Supervisor. He is currently the Managing Director/Chief Executive Officer of Afri-International Projects Consulting Limited. He is registered with The Council for the Regulation of Engineering in Nigeria (COREN); he is a Member of the Society of Engineers (MNSE) and is also a Member of the Solar Energy Association of Nigeria. He was appointed to the Board as a Non-Executive Director on the 28th of March, 2012.



PRINCE (DR.) JEFFERSON NNAMANI: Prince Jefferson Nnamani is a graduate of Political Science and Administration with a Masters of Public Administration (MPA) from the University of Maiduguri, Borno State, Nigeria. In his over 29 years career with Total Nigeria Plc, he served the Company in various capacities starting as a Sales Representative in Borno State, Industrial Sales Executive in Lagos, Senior Network Inspector, Lagos Region, Sales Executive, Eastern Region, Regional Manager North Central, Regional Manager, Lagos and Western Region, Territorial Sales Manager, West, General Manager, Sales and in 2011 he was appointed General Manager Strategy, a position he held until his appointment in 2015 as Executive Director, Strategy. He retired in December 2017. Jeff has also served on the Board of Nikon Insurance Corporation and the Governing Council, Yaba College of Technology. Jeff is a fellow of the Institute of Directors of Nigeria. He currently runs his private business. He was appointed to the Board as a Non-Executive Director with effect from 16th of December 2017.





M R. NOUBI BEN HAMIDA: Mr. Ben Hamida began his professional career in 1994 at Societe Generale working in Paris and Italy in various positions in Trade Finance. He joined TotalEnergies in 2001 in Switzerland as Head of Credit Management for the Trading and Shipping Division, was appointed Downstream Corporate and Project Finance Manager in 2005 (during which time he served on the Board of Directors of listed subsidiaries in Ivory Coast, Nigeria, and Kenya). In 2010 he was appointed Group Head of FX/Money Market finance division France, Vice President Business Development and Assets Operated by Others TotalEnergies Exploration & Production - Doha, Qatar in 2015 and Chief Financial Officer Saudi Aramco TotalEnergies Refining and Petrochemicals Co.Jubail, Saudi Arabia in 2018. In 2021 he was promoted to Vice President Corporate & Project Finance Downstream TotalEnergies in Paris. Mr. Ben Hamida is an engineering graduate of Centrale Supélec France. Mr. Ben Hamida was appointed a Non Executive Director on the 28th day of October, 2021.



M R. SEBASTIEN BARILLER: Mr. Sebastien Bariller is a graduate of IFP School, Paris; Imperial College and Chimie Paris Tech – PSL (Paris). Sebastian joined TotalEnergies in 2001 in Paris as Linear Modeling Engineer, refining after which he took up the position of Head, Valorization Department and member of Plant Management Committee, Total Special Fluids Oudalle Plant (Le Havre) in 2004. He was appointed Strategy Manager (Paris) Total Refining Corporate Strategy & Planning Division in 2008 from which role he went on to take up the position of Corporate and Project Finance Senior Manager, Total Holding Finance Division in 2012. He was promoted to the position of SVP Feedstock Purchasing, Energy & Optimization (Seoul), Hanwha Total Petrochemical in 2016. In 2020, Sebastian was appointed Vice President Polymers/Low Carbon Solutions & Business Development (Brussels) – TotalEnergies – Refining & Chemicals. In September 2023, he was appointed Africa Division / Vice President Supply Logistics Africa. Mr. Sebastian Bariller was appointed a Non-Executive Director on 26th day of October, 2023.

REPORT OF THE DIRECTORS

In accordance with the provisions of the Companies and Allied Matters Act ((CAMA) 2020 the Directors present their Annual Report together with the Company's Audited Financial Statements for the year ended 31st December, 2023 which discloses the state of affairs of the Company.

1. PRINCIPAL ACTIVITIES

The principal activities of the Company are marketing and distribution of refined petroleum products.

2. LEGAL FORM

The Company was incorporated as a private limited liability company in 1956 and was converted to a public limited liability company in 1978. Its shares are currently quoted on the Nigerian Exchange Limited. Under a scheme of arrangement concluded and sanctioned by the Federal High Court of Nigeria on the 11th of September 2001, the Company merged with Elf Oil Nigeria Limited and changed its name to TotalFinaElf Nigeria Plc. To mark the completion of its corporate mergers, TotalFinaElf Group worldwide reverted to its former name TOTAL in 2003. Accordingly, the Company changed its name from TotalFinaElf Nigeria Plc to TOTAL Nigeria Plc in the same year. 61.72% of the Company's ordinary shares were held by Total Societe Anonyme and Elf Aquitaine S.A. until 2013 when a restructuring was concluded and Total Raffinage Marketing became the shareholder of 61.72% of Total Nigeria Plc while the remaining 38.28% are held by some members of the Nigerian public. At an extraordinary general meeting in 2013, Total Raffinage Marketing resolved to change its corporate name to Total Marketing Services. In May 2021 the Company in line with its ambition to be a broad based energy company changed its name to TotalEnergies Marketing SE. In August 2021 Total Nigeria changed its name to TotalEnergies Marketing Nigeria Plc. The shareholding structure remains the same.

3. OPERATING RESULTS

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

	2023	2022
	N'000	N'000
Revenue	635,951,600	482,470,780
Profit before taxation	17,614,011	24,532,280
Profit for the year	12,931,182	16,118,376
Dividend	8,448,046	8,448,046

4. DIVIDEND

The Board of Directors pursuant to the powers vested in it by the provisions of section 426 of the Companies and Allied Matters Act (CAMA) 2020 hereby recommend to members the payment of a full and final dividend of ₦25.00 (2022: ₦25.00) per ordinary share of 50 kobo each. The dividend is subject to deduction of withholding tax at the rate applicable at the time of payment. This will be presented to shareholders for approval at the Annual General Meeting.

5. DIRECTORS

The directors who served during the year and to the date of this report are:

Name of Director	
Mr. J-P. Torres	Chairman (French)
Dr. S. Seye	Managing Director (Senegalese)
Mrs. Olubunmi Popoola-Mordi	Executive Director – Appointed 1 st April 2023
Mr. Emmanuel Morand-Fehr	Executive Director (French) Appointed 1 st September, 2023
Ms. T. Ibru	Non-Executive
Engr. A.R. Sirajo	Non-Executive
Dr. J.E Nnamani	Non-Executive
Mr. N. Ben Hamida	Non-Executive (French)
Mr. Sebastien Bariller	Non-Executive (French) Appointed 26 th October, 2023
Mrs. Lesley Baxter-Green	Non-Executive (British) Resigned 31 st August ,2023
Mrs Lucile Badaire	Non-Executive (French) Resigned 5 th October ,2023

The names of the current Directors are listed on page 4. Their thumbnail pictures and brief profiles are also indicated on pages 12 to 14.

6. DIRECTORS TO RETIRE BY ROTATION

In accordance with Section 285 (1) and (2) of the Companies and Allied Matters Act, ((CAMA) 2020, the Directors to retire by rotation at this Annual General Meeting are Dr. S. Seye, Ms. T Ibru and Engr. A.R. Sirajo who, being eligible, offer themselves for re-election. Pursuant to Section 285 (1) of the Companies and Allied Matters Act, ((CAMA) 2020, a resolution will be proposed at the Annual General Meeting for their re-election as Directors. In accordance with Article 94 of the Articles of Association of the Company Mr. Emmanuel Morand – Fehr and Mr. Sebastien Bariller being Directors appointed since the last Annual General Meeting will be presented to shareholders for ratification of their appointment.

7. DIRECTORS INTEREST IN SHARE CAPITAL

The interests of each Director in the issued share capital of the company as recorded in the register of Directors' shareholding, as notified by the Directors for the purpose of Section 301 of the Companies and Allied Matters Act, (CAMA), 2020, and in compliance with the listing requirements of the Nigerian Exchange Limited and the 2011 Securities and Exchange Commission Corporate Governance Code 31st December, 2023 were as follows:

Directors	31 st December 2023 No. Of shares (Direct)	31 st December 2023 No. of shares (Indirect)	31 st December 2022 No. of shares (Direct)	31 st December 2022 No. of shares (Indirect)
Ms. T. Ibru	902,903	43,135	902,903	43,135
Dr. J.E Nnamani	10,812	-	100	-

Ms. Ibru is a shareholder of Mas Makay Limited which owns shares in TEMNPLC (0.01%)

8. DIRECTORS INTEREST IN CONTRACTS

For the purpose of Section 303 of the Companies and Allied Matters Act (CAMA), 2020, none of the Directors have notified the Company of any direct or indirect interest in any contract or proposed contract with the Company with the current Financial year.

9. PROPERTY, PLANT AND EQUIPMENT

Movements in intangible assets and Property, Plant and Equipment during the year are shown in Notes 16 of the Financial Statements.

10. POST BALANCE SHEET EVENTS

As at 22nd March, 2024 the Directors were not aware of any post balance sheet events which have not been adequately provided for and which could have a material effect on the financial position of the Company as at 22nd March, 2024 as well as the profit for the year to that date.

11. COMPANY'S DISTRIBUTORS

The names of the Company's significant distributors are shown on pages 99 to 102.

12. SUPPLIERS

Key suppliers of products and materials to the Company are:

S/N	Vendor Name	S/N	Vendor Name
1	TOGAY VENTURES LIMITED	13	ELIZADE NIGERIA LIMITED
2	PANAR LIMITED	14	PETRICHOR BOX FACTORY LIMITED
3	PACEGATE LIMITED	15	DEEAJAO NIGERIA LIMITED
4	POLY PRODUCTS NIGERIA PLC	16	COSCHARIS MOTORS LIMITED
5	HOGL ENERGY LIMITED	17	WILLIS TOWERS WASTON NIGERIA LIMITED
6	AVON CROWNCAPS & CONTAINERS LTD	18	GATIMO LIMITED
7	BECKLEY CONSULTING LIMITED	19	SMARTFLOW TECHNOLOGIES LIMITED
8		20	JUBAILI BROS ENG LIMITED
9	T. MARINDOT VENTURES NIG. LTD	21	SERAC
10	UIONGATE INSURANCE BROKERS LIMITED	22	KEMDIO TECHNICAL LTD
11	AMAIDEN ENERGY NIGERIA LIMITED	23	MITMOH INTEGRATED LIMITED
12	SUNHIVE LIMITED	24	POST ASSURANCE BROKERS LIMITED
25	CIG MOTORS COMPANY LIMITED		

13. INTER-COMPANY TRANSFERS AND TECHNICAL MANAGEMENT AGREEMENTS

The Company is a party to a subsisting agreement in respect of License, Marketing know-how and Training. This agreement is between the Company and TotalEnergies Raffinage Marketing and TotalEnergies Outre Mer.

The terms of the agreements include:

- (a) Provision of assistance and advice on the general organization and management of the Company.
- (b) Provision of suitable expatriate personnel for employment as required and at the request of the Company.
- (c) Provision of overseas training and retraining for Nigerian employees to enable them assume positions of higher responsibility within the Company.
- (d) Product research development assistance.
- (e) Constructions, engineering and design assistance, provision of accounting and operations computer software, sample analysis and control.
- (f) Technical assistance for inventory control, product storage and handling procedures; aviation services assistance and provision of operational manual to ensure compliance with international standards.
- (g) Payment of technical assistance and management fees.

14. ACQUISITION OF OWN SHARES

The Directors affirm that the Company did not purchase its own shares during the year. The employees of the Company are participants in the TotalEnergies Employees' shareholding plan. TotalEnergies Marketing Nigeria Plc finances the purchases made by Staff and this is repayable over a number of years.

15. DONATIONS

As the Company did in the previous year, donations were made to several charitable organizations during the year 2023 and the beneficiaries are as follows:

	DONATIONS	AMOUNT (₦)
1	SOS villages Annual Corporate Sponsorship	8,595,728
2	Donation to the Palace of the Olu of Warri	2,296,160
3	Skills Acquisition Program (SAP)	23,792,000
4	L.E.A.D Career program	6,427,750
5	World Clean Up Day 2023	5,302,000
6	Sustainability Event Sponsorships	4,400,000
7	TotalEnergies/IFTDO Widows Empowerment program	7,000,000
8	Partnership Consultative Committee Sitting allowance.	80,000
9	Stakeholders Relationship Management Implementation	10,987,800
10	Annual Corporate Donation to Charity Organisations	4,997,000
11	VIA Road 17 safety Poster campaign	4,000,000

12	SOS Children's Villages donations	13,110,000
13	Federal Road Safety Commission	1,995,002
14	Koko Scholarship Scheme	1,579,000
TOTAL		134,019,140

No donations were made to any political parties. Extensive information on our societal actions can be found in our sustainability report www.services.totalenergies.ng

16. EMPLOYMENT AND EMPLOYEES

We have created and are sustaining an atmosphere of diversity and inclusion in TotalEnergies. Safety, Equity, Equality of opportunity, Diversity and Inclusion are a part of TotalEnergies Marketing Nigeria Plc's identity.

(a) Health, Safety, Environment and Quality Policy

The year 2023 came with its social, economic, political and security challenges, however, we have managed to maintain our excellent HSE records while still improving our HSE culture. The latter is evident in our HSE reporting of unsafe acts and conditions aimed at nipping them in the bud before they course harm to people or damage to assets and the environment. For example, more than 8,000 anomalies and near misses were reported with over 90 % closed. This represents an increase of 65% compared to the year 2022. In the year 2023, we have sustained zero: Total Recordable Injury Rate (TRIR), Severe Vehicle Accident Rate (SVAR) and Loss of Primary Containment, with very good safety records on all our sites both in operations and construction activities. The Energy management Framework that was put in place in 2022 has started to gain traction. It is now possible to monitor Green House Gas (GHG) emissions across all our industrial sites, service stations, offices and official residents. Through various initiative and investments in renewable Electricity Generation, we have continued to reduce our GHG emissions which is currently below 11.92 KtCO₂ eq compared to the maximum threshold of 30kt. It is worthy to mention that we also used the MAESTRO LOG Audit improvement plan as a springboard to improve our competence and capacity for managing Major Risk associated with some of our activities particularly in White Products Depots. These are reflected in the resources allotted to training of our staff and upgrade of our facilities in 2023. To reinforce our safety leadership there was an increase in number of Top management visit to our operational sites , giving room for more opportunities to interact with the Operators on the field and thus improving the safety culture. We also recorded a drop in the rate of burglary incidents and losses across our service stations compared to the previous year. Thanks to the collaborative effort between the Company and various stakeholders, and the use of technology as deterrents to Burglars.

TotalEnergies Marketing Nigeria Plc remains committed to its core values as we continue to provide safety leadership by maintaining the highest safety standards in all our activities across the Country.

(b) Equal opportunities, Diversity and Inclusion

All employees are given equal opportunities and resources to develop professionally and personally to their full potential We continue to advocate diversity and inclusion by supporting an open and inclusive corporate culture where all genders can flourish.

TotalEnergies Marketing Nigeria Plc is an equal opportunity employer and does not discriminate on any grounds. We support fair employment practices. We aim to have an institution free from discrimination and based upon the values of dignity and respect. Respect for the employees is at the heart of our organization and is one of our core values. We encapsulate listening to each other and ensuring compliance with human rights both within the Company and amongst our partners.

We employ and retain people from a wide range of backgrounds. Our employment policy is free of discrimination against existing or potential employees on grounds of race, ethnicity, nationality, gender, age, disability, political opinion, competencies, background or faith. It is TotalEnergies policy not to discriminate against physically challenged persons or persons living with HIV/AIDS. The Company continues to pursue its policy of non-discrimination in recruitment and continued employment, offering physically challenged persons career opportunities. The Company ensures that the work environment is accessible and conducive for them.

(c) Employees Welfare, Development, Training and Engagement

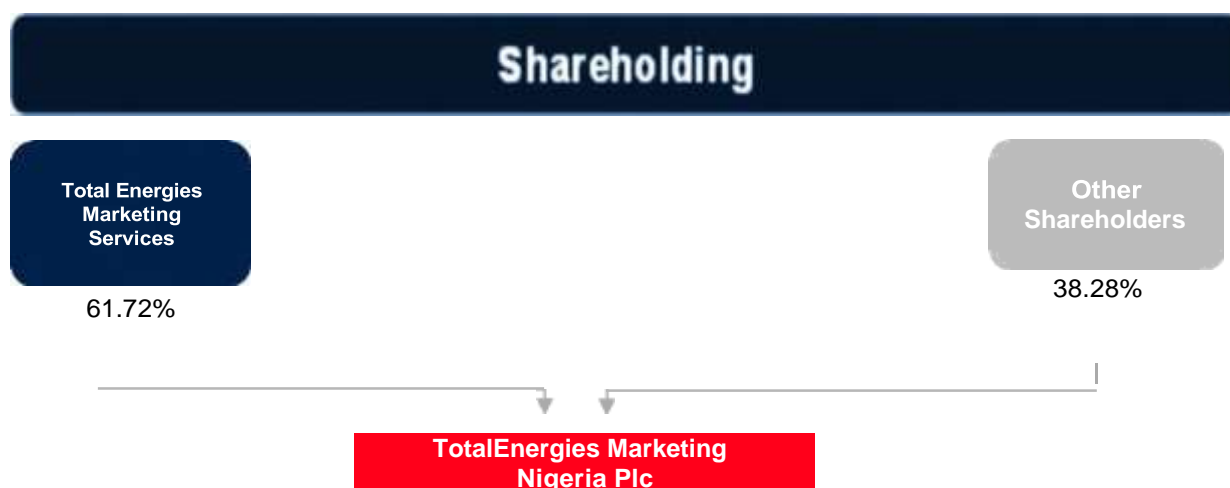
Transforming with our people is a basic component of our ambition to become the responsible energy major

and a worldclass player in the energy transition. TEMNPLC takes the safety of everyone and respect for Human Rights throughout the value chain as paramount and nonnegotiable. As a responsible employer, we create shared value, ensure diversity in all our recruitment processes, foster inclusion and the wellbeing of our people is key and fundamental to our sustainability. We promote the professional development of our staff through upscaling and reskilling, promote the manager coach and building a good place to work.

We have in place a robust system that ensures social protection for our staff: Biennial Medical check-up , Parental leaveapplied equally to biological and adoptive families, Pension, health and life insurance plans, amongst others. We are the energy company of choice.

17. MAJOR SHAREHOLDINGS.

- a) The issued and fully paid shares of 50 kobo each of the Company as at 31st December, 2023 were beneficially held as follows:



Shareholder	2023 Number of Shareholding '000	%	2022 Number of Shareholding '000	%
TotalEnergies Marketing Services	209,560	61.72	209,560	61.72
Other Shareholders	129,962	38.28	129,962	38.28
Total	339,522	100.00	339,522	100.00

- b) No shareholder, except as disclosed above, held more than 5% of the issued capital as at 31st December, 2023 and as at 22nd March, 2024.

(c) Range analysis of ordinary shareholdings

RANGE			NO.OF HOLDERS	% HOLDERS	HOLDINGS	% HOLDINGS
1	-	500	14,623	53.02	2,377,388	0.70
501	-	1,000	3,558	12.90	2,647,769	0.78
1,001	-	5,000	7,196	26.09	15,187,526	4.47
5,001	-	10,000	1,166	4.23	8,064,489	2.38
10,001	-	20,000	544	1.97	7,557,862	2.23
20,001	-	50,000	264	0.96	8,254,427	2.43
50,001	-	100,000	95	0.34	6,872,122	2.02
100,001	-	500,000	93	0.34	18,193,278	5.36
500,001	-	5,000,000	35	0.13	44,190,342	13.02
5,000,001	-	50,000,000	3	0.01	16,617,004	4.89
50,000,001	-	339,521,83	1	0.00	209,559,63	61.72
Grand Total			27,578	100	339,521,83	100

18. INTERNAL FINANCIAL CONTROLS

Effective financial controls are an essential management tool. Accordingly, reasonable care has been taken to establish and maintain a framework of financial controls to ensure that the Company's assets are safeguarded and that proper accounting records are maintained with a view to providing reliable financial information.

There exist adequate guidelines for all aspects of internal controls relating to operational and compliance controls as well as risk management. The Board and Management will in line with regulation and international best practices continue to review the effectiveness and the adequacy of the Company's internal control systems and update such as may be necessary.

19. AUDITORS

In accordance with Section 401 of the Companies and Allied Matters Act, (CAMA) 2020, a resolution will be proposed at the next Annual General Meeting authorizing the directors to determine the remuneration of the auditors.

BY ORDER OF THE BOARD



Mark N. Mannok
FRC/2024/PRO/NBA/002/552036
Company Secretary
LAGOS, NIGERIA
22nd March, 2024

STATEMENT OF CORPORATE RESPONSIBILITY

In accordance with the provisions of Sections 405 of the Companies and Allied Matters Act (CAMA) 2020, we have reviewed the Audited financial statements for the year ended 31st December, 2023 and based on our knowledge confirm as follows:

- The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading in light of the circumstances under which the statement was made;
- The audited financial statements and all other financial information included in the statements fairly present in all material respects, the financial condition and results of operation of the Company as of the period ended 31st December, 2023;
- The Company's internal controls have been designed to ensure that all material information relating to the Company is received and provided to the auditors in the course of the audit;
- The Company's internal controls were evaluated within 90 days of the financial reporting date and are effective as at 31st December, 2023;
- That we have disclosed to the Company's Auditors and the Statutory Audit Committee the following information:
 - a) That there are no significant deficiencies in the design or operation of the Company's internal control which could adversely affect the Company's ability to record, process, summarise and report financial data and have discussed with the auditors any weaknesses in internal controls observed in the course of the audit
 - b) There is no fraud involving management which could have any significant effect on the Company's internal control.
 - c) There is no significant change in internal controls or in other factors that could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.



Mrs. OLUBUNMI POPOOLA-MORDI
FRC/2013/ICSAN/00000002024
Executive Director
22nd March, 2024



DR. S. SEYE
FRC/2020/003/00000024858
Managing Director
22nd March, 2024

CORPORATE GOVERNANCE REPORT

TotalEnergies is committed to institutionalizing the principles of corporate governance and ethical business practices. We have always adopted a responsible attitude towards corporate governance and issues of Corporate Social Responsibility in Nigeria. The Company conducts its business with integrity and pays due regard to the laws of Nigeria and the legitimate interest of its stakeholders. The Board of Directors ("the Board") is continually reviewing its corporate governance standards, procedures and subscribes to regulation, legislation and international best practices.

The Board recognizes that good Corporate Governance is a key driver of corporate accountability and business prosperity thus it has demonstrated commitment towards embedding excellent corporate governance practices across the entire Company. This commitment is visibly seen in its sustained drive to institutionalize practices, policies and structures which accentuate the very essence of good corporate governance and best practices in its functions and across the entire Company.

In furtherance of implementing the best corporate governance standards the Board is guided by the Companies and Allied Matters Act 2020, The Rule Book of the Nigerian Exchange for the time being in force, The Investment and Securities Act 2007, The Securities and Exchange Commission (SEC) Rules for the time being in force, The Nigerian Code of Corporate Governance 2018, The Securities and Exchange Commission (SEC) Corporate Governance Guideline 2021, The Memorandum and Articles of Association of TotalEnergies Marketing Nigeria Plc., The Board Charter, The TotalEnergies Code of conduct and integrity guide etc.

THE BOARD OF DIRECTORS

As currently constituted, the Board of Directors comprises the Chairman, the Managing Director, two Executive Director as well as five Non-Executive Directors. The positions of the Chairman and that of Managing Director are held by different persons. In accordance with the provisions of the Company's Articles of Association, the Board is mandated to manage the business and affairs of the Company except as required by statute or the Articles to be exercised by the Company in the general meeting. The Directors of TotalEnergies are knowledgeable about the Company's business, well established in various fields of endeavour and bring a wealth of experience to bear on the activities of the Board. The Board ensures that its governance standards, practices and processes are adequate and effective. The Board has a charter which regulates its operations.

Roles and Responsibilities of the Board of Directors

The Board is responsible for ensuring that the Company is properly managed and meets its strategic objectives. The Board provides both entrepreneurial and strategic leadership. The Directors act in good faith, with due diligence and care and in the best interest of the Company. The Board in discharging its duties, adopts best international practice principles in line with laid down regulations.

The responsibilities of the Board include:

- i) Management of the business and affairs of the Company except as required by statute or the Articles to be exercised by the Company in the general meeting;
- ii) Articulation and formation of Strategy;

- iii) Formulation of policies and overseeing the management and conduct of business;
- iv) Formulation and management of risk management framework;
- v) Succession planning and the appointment, training, remuneration and replacement of Board members and Executive Committee members;
- vi) value and to meet the Company's obligations to its stakeholders.
- vii) Overseeing the effectiveness and adequacy of internal control systems;
- viii) Performance monitoring and appraisal of the Company;
- ix) Overseeing the maintenance of the Company's communication and information dissemination policy;
- x) Serving the legitimate interests of the shareholders and the Company and accounting to them fully;
- xi) Ensuring effective communication with stakeholders;
- xii) Reviewing and approving annual budgets;
- xiii) Ensuring the integrity of financial reports;
- xiv) Promoting and ensuring that ethical standards are maintained;
- xv) Ensuring that the human and financial resources of the Company are effectively deployed towards achieving her goals;
- xvi) Ensuring that no one person or group of persons has unfettered power and that there is an appropriate balance of power and authority on the Board which is usually reflected by separating the roles of the Managing Director/Chief Executive Officer (MD/CEO) and Chair and by having a balance between executive and non-executive Directors;
- xvii) Regularly assessing its performance and effectiveness as a whole and that of the individual Directors, including the MD/CEO;
- xviii) Appointment of the MD/CEO;
- xix) Ensuring the motivation and protection of human capital intrinsic to the Company; ensuring that there is adequate training in the Company for management and employees and a succession plan;
- xx) Ensuring that all technology and systems used in the Company are adequate to properly run the business and for it to remain effectively competitive;
- xxi) Identifying key risk areas and key performance indicators of the business and monitoring these factors;
- xxii) Ensuring annually that the Company survives, thrives and continues as a viable going concern;
- xxiii) Ensuring compliance with the Company's articles, all laws and regulations;

- xxiv) Conducting performance and progress monitoring against the strategies and objectives of the Company, including assessing the Company's financial position and performance (at least quarterly);
- xxv) ensuring that management systems are in place to identify and manage environmental and social risks as well as their impact;
- xxvi) Approving the Company's interim dividend and proposing dividends to be finally approved by the shareholders at the annual general meeting; and
- xxvii) Deciding and approving the expenditure and authorising, investment and credit limits to be delegated

Board Appointment, Induction and Training

Once a vacancy on the Board of Directors is declared, curricula vitae of suitable candidates (depending on the required experience, competencies and skills set) are obtained and reviewed; interviews are conducted and a recommendation is made to the Board of Directors. Appointment is by the Board of Directors. Subsequently, Directors appointed by the Board are presented to shareholders at the next Annual General Meeting for election. Board members undergo an induction and training from time to time. To ensure effective management of the Company, Directors attend relevant seminars and conferences designed to acquaint them with new trends in governance and organizational development as well as empower them for their roles. The Board of Directors can retain external counsel for independent advice.

Board Evaluation

The Board conducted a formal evaluation of its performance in the year under review taking into account all relevant codes on corporate governance and international best practices. The Report shows that TotalEnergies's governance procedures and practices during the year ended 31st December, 2023 were in conformity with the provisions of applicable legislation, regulations, corporate governance Codes and international best practices. All action points from the Evaluation will be addressed in the course of 2024.

Re- election of Directors

As prescribed by the Company's Articles of Association and Section 285 of the Companies and Allied Matters Act, 2020 a maximum of one third of the Directors who are longest in office since their last appointment are required to retire by rotation and are eligible for re-election. Messrs. Samba Seye, Tejiro Ibru and Rufai Sirajo are Directors seeking re-election at this Annual General Meeting. Their biographical details are contained on Pages 12 to 14 of this Annual Report and Accounts. Likewise, Directors appointed since the last Annual General Meeting retire and being eligible, offer themselves for re-election. Mr. Emmanuel Morand-Fehr and Mr. Sebastien Bariller were appointed since the last Annual General Meeting. Their biographical details are contained on Pages 14 of this Annual Report and Accounts.

Code of business conduct and ethics

The Board is committed to conducting all business activities, legally, ethically and in accordance with the highest standards of integrity and propriety. The Board exercises leadership, enterprise, integrity and judgment in directing the Company so as to achieve continuing survival and prosperity for the company.

The Board promotes an ethical corporate culture. Every Director and employee subscribes to comply with the Company's Business Integrity Guide and Code of Conduct which covers TotalEnergies business principles and ethics. We are

committed to maintaining a brand of repute and business reputation.

Attendance at Board Meetings

The Board met 4 (four) times during the 2023 financial year. Attendance at Board Meetings during the year ended 31st December, 2023 is as indicated below:

Directors	30 th March	31 st May	26 th October	14 th December	Total Attendance
Mr. J-P Torres	P	P	P	P	4
Mr. S. Seye	P	P	P	P	4
Mrs. L. Baxter-Green	P	P	R	R	2
Mrs. O. Popoola-Mordi	N	P	P	P	3
Mr. E. Morand - Fehr	N	N	P	P	2
Ms. T. Ibru	P	P	P	P	4
Engr. A.R. Sirajo	P	P	P	P	4
Dr. J.E Nnamani	P	P	P		3
Ms. T. Ibru	P	P	P	P	4
Mrs. L Badaire	P	P	N	N	2
Mr. N. Ben Hamida	P	P	P	P	4
Mr. Sebastien Bariller	N	N	P	P	2

Attendance Keys: A= Absent with apology, P= Present, R= Resigned, N = Not Applicable

Board Committees

In line with its Articles, the Companies and Allied Matters Act, 2020 and in conformity with the Securities and Exchange Commission's 2011 Corporate Governance Code and the Nigerian Code of Corporate Governance 2018 the Board has established some committees and will in the course of the coming year establish additional committees to cover specific subject matters. These committees assist the Board to effectively perform its guidance and oversight functions. All committees have terms of reference which guide them in the carrying out of their responsibilities. The committees comprise of Directors and shareholder representatives. In 2023, there were three Board Committees and a Statutory Committee: Diversity and Staff Development Committee, Corporate Governance Committee, Risk Management Committee and the Statutory Audit Committee. In the opinion of the Board, the committees performed creditably during the year under review.

(i) Diversity and Staff Development Committee:

The Company recognizes diversity as a decisive factor for its competitiveness, attractiveness and ability to adapt. This committee is charged with studying diversity patterns in the workforce and developing ideas and solutions towards ensuring a balanced and productive human resource base for the Company as well as recommending methods for building and developing employee potential in line with Company policy. The committee also has oversight of the welfare of employees and labour relations. The members of the Diversity and Staff Development Committee were:

- Ms. T. Ibru
- Engr. R. Sirajo
- Dr. J.E Nnamani
- Mrs. L. Badaire

Attendance at the meetings of the committee during the year ended 31st December, 2023 was as indicated below:

Director	16 th February	26 th May	12 th October	Total Attendance
Ms. T. Ibru (Chair)	P	P	P	3
Engr. A.R. Sirajo	P	P	P	3
Dr. J. Nnamani	P	P	P	3
Mrs. L. Badaire	P	P	N	2

Attendance Keys: P= Present N = Not Applicable

(ii) **Corporate Governance Committee:**

This committee's brief is essentially the application of the Code of Corporate Governance to the structure and operations of the Company with a view to ensuring compliance with internationally accepted guidelines, practices and norms of corporate conduct. In this respect, it examines matters that bear potential risks for the Company. The members of the committee were:

- Ms. T. Ibru
- Engr. A.R Sirajo
- Dr. J.E Nnamani

Attendance at the meeting of the committee during the year ended 31st December, 2023 was as indicated below:

Director	16 th February	26 th May	12 th October	Total Attendance
Engr. A.R.Sirajo (Chair)	P	P	P	3
Ms. T. Ibru	P	P	P	3
Dr. J. Nnamani	P	P	P	3

Attendance Keys: A= Absent with apology, P= Present

(iii) **Risk Management Committee:**

The committee's brief is essentially to assist the Board of Directors in fulfilling its guidance and oversight responsibility relating to establishment of policies, standards and guidelines for risk management and compliance with legal and regulatory requirements in the Company. The members of the committee were:

- Dr. J.E Nnamani
- Engr. A.R Sirajo
- Mr. N. Ben Hamida

Attendance at the meeting of the committee during the year ended 31st December, 2023 was as indicated below:

Director	16 th February	20 th November	Total Attendance
Dr. J. E Nnamani (Chair)	P	P	2
Engr. A.R. Sirajo	P	P	2
Mr. N. Ben-Hamida	P	P	2

Attendance Keys: P= Present

(iv) **Statutory Audit Committee:**

In compliance with Section 404(2) of the Companies and Allied Matters Act,

(CAMA) 2020 the Company has established a Statutory Audit Committee. In 2020 the Statutory Audit Committee membership was revised to comply with the provisions of Section 404(3) of the Companies and Allied Matters Act (CAMA), 2020 which requires that the committee be composed of two Non-Executive Directors and three shareholders elected at the Annual General Meeting. It is chaired by a shareholder representative. The terms of reference of the committee are as prescribed in the provisions of Section 404(7) of the Companies and Allied Matters Act (CAMA) 2020 and the Statutory Audit Committee Charter.

In the performance of their duties, members of the committee have direct access to the internal audit department, the external auditors, management and any other officer that is required. In compliance with the provisions of Section 404(3) of the Companies and Allied Matters Act (CAMA), 2020 the following members and Directors were elected and will serve on the committee up to the conclusion of the 46th Annual General Meeting:

- Chief T.A. Adesiyon - Shareholder (Chairman)
- Mr. K.A. Taiwo - Shareholder
- Mr. C. Achara - Shareholder
- Ms. T. Ibru - Director
- Engr. R. Sirajo - Director

In accordance with Section 404 of the Companies and Allied Matters Act (CAMA), 2020 the Shareholders and Directors listed below sat on the Audit Committee for the purpose of the Company's year 2023 audit. Attendance at meetings of the Committee was as indicated below:

	22nd March	23rd May	25th October	14th Nov	12th December	Total Attendance
Chief T.A. Adesiyon (Chairman)	P	P	P	P	P	6
Mr. K.A Taiwo.	P	P	P	P	P	6
Mr. C. Achara	P	P	P	P	P	6
Ms. T. Ibru	P	P	P	P	P	6
Engr. R. Sirajo	P	P	P	P	P	6

Attendance Keys: P= Present S=Scheduled

COMPLIANCE STATEMENT

Corporate compliance is an essential part of the Company's operations as it lays out expectations for employee behavior, helps staff stay focused on organization's broader goals, ensures the company and employees follow applicable laws, regulations and ethical practices and fosters a workplace culture that values integrity and ethical conduct. We have a formal system in place to create awareness, monitor, train and support employees and directors to uphold policies and procedures. 28 tone at top messages were sent to all staff by the leadership team. We conduct due diligence exercise on partners, customers, contractors and other stakeholders where necessary. We conduct an annual conflict of interest declaration exercise and observed the business ethics day on the 7th of December, 2023.

The Company has complied with the requirements of the Securities and Exchange Commission's 2011 Code of Corporate Governance for Public Companies in Nigeria, the Nigerian Code of Corporate Governance 2018 and the Post-listing Requirements of the NGX Regulation.

TotalEnergies Marketing Nigeria Plc has complied with regulations guiding its operations and activities throughout the year. TotalEnergies ensures that its existence and operations remain within the law. The Company complies with the laws and regulations of Nigeria. We are committed to the continued sustenance of the principles of sound corporate governance.

SHARE TRADING POLICY

The Company has put in place a securities trading policy which guides all directors, employees and counterparts who may at any time possess inside or material information about the Company. The said policy is in accordance with the Post-listing Requirements of the NGX Regulation and also contains a reminder of the Investment and Securities Act 2007 and the Companies and Allied Matters Act (CAMA), 2020. It can be found on our website. To ensure compliance, the Policy and Closed Periods are communicated periodically.

In the course of 2023, none of our directors, employees and counterparts notified us of any contravention of TotalEnergie's Securities Trading Policy.

COMPLAINTS MANAGEMENT POLICY

In accordance with the rules of the Securities and Exchange Commission relating to the Complaints Management Framework of the Nigerian Capital Market ("SEC Rules") 2019, shareholders who have complaints may use the electronic complaints register on the Company's website to register their complaints. We also have a section dedicated to receiving complaints on our website. We can also be contacted on our various social media handles. These enable the Company to handle complaints from shareholders and other stakeholders in a timely, effective, fair and consistent manner.

WHISTLE-BLOWING POLICY

In line with the requirements of the Securities and Exchange Commission's 2011 Code of Corporate Governance and global best practices, the Company has put in place a Whistle-Blowing Policy which is a process whereby the illegal, unethical or inappropriate actions of employees that are injurious to the interest of the company can be reported. The whistle blowing hotline is confidentially managed by Messrs. KPMG Professional Services.

CORRUPTION

Safety is one of the foremost pillars of our organization, and so are Governance and Ethics. They define who we are, what we believe in, how we behave and interact. We shall continue to strongly promote integrity whilst sanctioning corrupt and fraudulent behaviour. TotalEnergies Marketing Nigeria Plc is an ethical business organization. In all our dealings, we are committed to the highest standards of integrity and ethical conduct. We do not tolerate bribery and corruption in any form. We actively promote transparency, encourage and monitor strict adherence to our anti-corruption policy. Not only is our anti-corruption policy entrenched in-house (as our staff are trained and uptrained), we have extended the same to our suppliers, partners and third parties acting for and on behalf of TotalEnergies Marketing Nigeria Plc. Periodic tone at top messages were sent to all staff by members of the management Executive Committee. Compliance with our codes of business conduct, ethics and integrity guidelines is mandatory and monitored at the highest level of the organization. Our stance remains a policy of zero tolerance for corruption.

Demonstrating high ethical standards has today become a business imperative and is a vital criterion in achieving our ambition to become THE responsible energy major. The Company has developed a robust compliance plan, which involves knowing who you are doing business with, continuously analyzing the risks associated with every transaction, monitoring, making our expectations clear to our partners and suppliers and demanding them to cascade same to their stakeholders. Our staff and stakeholders are encouraged to approach issues with individual and collective vigilance. Everyone in the chain must play his/her role. In the course of the year several programmes and activities were run on ethics; these culminated in the Company commemorating the TotalEnergies Business Ethics Day on the 7th of December, 2023 with the theme – "what happens if I speak up".

ANTI-COMPETITION

We recognize that competition is an instrument of promoting growth and sustainable development. We are at the forefront of fostering competition in our sector of the economy as we actively play by the rules and ensure that we do not engage in anti-competitive activities.

ROLE IN SOCIETY

TotalEnergies Marketing Nigeria Plc is one of the major players in the downstream sector of the oil and gas industry and is an integral part of the Nigerian society as an employer, a supplier, a customer, a partner and a taxpayer.

TotalEnergies Marketing Nigeria Plc is a socially responsive organization. We utilise the stakeholders relationship management model so hence consult with our stakeholders and have a policy which, not only drives but equally regulates our relationships within our operating environment. TotalEnergies organizes stakeholders' fora in all its sites where joint decisions are taken concerning project implementation and monitoring jointly implemented. Our Corporate Social Responsibility (CSR) initiatives are implemented in a climate of respect, listening, continuous dialogue and transparency with stakeholders, and in line with their specific needs.

TotalEnergies Marketing Nigeria Plc conducted its societal actions in 2023 in line with the Company's CSR strategy while taking into account the objectives of supporting the attainment of the Sustainable development goals, stakeholder engagement, negative impact management and socio-economic development of its communities. Some key 2023 TotalEnergies corporate social responsibility activities were:

VIA Creative Poster Competition: In 2023, TEMNPLC implemented the VIA Creative Poster Campaign. This is a competition that allows young people to creatively express their ideas on safe mobility via posters designs. Through our collaborative efforts with our partners, we successfully empowered over 37,000 young persons across schools in FCT Abuja, Rivers and Lagos states, as well as equipped over 1,000 teachers and 158 schools, in our shared vision for promoting road safety, mobility, and citizenship. The campaign did not only serve as an educational platform but also imbibed a sense of responsibility and awareness among the youths. The project's educational approach to teaching road safety guidelines, allowed the young people to become true ambassadors for safe mobility.

Koko Scholarship Scheme: TEMNPLC in 2023 also provided scholarships for some indigent secondary school students in Koko, a host community to TEMNPLC. The scheme is sustainable educational project deployed since 2011 with the aim of bringing sustainable education to TotalEnergies host communities. This is also in line with one of TotalEnergies' Foundation CSR pillars, Education and inclusion.

The Learn, Experience, Articulate & Decide (L.E.A.D) Career Program: This is a youth educational development program that focuses on exposing secondary school students to career options as well providing practical insights into the work environment. In 2023, the program held in a hybrid format with a virtual audience of 1305 students from 20 schools, other individual participants, and a physical studio audience of 30 students from three schools, accompanied by their teachers. The sessions were highly engaging and interactive and delivered by technical experts and professional employees, focusing on building a sustainable future through youth leadership with focus on the Sustainable development goal. Goal -13, "Climate Action".

The Koko Youth Entrepreneurship Program: This is a youth skills development and economic empowerment program with a one year paid vocational training. To positively impact the local economy of our host communities, annually since 2006, TotalEnergies Marketing Nigeria Plc trains and sets up small and medium scale enterprises for indigenous youths on vocations of their choice: catering, fish farming, welding, fashion, hair and makeup artistry, furniture making etc. The program has a positive multiplier effect on the socio-economic status of not only the community, but the entire region. This is because the trainers are sourced locally, while the graduates in turn, train other youths as internes; a sustainable model that has spiral positive impact on the communities.

The SOS annual sponsorship and Mentor-a-Child-Program: TotalEnergies Marketing Nigeria

Plc supports four (4) family houses in the SOS (40 children) Children's Villages Nigeria. This is reinforced by the **Mentor-a-Child-Program** for children through the intervention of company employees. It is a program that has yielded tremendous impacts since 2010. In 2023, in addition to the family sponsorship, food items were donated to the four villages across Nigeria as well as seasonal gifts to the children in the sponsored houses. Employees from TotalEnergies under the **Mentor-a-Child-Program**, embarked on a book reading initiative with children across the 4 villages during the year end visit activities. The SOS Sponsorship was predicated on the need to provide sustainable and secure educational future for TotalEnergies' sponsored children at the SOS Children's Villages Nigeria.

World Clean Up Initiative: TotalEnergies Marketing Nigeria Plc. implemented a series of activities in three States of Nigeria to mitigate the impact of climate change and safeguard the environment in commemoration of the World Clean Up Day. The activities included the planting of 114 trees and collection of 4706 kilograms of waste in three States namely Edo, Lagos, and Kano, as well as awareness creation on the journey towards a circular economy, the sensitization of communities on the need to protect the environment and ultimately, leave behind a sustainable world for future generations.

Over 50 permanent employees of the Company participated in the activities through the employee volunteering platform, whereas over 100 staff from the company's service stations and over 330 students volunteered across the six locations/schools in the participating States.

Widows Empowerment Program (MS). The third in its series, the TEMPLC Women Empowerment program aims to create a pool of economically empowered females that will directly impact their communities. These female indigenes lacked finance, business support and expertise to start, manage or grow their small-scale businesses. TEMNPLC provided grants to widows who face social, emotional, and economic difficulties after the loss of their spouses. Empowering the widows involves providing them training and resources needed to regain control over their lives and that of their families. This is in line with the United Nations sustainable development goals 1, 2 and 5 which are: no poverty, no hunger and gender equality.

Through our donations we continue to support several charity organizations. These charities focus on youth, education, local economic empowerment and the environment. Extensive information on our societal actions can be found in our sustainability report www.services.totalenergies.ng.

RELATIONSHIP WITH SHAREHOLDERS

The Board considers effective communication with Shareholders as being of utmost importance. The Board is committed to continuous engagement with its shareholders and ensures that shareholder rights are well protected. Transparency and equitable treatment for all our shareholders are the principles that guide our actions. We make sure that you are regularly informed. The Company reports formally throughout the year with the quarterly and full year results announcements, Sustainability and Annual Reports. Through these reports the Board renders an account of its stewardship to shareholders. From time to time the Company also makes other announcements which can be found on our website (www.services.totalenergies.ng) and the Nigerian Exchange regulations Limited's website <https://ngxgroup.com/>. We can also be contacted on social media via:

 Twitter (www.twitter.com/TotalEnergiesNg)

 Facebook (www.facebook.com/TotalEnergiesNigeria)

 YouTube (www.youtube.com/TotalEnergiesNigeria)

 Instagram (www.instagram.com/TotalEnergies_NG)

In addition to this, periodically, management holds meetings with institutional investors and other Shareholders. In 2023, we continued to maintain active dialogue with our shareholders using digital channels.

The Board also welcomes the participation of all Shareholders at the Annual General Meeting during which Shareholders can put questions to the Directors, Audit Committee and Senior Managers in writing prior to the meeting, formally during the meeting and informally after the meeting. The Annual General Meeting is a key moment of democracy and shareholder dialogue.

Our records show that several dividends and share certificates remain unclaimed despite publications in the newspapers to our shareholders and the circulation of the e-dividend forms. Affected shareholders are urged to kindly update their records to enable the Registrars complete the e-dividend process. The e-dividend form is attached to this annual report for your necessary and urgent attention.

STATEMENT OF DIRECTORS RESPONSIBILITIES

In accordance with the provisions of Sections 385 of the Companies and Allied Matters Act (CAMA) 2020, the Company's Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Company for the year ended 31st December, 2023 and its results for that year. This responsibility includes ensuring that:

- Proper accounting records are maintained;
- Appropriate internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets, prevent and detect fraud and other irregularities;
- Applicable accounting standards are followed;
- Suitable accounting policies and standards are adopted and consistently applied;
- Judgments and estimates made are reasonable and prudent; and
- The going concern basis is used, unless it is inappropriate to presume that the Company will continue in business.

The Directors accept responsibility for these financial statements which have been prepared using the appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Financial Reporting Standards and in the manner required by the Financial Reporting Council of Nigeria Act No. 6, 2011 and the Companies and Allied Matters Act (CAMA) 2020.

The Directors are of the opinion that these financial statements give a true and fair view of the state of affairs of the Company as at the end of the financial year and its results for that year. The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act (CAMA) 2020 and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern for twelve months from the date of this statement.



Mrs. OLUBUNMI POPOOLA-MORDI
FRC/2013/ICSAN/00000002024
Executive Director
22nd March, 2024



DR. S. SEYE
FRC/2020/003/00000024858
Managing Director
22nd March, 2024

**MANAGEMENT'S ANNUAL ASSESSMENT OF, AND
REPORT ON TOTALENERGIES MARKETING
NIGERIA PLC'S INTERNAL CONTROL OVER
FINANCIAL REPORTING**

TOTALENERGIES MARKETING NIGERIA PLC

Annual Report and Financial Statements for the year ended 31 December 2023

Management's Annual Assessment of, and Report on, TotalEnergies Marketing Nigeria Plc's Internal Control over Financial Reporting

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

- i. TotalEnergies Marketing Nigeria Plc's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.
- ii. TotalEnergies Marketing Nigeria Plc's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR;
- iii. TotalEnergies Marketing Nigeria Plc's management has assessed that the entity's ICFR as of the end of 31 December 2023 is effective.
- iv. TotalEnergies Marketing Nigeria Plc's external auditor Messrs PricewaterhouseCoopers that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting. The attestation report of Messrs PricewaterhouseCoopers that audited its financial statements will be filed as part of TotalEnergies Marketing Nigeria Plc's annual report.



Mrs. OLUBUNMI POPOOLA-MORDI
FRC/2013/ICSAN/00000002024
Executive Director
22nd March, 2024



DR. SAMBA SEYE
FRC/2020/003/00000024858
Managing Director
22nd March, 2024

REPORT OF THE STATUTORY AUDIT COMMITTEE

In compliance with section 404 (7) of the Companies and Allied Matters Act (CAMA) 2020 we confirm that we have:-

- A. Reviewed the scope and planning of the audit requirements;
- B. Reviewed the External Auditors Management Report for the year ended 31st December, 2023 as well as the managements response thereon; and
- C. Ascertained that the accounting and reporting policies of the Company for the year ended 31st December, 2023 are in accordance with legal requirements and agreed ethical practices.

In our opinion, the internal control and internal audit functions are operating effectively and the scope and planning of the audit for the year ended 31st December, 2023 were adequate and Management's response to the Auditor's findings are satisfactory,

In addition the scope, planning and reporting of these Financial Statements is compliant with the requirements of the International Financial Reporting Standards as adopted by the Company.



Dated this 13th day of March, 2024

Chief T. A. Adesiyun
Chairman

FRC/2013/PRO/AUDICOM/002/00000003745

MEMBERS OF THE COMMITTEE

Mr. C. Achara



Mr. K. Taiwo



Ms. T. Ibru



Engr. R. Sirajo



CERTIFICATION OF MANAGEMENT'S ASSESSMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

TOTALENERGIES MARKETING NIGERIA PLC

Annual Report and Financial Statements for the year ended 31 December 2023

Certification of management's assessment on internal control over financial reporting

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of TotalEnergies Marketing Nigeria Plc for the year ended 31 December 2023.

I, Samba Seye, certify that:

a) I have reviewed this management assessment on internal control over financial reporting of TotalEnergies Marketing Nigeria Plc;

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

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

d) The entity's other certifying officer and I:

1) are responsible for establishing and maintaining internal controls;

2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):

1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and

2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

f) The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

A handwritten signature in blue ink, appearing to be 'S. Seye', with a stylized flourish at the end.

DR. SAMBA SEYE

FRC/2020/003/00000024858

Managing Director

22nd March, 2024

CERTIFICATION OF MANAGEMENT'S ASSESSMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

TOTALENERGIES MARKETING NIGERIA PLC

Annual Report and Financial Statements for the year ended 31 December 2023

Certification of management's assessment on internal control over financial reporting

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of TotalEnergies Marketing Nigeria Plc for the year ended 31 December 2023.

I, Samson Enowan Eghwerehe, certify that:

- a) I have reviewed this management assessment on internal control over financial reporting of TotalEnergies Marketing Nigeria Plc;
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- d) The entity's other certifying officer and I:
 - 1) are responsible for establishing and maintaining internal controls;
 - 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):
 - 1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
 - 2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

- f) The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



SAMSON ENOWAN EGHWEREHE

FRC/2018/ICAN/00000018952

Head of Finance

22nd March, 2024



Independent auditor's report

To the Members of TotalEnergies Marketing Nigeria Plc

Report on the audit of the financial statements

Our opinion

In our opinion, TotalEnergies Marketing Nigeria Plc's ("the company's") financial statements give a true and fair view of the financial position of the company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

What we have audited

TotalEnergies Marketing Nigeria Plc's financial statements comprise:

- the statement of financial position as at 31 December 2023;
 - the statement of profit or loss and other comprehensive income for the year then ended;
 - the statement of changes in equity for the year then ended;
 - the statement of cash flows for the year then ended; and
 - the notes to the financial statements, which include a summary of material accounting policies.
-

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

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

We have determined that there are no key audit matters to communicate in our report.

Other information

The directors are responsible for the other information. The other information comprises the Corporate Profile, Mission Statement, Directors, Officers and Professional Advisers, Corporate Directory, Results at a Glance, Notice of Annual General Meeting, Chairman's Statement, Board of Directors Profile, Report of the Directors,



Statement of Corporate Responsibility, Corporate Governance Report, Statement of Directors' Responsibilities, Management's annual assessment of, and report on TotalEnergies Marketing Plc's Internal Control over Financial Reporting, Report of the Statutory Audit Committee, Certification of management's assessment on internal control over financial reporting, Statement of Value Added, Five Year Financial Summary and Share Capital History but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the other sections of the TotalEnergies Marketing Nigeria Plc's 2023 Annual Report, which are expected to be made available to us after that date.

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

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

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

When we read the other sections of the TotalEnergies Marketing Nigeria Plc 2023 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material



misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) the company has kept proper books of account, so far as appears from our examination of those books;
 - iii) the company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.
-



In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of TotalEnergies Marketing Nigeria Plc's internal control over financial reporting as of 31 December 2023. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, and we have issued an unqualified conclusion in our report dated 25 March 2024.

A handwritten signature in blue ink, appearing to read 'Cyril Azobu', with a stylized flourish at the end.

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

Engagement Partner: Cyril Azobu
FRC/2013/PRO/ICAN/004/00000000648



25 March 2024



Independent practitioner's report

To the Members of TotalEnergies Marketing Nigeria Plc

Report on an assurance engagement performed by an independent practitioner to report on management's assessment of controls over financial reporting

Our opinion

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management of TotalEnergies Marketing Nigeria Plc ("the company's") are not adequate as of 31 December 2023, based on the SEC Guidance on Implementation of Section 60 – 63 of The Investments and Securities Act 2007 issued by The Securities and Exchange Commission.

What we have performed

We have performed an assurance engagement on TotalEnergies Marketing Nigeria Plc's internal control over financial reporting as of 31 December 2023 based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria. The company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management's annual assessment of, and report on TotalEnergies Marketing Nigeria Plc's internal control over financial reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our assurance engagement.

Basis for opinion

We conducted our assurance engagement in accordance with the Guidance, which requires that we plan and perform the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



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

Other matter

We also have audited, in accordance with the International Standards on Auditing, the financial statements of TotalEnergies Marketing Nigeria Plc and our report dated 25 March 2024 expressed an unqualified opinion.

A handwritten signature in blue ink, appearing to read "Cyril Azobu", with a horizontal line underneath.

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

Engagement Partner: Cyril Azobu
FRC/2013/PRO/ICAN/004/00000000648



25 March 2024

FINANCIAL STATEMENTS


TOTALENERGIES MARKETING NIGERIA PLC


STATEMENT OF FINANCIAL POSITION

AS AT

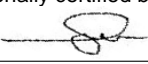
		31 December 2023	31 December 2022
	Notes	₦'000	₦'000
Non-current assets			
Property, plant and equipment	16	43,130,868	41,866,105
Right-of-use assets	17 (i)	7,950,570	7,938,283
Intangible assets	15	207,391	191,875
Trade and other receivables	19.1	7,124,287	1,985,733
Total non-current assets		58,413,116	51,981,996
Current Assets			
Inventories	18	73,906,481	59,275,749
Withholding tax receivables	11.2.1	1,060,072	984,265
Trade and other receivables	19	152,113,177	111,391,821
Prepayments	20	1,464,074	1,457,577
Cash and cash equivalents	27	88,158,753	82,724,315
Total current assets		316,702,557	255,833,727
Total assets		375,115,673	307,815,723
Equity			
Share capital	26	169,761	169,761
Retained earnings		55,907,981	50,117,049
Total equity		56,077,742	50,286,810
Non-current liabilities			
Deferred tax liabilities	11.3	8,459,307	7,655,848
Lease liabilities	22	469,398	361,427
Employee benefits	12	1,586,944	1,551,290
Total non-current liabilities		10,515,649	9,568,565
Current liabilities			
Current tax liabilities	11.2	4,781,505	6,351,740
Loans and borrowings	21	84,540,792	47,741,972
Trade and other payables	24	214,105,902	190,091,170
Deferred income	25	4,610,130	3,402,832
Lease liabilities	22	483,953	372,634
Total current liabilities		308,522,282	247,960,348
Total liabilities		319,037,931	257,528,913
Total equity and liabilities		375,115,673	307,815,723

These financial statements were approved and authorised for issue by the Board of Directors of the Company on 22 March 2024 and signed on behalf of the Board by:


 Seye Samba - Managing Director
 FRC/2021/003/00000024858


 Olubunmi Popoola-Mordi - Executive Director
 FRC/2013/ICAN/00000002042

Additionally certified by:


 Samson Eghwerehe - Head of Finance
 FRC/2018/ICAN/00000018952

The accompanying notes form an integral part of these financial statements.

TOTALENERGIES MARKETING NIGERIA PLC

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

		31 December 2023	31 December 2022
	Notes	₦'000	₦'000
Revenue	6	635,951,600	482,470,780
Cost of sales	7	(554,131,894)	(422,286,679)
Gross profit		81,819,706	60,184,101
Other income	8.1	4,333,092	3,482,059
Other expenses	8.1.2	(11,501,118)	-
Selling & distribution costs	10.1	(6,662,683)	(3,701,516)
Administrative expenses	10.2	(44,373,619)	(32,337,293)
Net impairment write-back on financial assets	30 (iv)	358,570	40,189
Operating profit		23,973,948	27,667,540
Finance income	9	3,807,580	2,256,941
Finance costs	9	(10,200,597)	(5,392,201)
Net finance costs		(6,393,017)	(3,135,260)
Profit before income taxation		17,580,931	24,532,280
Income taxation	11.1.1	(4,668,387)	(8,413,904)
Profit for the year		12,912,544	16,118,376
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gain/ (loss) on employee benefits during the year	12 (i)	12,458	(9,435)
Related tax	11.3	(4,111)	3,067
Other comprehensive income		8,347	(6,368)
Total comprehensive income for the year		12,920,891	16,112,008
Earnings per share			
Basic and diluted earnings per share	14	38.03	47.47

The accompanying notes form an integral part of these financial statements.

TOTALENERGIES MARKETING NIGERIA PLC

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023

		<u>Share capital</u> ₦'000	<u>Retained earnings</u> ₦'000	<u>Total equity</u> ₦'000
	Notes			
Balance at 1 January 2023		<u>169,761</u>	<u>50,117,049</u>	<u>50,286,810</u>
Profit for the year		-	12,912,544	12,912,544
Other comprehensive income for the year		-	8,347	8,347
Total comprehensive income for the year		<u>-</u>	<u>12,920,891</u>	<u>12,920,891</u>
Transactions with owners of the Company:				
Contributions and Distributions				
Prior year final dividend	13.1	-	(7,129,959)	(7,129,959)
Total transactions with owners of the Company		<u>-</u>	<u>(7,129,959)</u>	<u>(7,129,959)</u>
Balance at 31 December 2023		<u>169,761</u>	<u>55,907,981</u>	<u>56,077,742</u>

for the year ended 31 December 2022

		<u>Share capital</u> ₦'000	<u>Retained earnings</u> ₦'000	<u>Total equity</u> ₦'000
	Notes			
Balance as at 1 January 2022		<u>169,761</u>	<u>41,449,544</u>	<u>41,619,305</u>
Profit for the year		-	16,118,376	16,118,376
Other comprehensive income for the year		-	(6,368)	(6,368)
Total comprehensive income for the year		<u>-</u>	<u>16,112,008</u>	<u>16,112,008</u>
Transactions with owners of the Company:				
Contributions and Distributions				
Forfeited dividend	13.1	-	92,881	92,881
Prior year final dividend	13.1	-	(6,179,297)	(6,179,297)
Current year interim dividend	13.1	-	(1,358,087)	(1,358,087)
Total transactions with owners of the Company		<u>-</u>	<u>(7,444,503)</u>	<u>(7,444,503)</u>
Balance at 31 December 2022		<u>169,761</u>	<u>50,117,049</u>	<u>50,286,810</u>

The accompanying notes form an integral part of these financial statements.

TOTAL ENERGIES MARKETING NIGERIA PLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED

		31 December 2023	31 December 2022
	Note	₦'000	₦'000
Profit for the year		12,912,544	16,118,376
Adjustments for:			
Depreciation of property, plant and equipment	16	5,838,897	5,361,062
Depreciation of right-of-use asset	17 (i)	2,268,402	2,122,940
Amortisation of intangible assets	15	78,081	51,832
Provision for employee benefits	12 (i)	216,773	551,033
(Write back)/Write off of inventory (Net)	18.1	516,277	(160,202)
Gain on disposal of property, plant and equipment	8.1	(241,018)	(153,569)
Net foreign exchange loss/(gain)	8.2	11,501,118	(71,876)
Net finance costs	9	6,393,017	3,135,260
Income taxation	11.1.1	4,668,387	8,413,904
		44,152,477	35,368,760
Changes in:			
- Inventories	18 (a)	(15,147,009)	(29,913,456)
- Trade and other receivables	19.1 (a)	(51,206,257)	(52,195,874)
- Prepayments	20 (a)	(6,497)	(8,643)
- Trade and other payables	24 (a)	26,460,023	53,875,547
- Withholding tax credit notes recovered	11.1.1	1,222,432	109,145
- Withholding tax credit note utilized	11.2.1	(75,807)	624,276
- Deferred income	25 (a)	1,207,298	333,841
Cash (used in)/generated from operating activities		6,606,661	8,193,597
Payment for employee benefits	12 (i)	(168,661)	(167,274)
Interest on staff loans	9	332,414	247,747
Interest on lease liabilities	9	(181,942)	(67,431)
Tax paid	11.2	(5,460,465)	(5,483,084)
Withholding tax paid	11.2	(1,201,243)	(1,136,567)
Net cash (used in)/generated from operating activities		(73,236)	1,586,988
Cash flows from investing activities			
Additions to right-of-use asset	17 (iii)	(2,280,689)	(2,199,045)
Purchase of property, plant and equipment	16	(7,191,456)	(8,576,623)
Purchase of intangible assets	15	(93,597)	(120,405)
Effect of foreign exchange rate change	23	634,577	74,744
Interest received on deposits for unclaimed dividend	9	86,951	83,028
Interest received on deposits	9	3,388,215	1,926,166
Proceeds from disposal of property, plant and equipment	16.2	328,813	237,542
Net cash used in investing activities		(5,127,186)	(8,574,593)
Cash flows from financing activities			
Interest paid on bank overdraft	9	(2,300,502)	-
Interest paid on import loans	9	(3,185,808)	(3,349,033)
Interest paid on other loans	9	(4,532,345)	(1,975,737)
Payment on lease liabilities	23	(415,286)	(453,906)
Additional borrowings	23	175,511,801	180,067,428
Repayment of borrowings	23	(240,787,354)	(143,692,033)
Dividends paid	13.1	(11,103,855)	(3,677,967)
Net cash (used in)/generated from financing activities		(86,813,350)	26,918,752
Net (decrease)/increase in cash and cash equivalents		(92,013,772)	19,931,147
Cash and cash equivalents at 1 January		82,724,316	62,952,682
Effect of movement in exchange rates on cash held	8.2	41,293,924	(159,514)
Cash and cash equivalents as at year ended 31 December	27	32,004,468	82,724,316

The accompanying notes form an integral part of these financial statements.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

1 The Company

Legal form:

The Company was incorporated as a private limited liability company in 1956 and was converted to a public company in 1978. The merger of the Company with Elf Oil Nigeria Limited which commenced globally in November 1999 was completed in Nigeria in 2002. With this development, the authorised, issued and fully paid share capital was ₦148,541,000 made up of 297,082,000 ordinary shares of 50k each. In 2003, to mark the completion of its corporate mergers, Total Group worldwide reverted to its former name Total and adopted a new logo with a unifying design to express its corporate ambition.

With the capitalisation of the bonus issue of 42,440,228 ordinary shares of 50k each in March 2004, the authorised share capital became ₦169,760,918 made up of 339,521,837 ordinary shares of 50k each. 61.72% of the Company's ordinary shares were held by Total Societe Anonyme up until 2013 when a restructuring was concluded and Total Raffinage Marketing became the shareholders of 61.72% of Total Nigeria Plc (now TotalEnergies Marketing Nigeria Plc) while the remaining 38.28% are held by some members of the general public. Total Raffinage Marketing is now called TotalEnergies Marketing Services.

In 2021, Total Group worldwide changed its name to TotalEnergies and adopted a new logo, thereby anchoring the transformation into a broad energy business within the Company's identity. Accordingly, the Company changed its name from Total Nigeria Plc to TotalEnergies Marketing Nigeria Plc in the same year.

	31 December 2023		31 December 2022	
	Number	Holdings	Number	Holdings
	'000	%	'000	%
TotalEnergies Marketing Service	209,560	61.72	209,560	61.72
Other shareholders	129,962	38.28	129,962	38.28
	339,522	100.00	339,522	100.00

No shareholder, except as disclosed above, held more than 5% of the issued share capital of the Company as at 31 December 2023 (2022: nil).

Principal activities

The principal activity of the Company is the blending of lubricants, sales and marketing of refined petroleum products and solar products .

Description of business

TotalEnergies Marketing Nigeria Plc. ("the Company") is a subsidiary of TotalEnergies Marketing Services ("the Parent Company") in France and operates in the petroleum marketing and distribution business in Nigeria. The Company's registered office is situated at:

No. 4, Churchgate Street
Victoria Island
Lagos State

2 Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS, in the manner required by the Financial Reporting Council (FRC) of Nigeria (Amendment) Act, 2023 and the Companies and Allied Matters Act (CAMA), 2020.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except otherwise indicated.

Defined benefit liability is measured using the projected unit credit method.

2.3 Functional and presentation currency

These financial statements are presented in Nigerian Naira (NGN), which is the Company's functional currency. All financial information presented in Nigerian Naira have been rounded to the nearest thousand except otherwise stated.

TOTAL ENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

2.4 Financial period

These financial statements cover the financial year from 01 January 2023 to 31 December 2023, with corresponding figures for the financial year from 01 January, 2022 to 31 December, 2022.

2.5 Going concern

The directors have undertaken a review of the Company's business activities and have concluded that the Company will still be able to realise its assets and settle its obligations as they fall due and as such these financial statements have been prepared on the basis applicable to a going concern.

2.6 Significant events and transactions

Other than events already disclosed in the various notes, there are no other significant events in the period that are required to be disclosed.

2.7 Use of estimates and judgments

In preparing these financial statements, the directors have made certain judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively.

(a) Judgement

Information about judgements made in applying accounting policies that have the most significant effects on amounts recognised in the financial statements are as follows;

(i) Cash held with Total Treasury - Note 27

Determining if balances held with Total Treasury meets the criteria for classification as cash and cash equivalents.

(ii) Lease term - Note 17 (iv)

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(iii) Asset retirement - Note 17 (iv)

Whether the Company will dismantle and remove its leasehold improvements on underlying asset or restore underlying asset.

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year includes;

(i) Measurement of defined benefit obligation: Key actuarial assumptions

The amount recognised in note 12 of the financial statements as employee benefits - measurement of the Company's employee benefits. This estimate relates to the discount rate, withdrawal, mortality and inflation rate applied in the computation of the Company's liabilities.

(ii) Measurement of Expected Credit Loss (ECL) allowance - Note 30(iv)

Information about measurement of trade receivables and contract assets: Key assumptions in determining the weighted-average loss rate.

(iii) Measurement of contingencies - Note 28

Recognition of contingencies - key assumptions about likelihood and magnitude of an outflow of resources.

(iv) Incremental borrowing rate - Note 23

Estimation of the applicable borrowing rates.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

3 New standards and interpretations

Amendments to Standards and Interpretations are effective for annual periods beginning after 1 January 2023 and early application is permitted; however, the Company has not applied the amended standards in preparing these financial statements. Those Amendments to Standards and Interpretations which may be relevant to the Company are set out below.

The directors are of the opinion that the impact of the application of the relevant standards and interpretations will be as follows:

Standard/Interpretation effective as at 31 December 2023		Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
IFRS 17 Insurance Contracts	<i>Insurance Contracts</i>	May 2017	1 January 2023	<p>IFRS 17 requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of:</p> <ul style="list-style-type: none"> -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. <p>The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income.</p> <p>An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for eligible groups of insurance contracts, which are often written by non-life insurers.</p> <p>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. The amendments are not expected to have a significant impact on the Company's financial statements.</p>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>	January 2020	1 January 2023	<p>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.</p> <p>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.</p> <p>The amendments are not expected to have a significant impact on the Company's financial statements.</p>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>	January 2020	1 January 2023	<p>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.</p> <p>The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.</p> <p>The amendments are not expected to have a significant impact on the Company's financial statements.</p>

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

3 New standards and interpretations not yet adopted (cont'd)

Standard/Interpretation effective as at 31 December 2023		Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	January 2020	1 January 2023	<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> - 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. <p>The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.</p> <p>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.</p> <p>The amendments are not expected to have a significant impact on the Company's financial statements.</p>

Standard/Interpretation not yet effective as at 31 December 2023		Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>	January 2020	1 January 2024	<p>Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period.</p> <p>Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).</p> <p>Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date.</p> <p>However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.</p> <p>The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:</p> <ul style="list-style-type: none"> - the carrying amount of the liability - information about the covenants, and - facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants. <p>The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.</p> <p>The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.</p>

NOTES TO THE FINANCIAL STATEMENTS

3 New standards and interpretations not yet adopted (cont'd)

Standard/Interpretation not yet effective as at 31 December 2023		Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>	September 2022	1 January 2024	<p>The IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.</p> <p>It specifies that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.</p>
Amendments to IAS 7 and IFRS 7	<i>Supplier finance arrangements</i>	May 2023	1 January 2024	<p>The IASB has issued new disclosure requirements about supplier financing arrangements ('SFAs'), after feedback to an IFRS Interpretations Committee agenda decision highlighted that the information required by IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:</p> <p>Disclosures falls short of meeting user information needs.</p> <p>The new disclosures include information about the following:</p> <p>The terms and conditions of SFAs.</p> <ul style="list-style-type: none"> - The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented. - The carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers. - The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements. - Non-cash changes in the carrying amounts of financial liabilities in (b). - Access to SFA facilities and concentration of liquidity risk with finance providers. <p>The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances.</p>
Amendments to IAS 21	<i>Lack of exchangeability</i>	August 2023	1 January 2025	<p>In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. These new requirements will apply from 2025, with early application permitted.</p> <p>The IASB issued amendments to IAS 21 to help entities:</p> <ul style="list-style-type: none"> - assess exchangeability between two currencies; and - determine the spot exchange rate, when exchangeability is lacking <p>An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.</p>
IFRS S1	<i>General Requirements for Disclosure of Sustainability-related Financial Information</i>	June 2023	1 January 2024	<p>IFRS S1 provides guidance on identifying sustainability-related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities. To achieve this objective, IFRS S1 requires entities to follow a two-step process to identify and disclose all material sustainability-related risks and opportunities that impact the entity's prospects:</p> <ul style="list-style-type: none"> - Step one helps identify sustainability-related risks and opportunities that could affect an entity's prospects over the short, medium and long term. - Step two helps determine the disclosures to provide in relation to the sustainability-related risks and opportunities identified in step 1.

NOTES TO THE FINANCIAL STATEMENTS

3 New standards and interpretations not yet adopted (cont'd)

Standard/Interpretation not yet effective as at 31 December 2023		Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
IFRS S2	<i>Climate-related Disclosures</i>	June 2023	1 January 2024	<p>IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focussed on climate-related disclosures. IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. To achieve this objective, an entity is required to refer to and consider the applicability of industry-based disclosure topics as defined in the Industry-Based Guidance on Implementing IFRS S2.</p> <p>In addition, IFRS S2 requires entities to consider other industry-based metrics and seven cross-industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage the identified material climate-related risks and opportunities.</p>
Amendments to IFRS 10 and IAS 28	<i>Sale or contribution of assets between an investor and its associate or joint venture</i>	September 2014	n/a	<p>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 their 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).</p> <p>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 interests in the associate or joint venture. The amendments apply prospectively.</p> <p>** In December 2015, the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.</p>

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Foreign currency transactions

Transactions denominated in foreign currencies are translated at the exchange rate on the transaction date. At each reporting date, monetary assets and liabilities are translated at the closing rate. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss on a net basis as "Other income" (net foreign exchange gain) or "Other expenses" (net foreign exchange loss).

4.2 Revenue and other income

(i) Revenue recognition

The Company accounts for contracts within the scope of IFRS 15 'Revenue from contracts with customers' when a contract has been approved by both parties, each party's rights have been clearly identified, payment terms have been clearly identified, the contract has commercial substance and it is probable that the Company will collect the consideration it is entitled to for the transfer of refined petroleum products and lubricants to the customer.

Definition of customer

A customer is a party that has contracted with the Company to obtain refined petroleum products and lubricants that are an output of the Company's ordinary activities in exchange for consideration. A counterparty would not be a customer if it has entered into a contract to share in the risk and benefits that result from the activity or process.

Revenue streams

The Company generates revenue primarily from the sale of refined petroleum products and lubricants to its customers (see note 6). Other sources of revenue include sale of special fluids and solar products.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer. Revenue from the sale of non-regulated products in the course of ordinary activities is measured at the fair value of the received consideration or receivable, net of value added tax, sales returns, trade discounts and volume rebates where applicable. Revenue for regulated products is measured at the regulated price of the products net of standard distribution cost directly recoverable from the prices of the regulated products.

The following table provides information about the timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Nature and timing of satisfaction of performance obligations, including significant payment terms.	Revenue recognition policies
Customers obtain control of products when the goods are delivered to and have been accepted at their premises or picked up by the customer. Invoices are generated and revenue is recognised at that point in time. Credit sales are due for collection within 30 days. This applies to all sales products.	Revenue is recognised when the goods are delivered and have been accepted by customers at their premises or picked up by the customer.

Transaction price

Transaction price is the amount allocated to the performance obligations identified in the contract. It represents the amount of revenue recognised as those performance obligations are satisfied. Complexities may arise where a contract includes variable consideration, significant financing component or consideration payable to a customer.

Financing component

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

Contract assets and liabilities

The Company recognises contract assets for unbilled revenue from lubricant sales and sales of refined petroleum products where right is conditioned on factors other than the passage of time. The Company recognises contract liability for consideration received for which performance obligation has not been met.

Disaggregation of revenue from contract with customers

The Company derives revenue from two types of products, lubricants and refined petroleum products. The Company has determined that the disaggregation of revenue based on the criteria of type of products meets the disaggregation of revenue disclosure requirement of IFRS 15.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

4.2 Revenue and other income (cont'd)

(ii) Other income

The Company recognises income from commission on sales at its bonjour shops as well as the rental of some of its space. The period of occupancy is the basis upon which rental income is recognised and the lease term is usually for 12 months. Rental income are for short term leases and are recognised in profit or loss on a straight line basis over the term of the lease.

4.3 Finance income and finance costs

The Company's finance income comprises interest income on bank balances and advances to employees. Interest income on bank balances and advances to employees, is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest on lease liabilities, interest on import loans, interest on bank overdrafts and interest on other loans. Interest expenses are recognised in profit or loss using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

4.4 Income taxes

Income tax expense comprises current tax (company income tax, tertiary education tax and Nigeria Police Trust Fund levy) and deferred tax movement. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Company had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Current taxes

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

- Company income tax is computed on taxable profits (i.e the assessable profit after capital allowances (tax depreciation) and brought forward losses (if any) have been considered).
- Tertiary education tax is computed on assessable profits (i.e the profit of the Company that is liable to tax after exempting non-taxable income and subjecting to tax, expenses which were not wholly, reasonably, exclusively or necessarily incurred for the operations of the Company, but before the consideration of capital allowances and losses).
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year).
- The National Agency for Science and Engineering Infrastructure (NASENI) levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year).

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

Minimum tax

Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss.

In line with the Finance Act 2021, minimum tax is determined at a base rate of 0.25% (2020: 0.25%) of the qualifying company's gross turnover less franked investment income. The Finance Act defines gross turnover as the gross inflow of economic benefits (cash, revenues, receivables and other assets) arising from the operating activities of a Company, including sales of goods, supply of services, receipt of interest, rents, royalties or dividends.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

4.4 Income taxes (cont'd)

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognised in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as minimum tax.

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met,

- if the entity has the legal right and the intention to settle on a net basis
- if the entity has the legal right to settle current tax amounts on a net basis and the deferred tax amounts are levied by the same taxing authority on the same entity or different entities that intend to realise the asset and settle the liability at the same time

The Company has the legal right to settle current tax amounts on a net basis as the deferred tax amounts are levied by the same tax authority.

Accounting for uncertain tax treatments under IFRIC 23

The Company's judgements with respect to income taxes are based on the likelihoods that the tax authority will accept an uncertain tax treatment that has been taken or is expected to be taken on its tax returns. The Company specifically reviews whether its tax treatments are consistent with requirements and recommendations of tax laws while ensuring its proper coverage of avoidable tax risks and exposures in the process.

The Company measures the impact of the uncertainty using the method that best predicts the resolution of the uncertainty; either the most likely amount method or the expected value method. Furthermore, the judgements and estimates made to recognise and measure the effect of uncertain tax treatments are reassessed whenever circumstances change or when there is new information that affects those judgements.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

4.5 Earnings per share (EPS)

i *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

ii *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of Basic earnings per share to take into account the weighted average number of additional shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

4.6 Property plant and equipment

i **Recognition, derecognition and measurement**

Property, plant and equipment are measured at cost at initial recognition and cost less accumulated depreciation and any accumulated impairment losses for subsequent recognition.

The cost of an item of property, plant and equipment shall be recognised as an asset if;

- it is possible that future economic benefits associates with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment under construction are disclosed as work in progress. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for their intended use including, where applicable, the cost of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Property, plant and equipment are derecognised on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal.

ii **Subsequent costs**

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

iii **Depreciation**

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Property, plant and equipment are depreciated to their residual values using the straight-line method over their useful lives for current and comparative periods as follows:

Type of asset	Useful lives
• Motor vehicles	5 years
• Office equipment and furniture	4 years
• Computer equipment and other tangibles	4 - 20 years
• Plant, machinery and fittings	3 - 30 years
• Buildings	10 - 25 years
• Land	Not depreciated

Capital work in progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

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NOTES TO THE FINANCIAL STATEMENTS

4.7 Intangible assets

i Recognition and measurement

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets are computer software and software licenses. These are capitalised on the basis of acquisition costs as well as costs incurred to bring the assets to use.

Intangible assets are derecognised upon sale. The gain or loss arising from the derecognition of an intangible asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset.

ii Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific intangible asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

iii Amortisation of intangible assets

Amortisation is calculated on the cost of the asset, or other amount substituted for cost, less its estimated residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Computer software and software licences have estimated useful lives of 3 to 5 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

4.8 Dividend payable

An accrual is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

Any accrual made in respect of dividend payable is recognised as a deduction from equity.

4.9 Impairment

i Non-derivative financial assets

Financial instruments

The Company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. The company also recognises loss allowances for ECLs on employee loan receivables which are disclosed as part of trade and other receivables. (See note 19)

The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances, lease and loan receivables 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, which are measured at 12-month ECLs. Loss allowance for trade receivables are always measured at an amount equal to lifetime ECL.

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.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company's credit terms to customers vary from 30 days to 90 days depending on the nature of industry, customer preferences and negotiation. Based on the logistics, distribution and operational dynamics of our major customers, the significant increase credit risk threshold is set at 90 days.

The company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

- balances are over 90 days past due in line with the Company's provisioning matrix.

The Company applies simplified approach to determine impairment of trade receivables. The three-stage model is applied to cash and cash equivalent.

The simplified approach requires expected lifetime losses to be recognised from initial recognition of the trade receivables. This involves determining the expected loss rates using a provision matrix that is based on the Company's historical default rates observed over the expected life of the trade receivables and adjusted forward-looking estimates. This is then applied to the gross carrying amount of the trade receivables to arrive at the loss allowance for the period.

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

4.9 Impairment (cont'd)

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).

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 360 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For customers, the Company makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii Non financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash flows from continuing use that are largely independent of the cash flows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.10 Financial instruments

i Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

The Company does not have any financial assets measured at FVOCI or FVTPL.

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NOTES TO THE FINANCIAL STATEMENTS

4.10 Financial instruments (cont'd)

ii Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows.
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair value through OCI (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the statement of profit or loss.

The Company has no debt instruments within this category.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income (FVOCI) are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfer of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose consistent with the company's continuing recognition of the assets.

Financial assets that are held for trading or are merged and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

4.10 Financial instruments (cont'd)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost, net of impairment is recognised in the statement of financial position. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. The Company does not have any financial liabilities measured at FVTPL.

iii Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

TOTALENERGIES MARKETING NIGERIA PLC

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4.11 Share capital

The Company has only one class of shares namely ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity.

4.12 Statement of cash flows

The statement of cash flows is prepared using the indirect method. Dividends paid to ordinary shareholders are included in financing activities. Interest paid is also included in financing activities while interest received is included in investing activities. Interest received on employee loans and receivables, foreign exchange differential, interest claim on Petroleum Support Fund (PSF) and Interest on lease liabilities are included in operating activities.

4.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash balances with commercial banks and Total Treasury as well as call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

4.14 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of blended products/lubricants includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Inventory values are adjusted for obsolete, slow-moving or defective items.

The basis of costing inventories based on the product types are as follows:

Product Type	Cost Basis
Refined Petroleum Products (AGO, ATK, PMS, DPK, LPFO)	First In First Out (FIFO) (2022: Weighted Average Cost) - Note 18
Packaging Materials, Solar Lamps, Lubricants, Greases, Special fluids and Car care products	Weighted Average Cost
Inventories-in-transit	Total purchase cost incurred at transaction date

4.15 Provisions

Provisions comprise liabilities for which the amount and the timing are uncertain. They arise from environmental risks, legal and tax risks, litigation and other risks. A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event for which it is probable that an outflow of resources will be required and when a reliable estimate can be made regarding the amount of the obligation. Provisions are determined by discounting the expected future cash flow at a pre-tax rate that reflects current market assessment of the value and the risk specific to the liability. The unwinding of the discount is recognised in profit or loss as a finance cost.

However, possible obligations depending on whether or not certain future events occur are disclosed as contingent liabilities.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

4.16 Employee benefits

Post-employment benefit

(a) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Company 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 periods.

In line with the provisions of the Pension Reform Act 2014, the Company has instituted a defined contribution pension scheme for its permanent staff. Employees contribute 8% of their Basic salary, Transport and Housing Allowances to the Fund on a monthly basis. The Company's contribution is 10% of each employee's Basic salary, Transport and Housing Allowances. Staff contributions to the scheme are funded through payroll deductions while the Company's contribution is recognised in profit or loss as staff costs in the periods during which services are rendered by employees.

(b) Defined benefit plan

i Gratuity scheme

The Company operates a gratuity scheme for its employees in service before January 2001. This is funded by the Company on a monthly basis, at a rate of contribution of 9.5% of total annual emolument and paid to Fund Managers chosen by each employee. The Company's obligation are extinguished once the amounts have been transferred to the Fund Managers.

ii Other long-term employee benefits

The Company's other long-term employee benefits represents a Long Service Award scheme for a minimum milestone of ten (10) years and the Total home ownership scheme (TEHOS) which is a one-off payment upon tenth anniversary. These schemes are instituted for all permanent employees. The Company's obligations in respect of these schemes are the amounts of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The liability duration of the scheme is estimated at 2.90 years. The Company has compared this with the Macaulay duration of the closest Federal Government of Nigeria bonds as at 27th December 2023 which were 2.56 years with a gross redemption yield of about 13.05% and 3.15 years with a gross redemption yield of about 13.80%. Thus, we adopted a discount rate of 13.5%. The calculation is performed using the Projected Unit Credit method. Remeasurements are recognised in profit or loss in the period in which they arise. This Scheme is not funded. The obligations are paid out of the Company's cash flows as and when due.

iii Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

iv Post-employment medical services

The Company's post-retirement medical coverage is for five (5) years on early retirement or eight (8) years on normal retirement (i.e. at the retirement age of 60 years). This scheme is instituted for all permanent employees and is provided after the completion of employment via the Health Insurance Scheme offered third party providers. The Company's exposure under this arrangement is limited to premium payable to the providers. The benefit is discounted to determine its present value. Return for their service in the current and prior periods. The benefit is discounted to determine its present value. The discount rate is a result of the Company's objective to ensure underlying cost inflation remains below country headline inflation having considered the weighted average of five (5) years yield on Federal Government of Nigeria issued bonds that have maturity dates approximating the term of the Company's obligation. The calculation is performed using the Projected Unit Credit method. Remeasurements which comprise actuarial gains or losses are recognized in other comprehensive income in the period in which they arise. Net interest expense and other expenses related to the post employment benefits are recognised in profit or loss. This Scheme is not funded. The obligations are paid out of the Company's cash flows as and when due.

Other benefits

i Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

4.17 Government grant

Petroleum Products Pricing Regulatory Agency (PPPRA) subsidises the cost of importation of certain refined petroleum products whose prices are regulated in the Nigerian market. The subsidies are recognised when there is reasonable assurance that they will be recovered and the Company has complied with the conditions attached to receiving the subsidy. The subsidies are recognised as a reduction to the landing cost of the subsidised petroleum product in the year in which the Company makes the determination that all conditions have been met and the amount will be recovered. Where the amounts relate to interest and foreign exchange differentials, they are recognised in profit or loss when there is reasonable assurance that the amounts will be recovered. (Note 30)

4.18 Operating Profit

Operating profit is the result generated from the continuing principal revenue producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs and income taxes.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

4.19 Measurement of fair values

Some of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Final Account Manager (FAM) has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Board of Directors.

The FAM regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the FAM assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Audit Committee and the Board of Directors.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4.20 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A. As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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NOTES TO THE FINANCIAL STATEMENTS

4.20 Leases (cont'd)

B. As a lessor

The Company leases out trucks to its transporters and these are classified as finance leases.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease. If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease and regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease. The Company recognises lease payments received under operating leases as income on a straightline basis over the lease term as part of 'other income'.

5 Seasonality and Segment Reporting

Seasonality of Operations

The Company's operations are such that revenue and cost are not affected by the impact of seasonality.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board has given the Company's Chief Executive Officer (CEO) the power to assess the financial performance and position of the Company, allocate resources and make strategic decisions. Segment reports that are reported to the CEO includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Products and services from which reportable segments derive their revenues

Information reported to the Company's CEO for the purposes of resource allocation and assessment of segment performance is focused on the sales channels for the company's products (petroleum products, lubricants and others). The principal sales channels are Network, General Trade and Aviation. The Company's reportable segments under IFRS 8 are therefore as follows: Network, General Trade and Aviation.

The following summary describes the operations of each reportable segment.

Reportable Segment	Operations
Network	Sales to service stations
General Trade	Sales to corporate customers excluding customers in the aviation industry
Aviation	Sales to customers in the aviation industry

Segment revenue reported below represents revenue generated from external customers. There were no inter-segment sales in the current period (2022: nil). Performance is measured based on segment which correspond with IFRS amounts in the Financial Statement.

5.1 Segment profit or loss (key items)

31 December 2023								
	NETWORK		GENERAL TRADE		AVIATION		TOTAL	
	N'000		N'000		N'000		N'000	
Revenue	55%	343,413,864	32%	222,583,060	13%	69,954,676	100%	635,951,600
- Petroleum products	53%	270,812,628	33%	168,539,879	14%	69,954,676	100%	509,307,183
- Lubricant and others	57%	72,601,236	43%	54,043,181	0%	-	100%	126,644,417
Gross profit	59%	48,273,627	32%	26,182,306	9%	7,363,774	100%	81,819,706
- Petroleum products	60%	25,315,945	23%	9,719,540	17%	7,363,774	100%	42,399,258
- Lubricant and others	58%	22,957,682	42%	16,462,767	0%	-	100%	39,420,449
Finance income	78%	2,969,912	18%	685,365	4%	152,303	100%	3,807,580
Finance costs	78%	(7,956,466)	18%	(1,836,108)	4%	(408,023)	100%	(10,200,597)
Income taxation	-25%	(1,587,252)	99%	(2,567,613)	26%	(513,522)	100%	(4,668,387)
Impairment loss on trade receivable	-38%	121,914	132%	(118,328)	6%	354,984	100%	358,570
Depreciation ¹	93%	(5,371,785)	7%	(464,240)	0%	(2,872)	100%	(5,838,897)
Amortisation	57%	(44,506)	43%	(33,575)	0%	-	100%	(78,081)
Depreciation of Right-of-use asset	93%	(2,086,930)	7%	(181,472)	0%	-	100%	(2,268,402)

¹ The allocated percentage of depreciation in the aviation segment (0.0003%) during the year has been rounded to the nearest whole number.

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NOTES TO THE FINANCIAL STATEMENTS

5.1 Segment profit or loss (key items) (cont'd)

31 December 2022								
		NETWORK		GENERAL		AVIATION		TOTAL
		₦'000		TRADE		₦'000		₦'000
Revenue	47%	226,761,267	39%	188,163,604	14%	67,545,909	100%	482,470,780
- Petroleum products	42%	153,623,477	39%	141,555,644	19%	67,545,909	100%	362,725,030
- Lubricant and others	61%	73,137,790	39%	46,607,960	0%	-	100%	119,745,750
Gross profit	55%	33,101,256	36%	21,666,276	9%	5,416,569	100%	60,184,101
- Petroleum products	45%	12,361,312	35%	9,583,519	20%	5,416,569	100%	27,361,400
- Lubricant and others	63%	20,739,944	37%	12,082,758	0%	-	100%	32,822,702
Finance income	78%	1,782,983	18%	383,680	4%	90,278	100%	2,256,941
Finance costs	76%	(3,990,229)	19%	(1,132,363)	5%	(269,609)	100%	(5,392,201)
Income taxation	10%	(2,524,171)	72%	(4,627,647)	18%	(1,262,086)	100%	(8,413,904)
Impairment loss on trade receivable	72%	(32,151)	-10%	8,038	38%	-	100%	40,189
Depreciation	93%	(4,985,788)	7%	(373,431)	0%	(1,843)	100%	(5,361,062)
Amortisation	62%	(32,136)	37%	(19,178)	1%	(518)	100%	(51,832)
Depreciation of Right-of-use asset	93%	(1,974,334)	7%	(148,606)	0%	-	100%	(2,122,940)

5.2 Segment assets and liabilities

31 December 2023								
		NETWORK		GENERAL		AVIATION		TOTAL
		₦'000		TRADE		₦'000		₦'000
Non-current assets	74%	42,952,850	21%	12,539,611	5%	2,920,656	100%	58,413,116
Current tax assets	54%	574,131	37%	390,535	9%	95,406	100%	1,060,072
Inventories	54%	40,027,443	37%	27,227,455	9%	6,651,583	100%	73,906,481
Receivables and prepayments	54%	83,176,798	37%	56,578,500	9%	13,821,953	100%	153,577,251
Cash and cash equivalents ¹	55%	48,487,314	32%	28,210,801	13%	11,460,638	100%	88,158,753
ASSETS		215,218,536		124,946,902		34,950,236		375,115,673
Addition to non-current assets	74%	4,728,988	21%	1,380,576	5%	321,556	100%	6,431,120
Payables, deferred income, employee benefits and current tax liabilities ²	54%	121,045,324	37%	82,337,435	9%	20,114,778	100%	223,497,537
Borrowings ¹	55%	46,497,437	32%	27,053,053	13%	10,990,302	100%	84,540,792
Non-current liabilities (less non-current portion of lease liabilities)	59%	5,927,287	32%	3,214,800	9%	904,164	100%	10,046,251
Lease liabilities	100%	953,351	0%	-	0%	-	100%	953,351
LIABILITIES		174,423,399		112,605,288		32,009,244		319,037,931

31 December 2022								
		NETWORK		GENERAL		AVIATION		TOTAL
		₦'000		TRADE		₦'000		₦'000
Non-current assets	74%	38,223,862	21%	11,159,035	5%	2,599,100	100%	51,981,996
Current tax assets	54%	533,074	37%	362,607	9%	88,584	100%	984,265
Inventories	54%	32,103,499	37%	21,837,432	9%	5,334,817	100%	59,275,749
Receivables and prepayments	54%	61,118,763	37%	41,574,189	9%	10,156,446	100%	112,849,398
Cash and cash equivalents ¹	47%	38,880,428	39%	32,262,483	14%	11,581,404	100%	82,724,315
ASSETS		170,859,626		107,195,746		29,760,351		307,815,723
Addition to non-current assets	74%	1,788,117	21%	522,021	5%	121,586	100%	2,431,724
Payables, deferred income, employee benefits and current tax liabilities	54%	108,235,611	37%	73,624,014	9%	17,986,117	100%	199,845,742
Borrowings ¹	47%	22,438,728	39%	18,619,369	14%	6,683,875	100%	47,741,972
Non-current liabilities (less non-current portion of lease liabilities)	55%	5,063,925	36%	3,314,570	9%	828,643	100%	9,207,138
Lease liabilities	100%	734,061	0%	-	0%	-	100%	734,061
LIABILITIES		136,472,325		95,557,953		25,498,635		257,528,913

¹ For the purpose of monitoring segment performance and allocating resources between segments, cash and borrowings are allocated to reportable segments on the basis of the revenues earned by individual segments.

² Payables, deferred income, employee benefits and current tax liabilities are allocated based on the ratio of business activity of individual segments.

5.3 Geographic information

The Company is domiciled in Nigeria. During the year, no products were sold to any of its affiliates in Congo, Cameroon, Niger and Gabon. However, sales was made to TotalEnergies Lubricant within Nigeria.

The Company does not hold non-current assets in these foreign countries.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

6 Revenue

Revenue generated from the Company's revenue streams are as follows;

	31 December 2023 N'000	31 December 2022 N'000
Petroleum products	509,307,183	362,725,030
Lubricants and others	126,644,417	119,745,750
	<u>635,951,600</u>	<u>482,470,780</u>

The above revenue streams are recognised at a point in time.

7 Cost of sales

	31 December 2023 N'000	31 December 2022 N'000
Net changes in inventory of lubes, greases and refined products ¹	539,591,998	408,521,834
Custom duties	4,357,489	4,491,838
Transport of supplies	10,182,407	9,273,007
	<u>554,131,894</u>	<u>422,286,679</u>

¹Net changes in inventory of lubes, greases and refined products relates to product-related purchases, utilization and provisions during the year.

8 Other income and expenses

	31 December 2023 N'000	31 December 2022 N'000
8.1 Other income		
Network income ¹	4,092,074	3,256,614
Gain on disposal of property, plant and equipment	241,018	153,569
Net foreign exchange gain (note 8.2)	-	71,876
	<u>4,333,092</u>	<u>3,482,059</u>

¹ Network income represents income from Bonjour shop, rent, vendor management fees and other miscellaneous income.

8.1.2 Other expenses

Net foreign exchange loss (note 8.2)	(11,501,118)	-
	<u>(11,501,118)</u>	<u>-</u>

8.2 Net foreign exchange (loss)/gain

	31 December 2023 N'000	31 December 2022 N'000
Foreign exchange impact on trade and other receivables	(5,346,347)	(5,615,041)
Foreign exchange impact on trade and other payables	(1,528,607)	2,096,206
Foreign exchange impact on loans and borrowings	(45,920,088)	3,750,225
Foreign exchange impact on cash held	41,293,924	(159,514)
	<u>(11,501,118)</u>	<u>71,876</u>

9 Net finance costs

	31 December 2023 N'000	31 December 2022 N'000
Finance income:		
Interest income		
Interest on loans ¹	332,414	247,747
Interest on deposits	3,388,215	1,926,166
<i>Total interest income arising from financial assets measured at amortized cost</i>	<i>3,720,629</i>	<i>2,173,913</i>
Interest on deposits for unclaimed dividend	86,951	83,028
Total finance income	<u>3,807,580</u>	<u>2,256,941</u>
Finance costs:		
Interest on lease liabilities	(181,942)	(67,431)
Interest on import loans	(3,185,808)	(3,349,033)
Interest on bank overdrafts	(2,300,502)	-
Interest on other loans ²	(4,532,345)	(1,975,737)
Total finance costs	<u>(10,200,597)</u>	<u>(5,392,201)</u>
Net finance costs	<u>(6,393,017)</u>	<u>(3,135,260)</u>

¹Amount relates primarily to interest on staff loan

²Amount relates to interest on other short term loans.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

10 Expenses by nature

10.1 Selling & distribution

	31 December 2023	31 December 2022
	₦'000	₦'000
Transport on sales	6,662,683	3,701,516
	<u>6,662,683</u>	<u>3,701,516</u>

10.2 Administrative expenses

	31 December 2023	31 December 2022
	₦'000	₦'000
Staff costs (Note 10.2.3)	15,892,832	13,076,549
Depreciation (Note 16)	5,838,897	5,361,062
Depreciation - Right-of-use asset (Note 17 (i))	2,268,402	2,122,940
Amortisation of software (Note 15)	78,081	51,832
Rent ¹	66,435	162,098
Technical assistance and management fees (Note 34.2)	8,498,746	2,557,787
Maintenance expenses	1,634,415	1,590,759
Motor fuels and travelling expenses	2,146,209	1,636,228
Communication, computer and stationery expenses	391,833	338,766
Directors' remuneration (Note 34.3)	985,002	493,329
Bank charges	59,459	55,312
Business promotion and publicity	613,451	625,925
Other expenses	112,312	60,190
Security & guarding	529,178	381,701
Bad debts written off	308,189	539,920
Fees paid to professional consultants (Note 10.2.2)	3,166,224	2,174,797
Purchase of consumables	156,368	72,633
Insurance	531,350	353,063
Service charge	384,344	194,161
Levies	273,937	175,074
Entertainment expenses	96,338	102,603
Engineering studies	269,917	153,051
Auditor's Remuneration (Note 10.2.1)	71,700	57,513
	<u>44,373,619</u>	<u>32,337,293</u>

¹ Relates to rent on short-term leases to which practical expedient under IFRS 16 applies.

10.2.1 Auditor's remuneration

The analysis of auditors' remuneration is as follows:

	31 December 2023	31 December 2022
	₦'000	₦'000
Statutory audit fees	58,500	53,750
Total audit fees	58,500	53,750
Other services ¹	13,200	3,763
Total fees	<u>71,700</u>	<u>57,513</u>

¹ Other services relates to audit of internal controls over financial reporting carried out by the auditors.

10.2.2 Fees paid to professional consultants

	31 December 2023	31 December 2022
	₦'000	₦'000
Tax services	175,810	176,944
Information technology services	2,159,557	1,358,990
Litigation services	167,848	107,544
Recruitment and remuneration services	7,113	3,542
Air Total International subrogation fees	250,346	94,440
Product supply fees and certifications	327,739	336,003
Other services	77,811	97,334
	<u>3,166,224</u>	<u>2,174,797</u>

10.2.3 Staff costs

The related staff cost amounted to ₦15.9 billion (2022: ₦13.08 billion).

	31 December 2023	31 December 2022
	₦'000	₦'000
Short term employee benefits		
- Salaries and wages	11,512,060	9,762,723
- Staff welfare and training	2,196,327	1,377,760
- Other staff expenses	587,722	561,144
Other long term employee benefits		
- Pension and social benefit	841,015	755,725
Post employment benefits		
- Defined benefit plan (Note 12i)	216,773	551,034
Termination benefits	538,935	68,163
	<u>15,892,832</u>	<u>13,076,549</u>

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

11 Company Income Tax

Income tax expense

The tax charge for the year has been computed after adjusting for certain items of expenditure and income, which are not deductible or chargeable for tax purposes and comprises:

Minimum Tax

The Company has considered the provisions of the Companies Income Tax Act and the Finance Act 2021 that mandates a minimum tax assessment, where a tax payer's tax liability based on taxable profit is less than the minimum tax liability. The Company's assessment based on the minimum tax legislations for the year ended 31 December 2023 is nil (31 December 2022: nil).

The Directors believe that the tax liabilities recognised represents best estimate based on their interpretation of the tax law.

11.1.1 Amounts recognised in profit or loss

	31 December 2023	31 December 2022
	₦'000	₦'000
Current tax expenses:		
Company Income Tax (CIT)	4,558,455	5,950,032
Tertiary Education Tax (TET)	697,611	816,164
Capital gains tax	25,609	5,898
Nigeria Police Trust Fund Levy (NPTF) ¹	879	1,227
National Agency for Science and Engineering Infrastructure (NASENI) Levy ²	43,952	61,331
Current year tax expense	5,326,506	6,834,651
Prior year over provision	(235,033)	-
Withholding tax credit notes recovered	(1,222,432)	(109,145)
	3,869,041	6,725,506
Deferred tax		
Origination and reversal of temporary differences (Note 11.3)	799,346	1,688,398
	4,668,387	8,413,904

11.1.2 Reconciliation of effective tax rate

	31 December 2023	31 December 2022
	₦'000	₦'000
Profit before tax	17,580,931	24,532,280
Income tax using the statutory tax rate - 30%	5,274,279	7,359,684
Effect of tertiary education tax rate - 3% (2022: 2.5%)	527,428	735,968
Capital gains tax	25,609	5,898
Nigeria Police Trust Fund Levy (NPTF) ¹	879	1,227
Non-deductible expenses	146,786	(7,099)
Non-taxable income	58,115	237,541
National Agency for Science and Engineering Infrastructure (NASENI) Levy ²	43,952	61,331
Withholding tax credit notes recovered	(1,222,432)	(109,145)
Changes in prior year estimate	(235,033)	-
Other differences	48,804	128,499
	4,668,387	8,413,904
Effective tax rates	27%	34%

¹ The Nigerian Police Trust Fund (Establishment) Act, 2019 imposes a levy of 0.005% of the net profit of companies operating business in Nigeria.

² The National Agency for Science and Engineering Infrastructure (NASENI) Act imposes a levy of 0.25% of the net profit of companies operating business in Nigeria.

11.2 Movement in current tax liability

	31 December 2023	31 December 2022
	₦'000	₦'000
Balance as at 1 January	6,351,740	6,136,740
Provision for the year (Note 11.1.1)	5,326,506	6,834,651
Payments during the year	(5,460,465)	(5,483,084)
Prior year provision unutilized	(235,033)	-
Withholding tax credit notes	(1,201,243)	(1,136,567)
Balance as at 31 December	4,781,505	6,351,740

11.2.1 Movement in Withholding tax

	31 December 2023	31 December 2022
	₦'000	₦'000
Balance as at 1 January	984,265	1,608,541
WHT credit notes received during the period	1,277,050	512,291
Withholding Tax used to offset CIT	(1,201,243)	(1,136,567)
Balance as at 31 December	1,060,072	984,265
Analysed as		
Current	1,060,072	984,265
Non-current	-	-
	1,060,072	984,265
<i>Amount recognised in statement of cashflows</i>	(75,807)	624,276

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

11.3 Deferred taxation

Deferred tax assets and liabilities are attributable to the following;

	Assets		Liabilities		Net	
	31	31	31	31	31	31
	December	December	December	December	December	December
	2023	2022	2023	2022	2023	2022
	N'000	N'000	N'000	N'000	N'000	N'000
Property, plant and equipment	-	-	(7,973,129)	(7,331,055)	(7,973,129)	(7,331,055)
Provision for doubtful debts	301,516	413,483	-	-	301,516	413,483
Provision for employee benefits	547,215	504,169	-	-	547,215	504,169
(ROU asset)/ Lease liability	-	(3,784)	16,910	-	16,910	(3,784)
Net unrealised foreign exchange differences	-	-	(1,351,819)	(1,238,661)	(1,351,819)	(1,238,661)
	848,731	913,868	(9,308,038)	(8,569,716)	(8,459,307)	(7,655,848)

Movement in deferred tax balances during the year;

	Balance		Balance		Balance	
	1 January	31 December	1 January	31 December	1 January	31 December
	2022	2023	2022	2023	2022	2023
	N'000	N'000	N'000	N'000	N'000	N'000
Property, plant and equipment	(6,810,410)	(520,645)	-	(7,331,055)	(642,074)	(7,973,129)
Provision for doubtful debts	520,193	(106,710)	-	413,483	(111,967)	301,516
Provision for employee benefits	377,145	123,956	3,067	504,168	47,157	547,214
(ROU asset)/ Lease liability	2,602	(6,386)	-	(3,784)	20,694	16,910
Net unrealised foreign exchange differences	(182,822)	(1,055,838)	-	(1,238,660)	(113,156)	(1,351,818)
Provision for rebranding cost	122,775	(122,775)	-	-	-	-
	(5,970,517)	(1,688,398)	3,067	(7,655,848)	(799,346)	(8,459,307)

Amount recognised in OCI

	Before tax		Tax charge		Net of tax	
	31	31	31	31	31	31
	December	December	December	December	December	December
	2023	2022	2023	2022	2023	2022
	N'000	N'000	N'000	N'000	N'000	N'000
Items that will not be reclassified to						
Remeasurements of defined benefit	12,458	(9,435)	(4,111)	3067	8,347	(6,368)

- 11.4 The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act CAP C21 LFN 2004 (as amended), the Finance Act 2023, the tertiary education tax charge is based on the Tertiary Education Trust Fund Act, 2011 and the Nigeria Police Trust Fund (Establishment) Act 2019.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

12 Employee benefits

	31 December 2023	31 December 2022
Long term employee benefits	₦'000	₦'000
Long service awards (Note 12(a))	1,443,960	1,398,931
Home ownership scheme (Note 12(b))	59,096	61,350
	1,503,056	1,460,281
Post employment benefit		
Post employment medical services (Note 12(c))	83,888	91,009
Balance as at 31 December	1,586,944	1,551,290
Analysed as:		
Current	-	-
Non-current	1,586,944	1,551,290
	1,586,944	1,551,290

Employee benefits represents the Company's liability for:

- Long service awards - Staff who have attained the milestones for the specified number of years of service in the Company (i.e. 10 years, 15 years and 20 years) are rewarded with cash and gift items as long service awards.
- Home ownership scheme - Under the home ownership scheme, qualifying staff are entitled to a grant which is a one-off payment upon tenth anniversary.
- Post employment medical benefits - A post-retirement medical coverage is extended to ex-staff for five (5) years on early retirement or eight (8) years on normal retirement (i.e. at the retirement age of 60 years) as well as two (2) years for dependent relatives of a deceased staff. The liability duration of this scheme is estimated at 9.22 years.

i. Movement in net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components.

	Long service awards	Home ownership scheme	Post employment medical service	Total
2023	₦'000	₦'000	₦'000	₦'000
Balance as at 1 January	1,398,931	61,350	91,009	1,551,290
Included in profit or loss				
Current service costs	120,318	11,367	6,596	138,281
Interest cost	180,438	6,982	11,818	199,239
Actuarial gain	(116,838)	(3,908)	-	(120,746)
Included in other comprehensive income	183,918	14,441	18,414	216,773
Remeasurement (gain)/ loss:				
- Experience adjustment	-	-	(12,458)	(12,458)
	-	-	(12,458)	(12,458)
Other				
Benefits paid	(138,889)	(16,695)	(13,077)	(168,661)
	(138,889)	(16,695)	(13,077)	(168,661)
Balance as at 31 December	1,443,960	59,096	83,888	1,586,944
2022	Long service awards	Home ownership scheme	Post employment medical service	Total
	₦'000	₦'000	₦'000	₦'000
Balance as at 1 January	1,003,659	70,076	84,360	1,158,095
Included in profit or loss				
Current service costs	87,106	10,520	-	97,626
Interest cost	122,290	8,568	10,414	141,272
Actuarial gain	322,630	(10,494)	-	312,136
Included in other comprehensive income	532,025	8,594	10,414	551,034
Remeasurement (gain)/ loss:				
- Experience adjustment	-	-	9,435	9,435
	-	-	9,435	9,435
Other				
Benefits paid	(136,753)	(17,320)	(13,200)	(167,274)
	(136,753)	(17,320)	(13,200)	(167,274)
Balance as at 31 December	1,398,931	61,350	91,009	1,551,290
			31 December 2023	31 December 2022
			₦'000	₦'000
Amount recognised in profit or loss (Note 10.2.3)			216,773	551,034

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NOTES TO THE FINANCIAL STATEMENTS

12 Employee benefits (cont'd)

(a) Allocation of employee benefits provisions during the year

Amount recognised in profit or loss (Note 10.2.3)	216,773	551,034
Amount recognised in other comprehensive income	(12,458)	9,435
	204,315	560,469

Actuarial Assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	2023	2022
Discount rate		
- Long service awards	16.5%	13.5%
- Home ownership scheme	13.5%	13.0%
- Post employment medical services	16.5%	13.5%
Inflation rate	15.0%	15.0%
Future salary growth	10.0%	10.0%
Benefit increase rate		
- Long service awards	13.0%	13.0%
- Home ownership scheme	6.5%	6.5%
- Post employment medical services	6.5%	6.5%

The Company is exposed to several risks arising from the defined benefits plan. The most significant of which are inflation risk, changes in bond yields and life expectancy.

The assumptions below further depict management's estimate of the likely future experience of the Company.

Demographic assumptions

Withdrawal Rates

Age band	2023	2022
Less than or equal to 30	2%	2%
31 – 39	1%	1%
40 – 44	0%	0%
45 – 59	0%	0%

Mortality assumptions

Active Staff

A67/70 UK Tables

Retirees

PA90

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

2023

	Long service awards	Home ownership scheme	Post employment medical benefits
	₦'000	₦'000	₦'000
Base	1,443,960	59,096	83,888
Discount rate	+1% 1,360,478 -1% 1,537,584	+1% 57,872 -1% 60,375	+1% 79,221 -1% 89,033
Salary increase rate	+1% 1,460,534 -1% 1,428,601	+1% - -1% -	+1% - -1% -
Benefit increase rate	+1% 1,530,444 -1% 1,366,261	+1% - -1% -	+1% 86,165 -1% 81,712
Mortality	Age Rated up by 1 year 1,437,227 Age Rated down by 1 year 1,450,059	Age Rated up by 1 year 59,068 Age Rated down by 1 year 59,120	Age Rated up by 1 year 84,725 Age Rated down by 1 year 83,136

2022

	Long service awards	Home ownership scheme	Post employment medical benefits
	₦'000	₦'000	₦'000
Base	1,398,931	61,350	91,009
Discount rate	+1% 1,300,020 -1% 1,511,763	+1% 59,952 -1% 62,812	+1% 84,203 -1% 98,748
Salary increase rate	+1% 1,418,413 -1% 1,381,064	+1% - -1% -	+1% - -1% -
Benefit increase rate	+1% 1,498,963 -1% 1,310,432	+1% - -1% -	+1% 93,092 -1% 88,984
Mortality	Age Rated up by 1 year 1,391,516 Age Rated down by 1 year 1,405,647	Age Rated up by 1 year 61,321 Age Rated down by 1 year 61,374	Age Rated up by 1 year 90,520 Age Rated down by 1 year 91,454

Although the analysis does not take account of the full distribution of cash flows expected under the schemes, it does provide an approximation of the sensitivity of the assumptions shown.

The Actuarial valuation of the company's employee benefits was carried out by Logic Professional Services (FRC/2020/00000013617), Chidiebere Orji (FRC/2021/004/00000022718).

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

13 Dividends

Declared dividends

The following dividends were declared by the Company during the year.

	31 December 2023	31 December 2022
	₦'000	₦'000
<i>Final dividend - Prior year</i>		
₦21.00 per qualifying ordinary share (2022: ₦18.20)	7,129,959	6,179,297
<i>Interim dividend:</i>		
₦0.00 per qualifying ordinary share (2022: ₦4.00)	-	1,358,087
	<u>7,129,959</u>	<u>7,537,384</u>

13.1 Dividend payable

	31 December 2023	31 December 2022
	₦'000	₦'000
Balance as at 1 January	6,014,629	2,248,093
Final dividend (prior year)	7,129,959	6,179,297
Interim dividend (current year)	-	1,358,087
	<u>13,144,588</u>	<u>9,785,477</u>
Forfeited dividend (Note 13.1(a))	-	(92,881)
Dividend paid	<u>(11,103,855)</u>	<u>(3,677,967)</u>
Balance as at 31 December	<u>2,040,733</u>	<u>6,014,629</u>

- (a) By the provision of Section 429 of the Companies and Allied Matters Act (CAMA), 2020, where dividends paid by a company remain unclaimed, the company shall publish in two national newspapers, a list of the unclaimed dividends and the names of the persons entitled to the dividends, and attach the list, as published in the national newspapers, to the notice that is sent to the members of the company for each subsequent annual general meeting of the company.

After the expiration of three months of the publication and notice, the company may invest the unclaimed dividend for its own benefit in investments outside the company and no interest shall accrue on the dividends against the company.

However, Section 60 (3) of the Finance Act 2020 provides that dividends of a public limited liability company quoted on the Nigerian Stock Exchange which has remained unclaimed for a period of six years or more from the date of declaring the dividend shall be immediately transferred to the Unclaimed Funds Trust Fund.

14 Earnings per share (EPS)

Basic earnings per share

Basic earnings per share of ₦38.09 (2022: ₦47.47) is based on profit attributable to ordinary shareholders of ₦12.9 billion (2022: ₦16.1 billion), and on the 339,521,837 ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue during the year (2022: 339,521,837 ordinary shares).

The Company has no dilutive potential ordinary shares and as such, diluted and basic earnings per share are the same.

	31 December 2023	31 December 2022
Earnings		
Profit for the year attributable to shareholders (expressed in Naira)	<u>12,912,544,000</u>	<u>16,118,376,000</u>
Number of shares		
Weighted average ordinary shares of 50 kobo each	<u>339,521,837</u>	<u>339,521,837</u>
Basic profit per 50 kobo share (expressed in Naira)	<u>38.03</u>	<u>47.47</u>

The denominators for the purposes of calculating basic earnings per share are based on issued and paid ordinary shares of 50 kobo each as at 31 December 2023.

15 Intangible assets

The movement on these accounts were as follows:

Cost

	Computer software and software licensing ₦'000
Balance as at 1 January 2022	603,824
Additions	120,405
Balance as at 31 December 2022	<u>724,229</u>
Balance as at 1 January 2023	724,229
Additions	93,597
Balance as at 31 December 2023	<u>817,826</u>

Amortisation¹

Balance as at 1 January 2022	(480,522)
Charge for the year	(51,832)
Balance as at 31 December 2022	<u>(532,354)</u>
Balance as at 1 January 2023	(532,354)
Charge for the year	(78,081)
Balance as at 31 December 2023	<u>(610,435)</u>

Carrying amount

At 1 January 2022	<u>123,302</u>
At 31 December 2022	<u>191,875</u>
At 31 December 2023	<u>207,391</u>

¹ Amortisation of intangible assets are included in administrative expenses in Profit or Loss. (See note 10.2)

There are no items of intangible assets restricted or pledged as security. There are also no contractual commitments to purchase any items of intangible assets as at year end.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

16 Property, plant and equipment

The movement on these accounts were as follows:

	Land	Buildings	Plant, machinery and fittings	Office equipment and furniture	Computer equipment and other tangibles	Motor vehicles	Capital work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost								
Balance as at 1 January 2022	4,784,328	19,534,321	25,819,699	531,990	15,275,127	5,187,261	7,136,117	78,268,842
Additions	115,500	-	84,184	-	-	27,000	8,349,939	8,576,623
Transfers (Note 16.1)	25,429	1,621,337	2,886,185	11,075	1,217,496	712,530	(6,474,052)	-
Disposals	(30,565)	(2,942)	(277,761)	(119)	(52,239)	(73,229)	-	(436,855)
Balance as at 31 December 2022	4,894,692	21,152,716	28,512,307	542,946	16,440,384	5,853,562	9,012,004	86,408,610
Balance as at 1 January 2023	4,894,692	21,152,716	28,512,307	542,946	16,440,384	5,853,562	9,012,004	86,408,610
Additions	-	44,590	762,767	541	424,562	531,609	5,427,387	7,191,456
Transfers (Note 16.1)	14,047	1,063,548	3,821,084	64,693	3,399,168	470,833	(8,833,373)	-
Disposals	(44,882)	(52,172)	(82,284)	(113)	(59,906)	(24,543)	-	(263,900)
Balance as at 31 December 2023	4,863,857	22,208,682	33,013,874	608,067	20,204,208	6,831,461	5,606,018	93,336,166

Accumulated depreciation and impairment

Balance as at 1 January 2022	(686,406)	(7,390,338)	(13,132,674)	(502,133)	(15,013,425)	(2,809,349)	-	(39,534,325)
Charge for the year	-	(946,877)	(2,703,266)	(29,283)	(863,921)	(817,715)	-	(5,361,062)
Eliminated on disposals	-	2,425	224,931	119	52,178	73,229	-	352,882
Balance as at 31 December 2022	(686,406)	(8,334,790)	(15,611,009)	(531,297)	(15,825,168)	(3,553,835)	-	(44,542,505)
Balance as at 1 January 2023	(686,406)	(8,334,790)	(15,611,009)	(531,297)	(15,825,168)	(3,553,835)	-	(44,542,505)
Charge for the year	-	(1,010,303)	(2,127,370)	(33,244)	(1,860,896)	(807,084)	-	(5,838,897)
Eliminated on disposal	-	23,922	76,253	113	51,274	24,543	-	176,105
Balance as at 31 December 2023	(686,406)	(9,321,171)	(17,662,126)	(564,428)	(17,634,790)	(4,336,376)	-	(50,205,297)

Carrying amount

At 1 January 2022	4,097,922	12,143,983	12,687,025	29,857	261,702	2,377,912	7,136,117	38,734,517
At 31 December 2022	4,208,286	12,817,926	12,901,298	11,649	615,216	2,299,727	9,012,004	41,866,105
At 31 December 2023	4,177,451	12,887,511	15,351,748	43,639	2,569,418	2,495,085	5,606,018	43,130,868

No item of property, plant and equipment has been restricted or pledged as security.

16.1 Transfers represent additions to other categories of PPE as well as from prior year's work-in-progress as they become completed.

Capital work in progress (CWIP) items include construction and other tangible asset awaiting completion. Major additions relate to upgrade of depot, acquisition of computer hardware, generators, motor vehicles, upgrade of information technology infrastructure, structural and civil upgrade of stations as well as integrity test of multi-product pipeline. Included in transfers out of CWIP are tangible items for which constructions were finalised.

There were no impairment losses on any class of property plant and equipment during the year.

None of the company's assets were financed from borrowings. Hence, no borrowing cost has been capitalised as part of asset cost.

There were no pledged assets in any class of property, plant and equipment during the year.

In 2023, capital work in progress amounting to ₦8.8 billion were transferred to their respective property, plant and equipment classes upon completion.

16.2 Gain on disposal of property, plant and equipment

	31 December 2023	31 December 2022
	N'000	N'000
Cost of disposed tangible asset	(263,900)	(436,855)
Accumulated depreciation of disposed tangible asset	176,105	352,882
Carrying amount of tangible assets disposed	(87,795)	(83,973)
Disposal proceeds	328,813	237,542
Gain in disposal	241,018	153,569

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NOTES TO THE FINANCIAL STATEMENTS

17 Company as a lessee (IFRS 16)

The Company leases service stations, storage facilities and staff buses. Service station leases typically run for a period of 10 years, with an option to renew the lease after that date. Option to renew is not legally enforceable as it is not unilateral and requires the consent of both parties. See note 17 (iv). Storage facilities leases run for 5 years. Staff bus leases typically run for 5 years which is the useful life of the asset.

Service station leases entered into are usually combined leases of land and buildings. The Company leases residential spaces with contract terms of one year. These leases are short term. See note 10.2 (Rent). The renewal option of these residential spaces is mostly at the sole instance of the Company. The renewal of these spaces is based on them fulfilling the business needs of the Company per time. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases. Lease payments on these short-term leases are recognised as expense on a straight-line basis over the lease term. Information about leases for which the Company is a lessee is presented below:

i. Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as a separate line item on the statement of financial position.

	Leasehold buildings	Motor vehicles	Storage facilities	Total
	₦'000	₦'000	₦'000	₦'000
Cost				
Balance as at 1 January 2022	10,749,262	1,604,429	756,609	13,110,300
Additions	2,199,045	-	-	2,199,045
Balance as at 31 December 2022	12,948,307	1,604,429	756,609	15,309,345
At 1 January 2023	12,948,307	1,604,429	756,609	15,309,345
Additions	1,668,864	611,825	-	2,280,689
Balance as at 31 December 2023	14,617,171	2,216,254	756,609	17,590,034
Accumulated depreciation and impairment				
Balance as at 1 January 2022	(4,063,944)	(882,090)	(302,088)	(5,248,122)
Charge for the year	(1,691,787)	(280,078)	(151,075)	(2,122,940)
Balance as at 31 December 2022	(5,755,731)	(1,162,168)	(453,163)	(7,371,062)
At 1 January 2023	(5,755,731)	(1,162,168)	(453,163)	(7,371,062)
Charge for the year	(1,790,224)	(326,887)	(151,291)	(2,268,402)
Balance as at 31 December 2023	(7,545,955)	(1,489,055)	(604,454)	(9,639,464)
Carrying amount				
At 1 January 2022	6,685,318	722,339	454,521	7,862,178
At 31 December 2022	7,192,576	442,261	303,446	7,938,283
At 31 December 2023	7,071,216	727,199	152,155	7,950,570

ii. Amounts recognised in profit or

	2023	2022
	₦'000	₦'000
Depreciation	(2,268,402)	(2,122,940)

iii. Amounts recognised in statement of cash flows

	2023	2022
	₦'000	₦'000
Additions to right-of-use assets	(2,280,689)	(2,199,045)

iv. Extension options

The Company's service station lease agreements contain extension options exercisable by the Company. Where practicable, the Company seeks to include extension options in its leases to provide operational flexibility. The extension options held are exercisable only by the Company but require the consent of the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options because the Company usually prepays its station leases for about 7 -10 years and due to the fact that the decision to renew is usually based on the results of an economic evaluation of each individual service station's performance to determine if it is financially viable to extend the lease. The directors have concluded that it is not reasonably certain at commencement of the leases to determine whether or not the leases will be renewed.

The Company has estimated that there are no potential future lease payments as its current assessment is that it is not probable that the lease extension option would be exercised.

The Company also estimates that obligations arising from termination of the lease are insignificant as moveable assets are reassigned to other locations at minimal transport costs while immovable assets are expected to be fully depreciated at the end of the lease term.

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NOTES TO THE FINANCIAL STATEMENTS

18 Inventories

Inventories comprise:

	31 December 2023	31 December 2022
	N'000	N'000
Raw materials	17,127,324	23,090,221
Goods in transit	13,634,776	9,042,804
Finished goods	40,222,605	26,514,477
Consumable equipment and spares	2,921,776	628,247
	73,906,481	59,275,749

In 2023, inventories amounting N539.59 million (2022: N408.52 million) were recognised as an expense during the year and included in 'cost of sales'. No item of inventory was pledged as securities for liabilities during the year.

With effect from 1st January 2023, accounting policy relating to the valuation of white products changed from Moving Average Price (MAP) to First In First Out (FIFO). The Moving Average Price (MAP) by nature does not reflect the cost of goods sold for white products, as the unit value of all inventories is averaged with the value of purchases receipted and not yet sold. Depending on the market price volatility and stock turnaround rate, the gap between the Moving Average Price (MAP) and actual cost can be significant leading to margin volatility. With FIFO valuation method, the cost of goods sold is aligned to actual purchases and overcomes the trailing effect caused by Moving Average Price (MAP) and enables enhanced margin analysis and decision-making process going forward. Management has assessed the impact of this change on its financial statements and net operating results as not material. White products constitutes 34% (2022: 24%) of the total inventory balance.

(a) Reconciliation of changes in inventory to statement of cashflows is as follows:

	31 December 2023	31 December 2022
	N'000	N'000
Balance at 1 January	59,275,749	29,202,091
Balance at 31 December	(73,906,481)	(59,275,749)
(Write back)/ net write down of inventory (See note 18.1)	(516,277)	160,202
Amount recognised in statement of cashflows	(15,147,009)	(29,913,456)

18.1 Movement in write down of inventories

	31 December 2023	31 December 2022
	N'000	N'000
Write down of inventory ¹	676,929	165,512
Reversal of write downs from previous periods ²	(160,652)	(325,714)
	516,277	(160,202)

¹During the year, amounts of N676.93 million were written down and recognised in cost of sales (2022: N165.51 million), due to operational losses during the year.

²Reversal of provision made on slow moving goods no longer required.

19 Trade and other receivables (Current)

	31 December 2023	31 December 2022
	N'000	N'000
Customers account	66,779,156	40,676,792
Due from related parties (Note 34.2)	1,175,552	679,748
Total trade receivables¹	67,954,708	41,356,540
Financial assets		
Net investment in finance lease (Note 19.1.1)	372,156	66,686
Advance on letters of credit	6,815,863	12,041,111
Bridging claims ²	22,674,574	19,353,265
Unclaimed dividends ³	2,011,243	1,708,263
Employee loans and receivables	977,492	3,984,588
Other receivables	1,156,052	1,020,788
	34,007,380	38,174,701
Advance to supplier ⁴	50,151,089	31,860,580
Total other receivables	84,158,469	70,035,281
	152,113,177	111,391,821

¹Amount presented above is net of impairment, refer to note 30(iv) for more information on impairment.

²See note 30(iv) for more information on bridging claims.

³This relates to portion of unclaimed dividend currently held by the Company Registrars.

⁴This relates to advance payments made to suppliers.

19.1 Trade and other receivables (Non-current)

Non-current portion of trade and other receivables comprise:

	31 December 2023	31 December 2022
	N'000	N'000
Employee receivables ³	4,506,041	644,853
Net investment in finance lease (Note 19.1.1) ¹	1,724,933	309,089
Advance for PPE ²	893,313	1,031,791
	7,124,287	1,985,733

¹Amount represents the sum of net investment in finance lease between one and five years and more than five years. (See note 19.1.1)

²Amount represents advance to suppliers relating to procurement of PPE.

³Amount represents loan receivables due from employees which are not considered due within twelve (12) months.

(a) Reconciliation of changes in trade and other receivables to statement of cashflows is as follows:

	31 December 2023	31 December 2022
	N'000	N'000
Balance at 1 January (current)	111,391,821	63,966,446
Balance at 1 January (non-current)	1,985,733	2,830,275
Balance at 31 December (current)	(152,113,177)	(111,391,821)
Balance at 31 December (non-current)	(7,124,287)	(1,985,733)
Foreign exchange impact on trade and other receivables (See note 8.2)	(5,346,347)	(5,615,041)
Amount recognised in statement of cashflows	(51,206,257)	(52,195,874)

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

19.1.1 Finance lease receivable

The Company leases transport equipment to some of its transporters under a finance lease arrangement. The lease term is between three to five years, with options to extend. The finance lease receivables at the end of the reporting period are neither past due nor impaired. The carrying amount of the current portion of finance lease receivables approximates their fair value. Finance lease receivable may be analysed as follows:

	31 December 2023	31 December 2022
	₦'000	₦'000
Gross investment in finance lease receivable	2,301,796	412,456
Unearned finance income	(204,707)	(36,681)
Net investment in finance lease	2,097,089	375,775
	31 December 2023	31 December 2022
	₦'000	₦'000
Current:		
Less than one year (note 19)	372,156	66,686
Non current:		
Between one and five years (note 19.1)	1,247,137	223,473
More than five years	477,796	85,616
	2,097,089	375,775

19.1.2 Leases as lessor

The Company has lease arrangements with its transporters consisting of leased trucks. These leases are classified as a finance lease.

(i) Finance lease

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	31 December 2023	31 December 2022
	₦'000	₦'000
Less than one year	432,114	77,430
One to two years	1,373,005	246,027
More than five years	496,677	88,999
Total undiscounted lease receivable	2,301,796	412,456
Unearned finance income	(204,707)	(36,681)
Net investment in the lease	2,097,089	375,775

20 Prepayments

	31 December 2023	31 December 2022
	₦'000	₦'000
Current		
Prepaid rent ¹	15,906	44,997
Employee advances ²	1,448,168	1,412,580
Total prepayments	1,464,074	1,457,577

¹Prepaid rent are short-term leases for which the company has elected not to recognise as ROU asset.

²Amount relates to advance payments made to the employees of the company

(a) Reconciliation of changes in prepayments to statement of cashflows is as follows:

	31 December 2023	31 December 2022
	₦'000	₦'000
Balance at 1 January	1,457,577	1,448,934
Balance at 31 December	(1,464,074)	(1,457,577)
Amount recognised in statement of cashflows	(6,497)	(8,643)

21 Loans and other borrowings

	31 December 2023	31 December 2022
	₦'000	₦'000
Bank overdrafts (Note 27)	56,154,285	-
Short term intercompany loan	22,390,250	11,304,750
Trade finance loan	5,996,257	36,437,222
Total borrowings	84,540,792	47,741,972

22 Lease liabilities

	31 December 2023	31 December 2022
	₦'000	₦'000
Non-current portion of	469,398	361,427
Current portion of lease liabilities	483,953	372,634
Total lease liabilities	953,351	734,061

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NOTES TO THE FINANCIAL STATEMENTS

23 Movement of liabilities

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Bank overdrafts	Other loans and borrowings	Lease liabilities	Total
	₦'000	₦'000	₦'000	₦'000
Balance at 1 January 2023	-	47,741,972	734,061	48,476,033
Changes from financing cash flows				
Additional borrowings	56,154,285	175,511,801	-	231,666,086
Repayment of borrowings	-	(240,787,354)	-	(240,787,354)
Payment of lease liabilities	-	-	(415,286)	(415,286)
Total changes from financing cash flows	56,154,285	(65,275,553)	(415,286)	(9,536,554)
The effect of changes in foreign exchange rates	-	45,920,088	-	45,920,088
Other changes				
Change in bank overdraft	-	-	-	-
New leases	-	-	634,577	634,577
Interest paid	(2,300,502)	(7,718,153)	(181,942)	(10,200,597)
Interest unpaid	-	-	-	-
Interest expense	2,300,502	7,718,153	181,942	10,200,597
Total liability-related other changes	-	-	634,577	634,577
Balance at 31 December 2023	56,154,285	28,386,507	953,351	85,494,144

	Bank overdrafts	Other loans and borrowings	Lease liabilities	Total
	₦'000	₦'000	₦'000	₦'000
Balance at 1 January 2022	-	15,116,802	1,113,223	16,230,025
Changes from financing cash flows				
Additional borrowings	-	180,067,428	-	180,067,428
Repayment of borrowings	-	(143,692,033)	-	(143,692,033)
Payment of lease liabilities	-	-	(453,906)	(453,906)
Total changes from financing cash flows	-	36,375,395	(453,906)	35,921,489
The effect of changes in foreign exchange rates	-	(3,750,225)	-	(3,750,225)
Other changes				
Change in bank overdraft	-	-	-	-
New leases	-	-	74,744	74,744
Interest paid	-	(3,340,603)	(67,431)	(3,408,034)
Interest unpaid	-	(1,984,167)	-	(1,984,167)
Interest expense	-	5,324,770	67,431	5,392,201
Total liability-related other changes	-	-	74,744	74,744
Balance at 31 December 2022	-	47,741,972	734,061	48,476,033

The principal features of the Company's borrowings are as follows:

- Bank overdrafts are repayable on demand. The actual average interest rate on bank overdrafts for 2023 was approximately 14.38% per annum. This was determined based on banks' cost of funding plus lenders' mark-up. Overdrafts are neither guaranteed nor is any collateral given on the balances.
- Trade finance loan represents short term borrowings obtained to fund letters of credits for product importation. The interest charged on these loans vary depending on the SOFR. The interest rate on these loans are usually between 7% to 14%.
- The Commercial paper instrument is a ₦30 billion programme established by TotalEnergies Marketing Nigeria Plc under which the company may from time to time issue Commercial Paper Notes, as may be agreed between the Arranger and the Issuer, in separate series or tranches. There is currently no issuance and the programme is under renewal.
- Short term intercompany Loan represents an unsecured revolving loan facility with maximum cumulative draw down capped at \$300 million from TotalEnergies Upstream Nigeria Limited with a tenor of 1 year at Daily compounded SOFR + 6.5%
- The carrying amount of current borrowings is a reasonable approximation of fair value as at 31 December, 2023.

a. Terms and repayment schedule

The terms and conditions of loans and borrowings are as follows;

	Currency	Nominal interest rate	Year of maturity	31 December 2023		31 December 2022	
				Face value	Carrying amount	Face value	Carrying amount
				₦'000	₦'000	₦'000	₦'000
Lease liabilities	NGN	16%	2020 - 2023	1,134,942	953,351	873,882	734,061
Short term intercompany	USD	Variable	2023	22,390,250	22,390,250	11,304,750	11,304,750
Bank overdraft	NGN	14.50%	-	56,154,285	56,154,285	-	-
Trade finance loan	NGN	Variable	2023	5,996,257	5,996,257	36,437,222	36,437,222
				85,675,734	85,494,143	48,615,854	48,476,033

The Company has discounted lease liabilities using incremental borrowing rate of 16% (2022: 16%) which represents the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. There was no need to reassess the incremental borrowing rate in 2023.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

24 Trade and other payables

Trade payables :

Amount due to related companies (note 34.2)
Trade creditors
Bridging contribution¹
Payable to Petroleum Support Fund

Other payables:

Other creditors²
Security deposits³
Accrued liabilities⁴
Dividend payable (note 13.1)
Pay As You Earn (PAYE)
Staff pension

Total trade and other payables

¹ Amount payable to PEF with respect to bridging activities on imported products. See note 30(iv) for more information.

² Amount relates to other non-trade related payables and sundry creditors.

³ Amount relates to collateral deposits paid by dealers who maintain credit facilities with the Company.

⁴ Accrued liabilities principally comprise accrual for product bills and other charges for which invoices were not yet received at the end of the year.

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs.

The Directors consider that the carrying amount of trade payables as at 31 December 2023 approximates their fair value.

Information about the Company's exposure to currency and liquidity risks is included in note 30(iii).

(a) Reconciliation of changes in trade and other payables to statement of cashflows is as follows:

	31 December 2023	31 December 2022
	N'000	N'000
Balance at 1 January	(190,091,170)	(134,545,293)
Balance at 31 December	214,105,902	190,091,170
Movement in dividend payable (See note 13.1)	3,973,898	(3,766,536)
Foreign exchange impact on trade and other payables (See note 8.2)	(1,528,607)	2,096,206
Amount recognised in statement of cashflows	<u>26,460,023</u>	<u>53,875,547</u>

25 Deferred income

Contract liabilities

(a) Reconciliation of changes in deferred income to statement of cashflows is as follows:

	31 December 2023	31 December 2022
	N'000	N'000
Balance at 1 January	(3,402,832)	(3,068,991)
Balance at 31 December	4,610,130	3,402,832
Amount recognised in statement of cashflows	<u>1,207,298</u>	<u>333,841</u>

25.1 Movement of contract liabilities

	31 December 2023	31 December 2022
	N'000	N'000
Balance at 1 January	3,402,832	3,068,991
Amount recognised as revenue in the year	(24,333,929)	(14,592,372)
Advance payments received from customers	25,541,227	14,926,212
Balance at 31 December	<u>4,610,130</u>	<u>3,402,832</u>

The deferred income represents amounts billed and collected in accordance with contractual terms in advance of when the goods are delivered or services rendered. These advance payments primarily relate to contract liabilities. Contract liabilities primarily relate to the advance consideration received from customers for the sale of goods, for which revenue is recognised once the goods are delivered and have been accepted in the customers premises or picked up by the customer. The Company estimates this will be earned as revenue during the subsequent financial years.

26 Share capital

Authorised, Issued and fully paid:

339,521,837 ordinary shares of 50 kobo each

All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

	31 December 2023	31 December 2022
	N'000	N'000
27 Cash and cash equivalents		
Bank and cash balances	6,665,734	54,208,089
Cash on hand	20,412	9,022
Cash balances with TotalEnergies Treasury (note 34.2)	81,472,607	28,507,205
Cash & cash equivalents in statement of financial position	88,158,753	82,724,316
Bank overdrafts	(56,154,285)	-
Cash & cash equivalents in statement of cash flows	<u>32,004,468</u>	<u>82,724,316</u>
The Company classifies amounts held with TotalEnergies Treasury as cash and cash equivalents because they can be withdrawn at any time without penalties.		

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

28 Commitments and contingent liabilities

Financial commitments

The Company did not restrict or deposit any of its assets to secure liabilities of third parties.

The Directors are of the opinion that all known liabilities and commitments have been taken into account in the preparation of these financial statements. These liabilities are relevant in assessing the Company's state of affairs.

	31 December 2023	31 December 2022
	₦'000	₦'000
Bonds		
Total commitments given	3,000,000	3,000,000
Total commitments received	2,200,000	1,800,000

Commitments given primarily include guarantee to Pipelines and Products Marketing Company Limited (PPMC) for bulk purchase of petroleum products. No losses are anticipated in respect of these.

Commitments received include customers' guarantees.

Commitments received and given are held with local banks.

At 31 December 2023, the Company had contractual commitments (given) for the acquisition of property, plant and equipment amounting to ₦2.74 billion (2022: ₦1.40 billion).

Contingent liabilities

There are contingent liabilities in respect of legal actions against the Company amounting to approximately ₦1.257 trillion (2022: ₦1.257 trillion). The Directors have not made provisions for these contingent liabilities as consultations have been made with the in-house legal team led by Olubunmi Popoola-Mordi - (FRC/2013/CSAN/00000002042). The in-house legal team holds regular discussions and obtains expert opinion from the Company's external solicitors (on a need basis). Based on all information available as at date of issue of these financial statements (including historical reference of these cases), the directors, based on the advice of the in-house legal team have concluded that no material losses will crystallise against the Company.

29 Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of its 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 note 21, cash and cash equivalents and equity attributable to equity holders, comprising issued capital, reserves and retained earnings.

The Company is not subject to any externally imposed capital requirements.

Gearing ratio

Gearing ratio is net debt to equity ratio.

	31 December 2023	31 December 2022
	₦'000	₦'000
Borrowings (note 21)	84,540,792	47,741,972
Cash and cash equivalents (note 27)	(88,158,753)	(82,724,315)
Lease liabilities (note 22)	953,351	734,061
Net debt (calculated)	(2,664,610)	(34,248,282)
Net debt (restricted to a minimum of zero)	-	-
Equity	56,077,742	50,286,810
Net debt to equity ratio	0:1	0:1

Net debt is expressed as an aggregate of lease liabilities, long and short-term borrowings less cash and cash equivalents. The net debt applied in determining the net debt to equity ratio has been restricted to a minimum of zero. The negative position of the calculated net debt is as a result of increased cash and cash equivalent position during the year.

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

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

30 Financial risk management

(i) Financial risk management objectives

The Company's Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk), credit risk and liquidity risk.

The Company's Treasury function reports monthly to the Group's Treasury, a section of the Group that monitor's risk and policies implemented to mitigate risk exposures.

(ii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk management

The Company is exposed to interest rate risk as it borrows funds at multiple interest rates. The risk is managed by the Company by constantly negotiating with the banks to ensure that interest rates 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:

	31 December 2023 N'000	31 December 2022 N'000
Variable rate instruments		
Borrowings (note 21)	84,540,792	47,741,972
	<u>84,540,792</u>	<u>47,741,972</u>

Sensitivity analysis for variable rate instruments

A reasonable possible change of 1000 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	31 December 2023 N'000	31 December 2022 N'000
Effect of 10% increase on interest rates (2022: 10%)	(8,454,079)	(4,774,197)
Effect of 10% decrease on interest rates (2022: 10%)	8,454,079	4,774,197

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NOTES TO THE FINANCIAL STATEMENTS

30 Financial Risk Management (cont'd)

Currency risk management

The Company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective currencies of the Company. The functional currency of the Company is the Nigerian Naira. The Company also transacts in United States Dollars (USD), Euros and Swiss Franc (CHF).

A movement in the exchange rate either positively or negatively by 30 percent is illustrated below. Such movements would have increased (decreased) the profit or loss 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 year. The analysis assumes that all other variables, in particular interest rates, remain constant.

As at 31 December 2023

	Foreign currency '000	Naira balance '000	Exchange rate	Effect of increase/decrease in exchange rate	₦'000
Trade receivables					
USD	5,453	4,883,761	895.61	'30%	1,465,128
Cash deposits					
USD	102,089	91,431,929	895.61	'30%	27,429,579
EURO	283	279,969	989.29	'30%	83,991
Trade payables					
USD	(39,008)	(34,935,955)	895.61	'30%	(10,480,786)
EURO	(924)	(914,105)	989.29	'30%	(274,231)
CHF	(166)	(155,302)	935.55	'30%	(46,591)
Net impact on profit or loss					
USD	68,534	61,379,736	895.61	30%	18,413,920
EURO	(641)	(634,135)	989.29	30%	(190,242)
CHF	(166)	(155,302)	935.55	30%	(46,591)

As at 31 December 2022

	Foreign currency '000	Naira balance '000	Exchange rate	Effect of increase/decrease in exchange rate	₦'000
Trade receivables					
USD	2,022	914,328	452.19	'30%	274,298
Cash deposits					
USD	65,414	29,579,557	452.19	'30%	8,873,867
EURO	658	313,636	476.65	'30%	94,091
Trade payables					
USD	(27,121)	(12,263,845)	452.19	'30%	(3,679,153)
EURO	(1,041)	(496,193)	476.65	'30%	(148,858)
CHF	(98)	(43,786)	446.80	'30%	(13,136)
Net impact on profit or loss					
USD	40,315	18,230,040	452.19	30%	5,469,011
EURO	(383)	(182,557)	476.65	30%	(54,768)
CHF	(98)	(43,786)	446.80	30%	(13,136)

A decrease in exchange rate by 30 percent (2022: 30 percent) against the above currencies at the reporting year would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

*These exchange rates have been derived by computing the weighted average of the CBN intervention rate, bank rate, and NAFEM which represents the Company's expected pattern of realisation and settlement.

The following exchange rates were applied during the year:

	Average rate		Reporting date spot rate	
	2023	2022	2023	2022
USD	668.33	444.92	895.61	452.19
EURO	722.94	467.45	989.29	476.65
CHF	655.01	442.21	935.55	446.80

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NOTES TO THE FINANCIAL STATEMENTS

Financial Risk Management (cont'd)

(iii) Liquidity risk management

Liquidity risk tables

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The following tables detail the Company's remaining contractual maturity for its derivative and non-derivative financial liabilities with agreed repayment periods. The contractual cashflows are gross and undiscounted and include contractual interest payments.

		Contractual cashflows					
		Carrying amount	Total	Less than 1 month	1 to 3 months	3 months to 1 year	More than 1 year
		N'000	N'000	N'000	N'000	N'000	N'000
31 December 2023							
Borrowings	(Note 21)	84,540,792	84,540,792	22,390,250	-	62,150,542	-
Trade payables	(Note 24)	92,440,885	92,440,885	36,117,656	38,435,452	17,887,777	-
Other payables ¹	(Note 24)	120,700,716	120,700,716	43,155,554	40,547,159	36,998,003	-
Lease liabilities	(Note 22)	953,351	1,134,942	-	-	576,135	558,807
		298,635,744	298,817,335	101,663,460	78,982,611	117,612,457	558,807
31 December 2022							
Borrowings	(Note 21)	47,741,972	47,741,972	-	11,304,750	36,437,222	-
Trade payables	(Note 24)	95,058,562	95,058,562	12,926,285	65,086,986	17,045,291	-
Other payables ¹	(Note 24)	94,444,881	94,444,881	33,767,995	31,727,000	28,949,886	-
Lease liabilities	(Note 22)	734,061	828,044	-	-	420,343	407,701
		237,979,476	238,073,459	46,694,280	108,118,735	82,852,742	407,701

¹The amount of other payables does not include statute-based deductions (Pay As You Earn tax, Withholding tax and Value Added Tax payables).

The Company manages liquidity risk by maintaining reserves, monitoring forecasts of banking facilities and actual cash flows and matching the maturity profiles of financial assets and liabilities. Below is a listing of financing facilities that the Company has at its disposal to further reduce liquidity risk.

Financing facilities

Unsecured bank loans which are revolving trade loans with a tenure of one year and overdrafts payable at call are reviewed annually. Commercial papers are unsecured instruments which are payable at the expiration of their tenure.

	2023	2022
	N'000	N'000
Amount used	68,016,836	36,437,222
Amount unused	983,164	62,562,778
Total facilities	69,000,000	99,000,000

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NOTES TO THE FINANCIAL STATEMENTS

Financial Risk Management (cont'd)

(iv) Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers, employees and the government. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate e.g. security deposits, as a means of mitigating the risk of financial loss from defaults. The Company uses other publicly available financial information and its own trading records to rate its major customers. Credit exposure is controlled by setting credit limits that are routinely reviewed and approved by management.

The Company obtains bank guarantees in its favour for transactions with certain customers. These guarantees are held with Nigerian banks as a form of security in the event of a default.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

The credit policy of TotalEnergies Marketing Nigeria Plc. is set in accordance with the sales channel that the Customer belongs to:

Network Channel: Credit is extended to dealers who operate the Company Owned, Dealer Operated Service Station (CODO) and some of the Dealer Owned, Dealer Operated service stations (DODO) who specifically apply to operate under the DODO credit scheme. Under both CODO and DODO credit schemes, credit is extended to each dealer to cover the working capital needs of the station. Each day's sales proceeds are lodged into the Company's bank accounts at least twice daily. The Company's financial risk exposure is covered by retentions from dealers income to increase the security deposit, as well as retention of title over physical stock in the station in the event of non-payment.

General Trade (GT) Channel: Credit for the GT customers is set at the monthly average sales to the customer for a year of one year or six months after proper financial and qualitative analysis. The approved credit limit is extended for 30 days or 45 days in rare occasions for blue chip companies.

Aviation Channel: Most of the customers are on a cash and carry basis with the exception of a few companies with 15 days credit limit. Credit is given only after a year of three months sales to the customer. Sales to international customers are based on a contract of one year and credit amount is based on expected turnover. Sales to international customers are guaranteed by Air Total International, a related party and the risk of loss in this circumstance is nil.

Cash and cash equivalents

The Company held cash and cash equivalents of ₦88.16 billion (net of cash on hand) at 31 December 2023 (2022: ₦82.72 billion) with banks and financial institutions with high credit ratings, rated B to AAA based on the Fitch rating agency and TotalEnergies treasury.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short-term maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The Company did not record any ECL impairment for the period. (2022: Nil).

Trade and other receivables

A summary of the Company's exposure to credit risk for trade receivables is as follows:

As at 31 December 2023

	<u>Not Credit Impaired</u>	<u>Credit Impaired</u>	<u>Total</u>
	₦'000	₦'000	₦'000
Trade receivables	69,149,983	1,195,275	67,954,708

As at 31 December 2022

	<u>Not Credit Impaired</u>	<u>Credit Impaired</u>	<u>Total</u>
	₦'000	₦'000	₦'000
Trade receivables	42,910,385	1,553,845	41,356,540

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

Financial Risk Management (cont'd)

The maximum exposure to financial assets at the reporting date by type of counterparty was:

	31 December 2023	31 December 2022
	N'000	N'000
Customers	66,779,156	40,676,792
Due from related parties	1,175,552	679,748
Bridging claims	22,674,574	19,353,265
Other receivables	1,156,052	1,020,788
Net investment in finance lease (Note 19.1.1)	372,156	66,686
Advance on letters of credit	6,815,863	12,041,111
Unclaimed dividends	2,011,243	1,708,263
Employee loans and receivables	977,492	3,984,588
Trade and other receivables (Non-current)	7,124,287	1,985,733
Cash and cash equivalent (Note 27)	31,984,056	82,715,294
	141,070,431	146,431,620

Due from related parties

The Company has transactions with its parent and other related parties who are related to the Company by virtue of being members of the Total Group. In the directors' view, all amounts are collectible. Related party receivable balances were assessed for ECL impairment, in accordance with IFRS 9. This assessment is performed together with the trade receivables balances from other customers as at year end.

Due from regulators

This comprises amount due from PPPRA with respect to subsidies/PSF receivables on imported products as well as amounts receivable from PEF with respect to bridging claims. Bridging claim are payments gotten from the government with respect to moving product from one depot to another when the distance is in excess of 450km. There is no loss experience with government receivables as the determination of amounts due are based on existing regulations/ guidelines and impairment is only recognised when changes occur in the regulations/ guidelines that prohibit or limit recovery of previously recognised amounts. Therefore, the Company has recorded no loss experience with government receivable as this is always deemed receivable and the settlement pattern of the government is not defined or definite.

Other receivables

Other receivables include finance lease receivables, staff debtors and other sundry receivables. The Company reviews the balances due from this category on a yearly basis taking into consideration factors such as continued business/employment relationship. Where such does not exist, the amounts are impaired. Other receivables were assessed for impairment in accordance with IFRS 9.

The finance lease receivables represent amounts due from transporters and these receivables are offset against payments due to them for transport services provided. They are not considered to be impaired as they are receivable based on timelines stipulated in the contracts.

Expected credit loss assessment for customers

The Company has adopted the use of the simplified approach in computing impairment of trade receivables using the allowance matrix to measure the Expected Credit Loss (ECL) of trade receivables from individual customers and related parties.

In arriving at the impairment amounts, the trade receivables are segmented based on the aging characteristics of the receivables and the applicable loss rates are applied to the respective trade receivables category.

After an assessment of the economic realities in Nigeria, loss rates for the period were based on actual credit loss experience on a customer by customer basis over the past three years using the lifetime expected credit loss approach.

Therefore, the historical loss rates have been applied to the trade-receivables balances in the calculation of the impairment loss. The Company also considered internal and external forward-looking information such as macro-economic indices as the Gross Domestic Product growth rate and specific customer repayment outlooks based on discussions with and commitments from its customers as well as knowledge of the industry.

Based on the above, loss rates on receivables that were calculated using a single default rate approach. The single default or loss rate approach is the amount that is expected to be written-off in each bucket (balances that are over 360 days past due in line with the Company's provisioning matrix) and divided by the relevant total unpaid balances included in each ageing bucket.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from customers and amounts due from related parties as at 31 December 2023.

31 December 2023	Weighted average loss ratio	Gross carrying amount	Loss allowance	Credit impaired
		N'000	N'000	
Current (not past due)	1.17%	67,637,297	791,665	No
1 - 30 days past due	12.90%	980,545	126,459	No
31 - 60 days past due	29.74%	4,600	1,368	No
61 - 180 days past due	39.89%	244,507	97,534	No
180 - 360 days past due	46.26%	194,987	90,202	No
More than 360 days past due	100.00%	88,047	88,047	Yes
		69,149,983	1,195,275	

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022	Weighted average loss ratio	Gross carrying amount	Loss allowance	Credit impaired
		₦'000	₦'000	
Current (not past due)	1.49%	39,706,838	591,422	No
1 - 30 days past due	15.90%	1,987,582	316,026	No
31 - 60 days past due	25.64%	464,950	119,213	No
61 - 180 days past due	33.72%	165,680	55,867	No
180 - 360 days past due	45.81%	210,403	96,385	No
More than 360 days past due	100.00%	374,932	374,932	Yes
		42,910,385	1,553,845	

Expected credit loss assessment for employee receivables

31 December 2023	Weighted average loss ratio	Gross carrying amount	Loss allowance	Credit impaired
		₦'000	₦'000	
Current (not past due)	0.00%	5,483,533	-	No
		5,483,533	-	

31 December 2022	Weighted average loss ratio	Gross carrying amount	Loss allowance	Credit impaired
		₦'000	₦'000	
Current (not past due)	0.00%	4,629,441	-	No
		4,629,441	-	

Loss rates are based on actual credit loss experience over the past six years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the year over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

In current year, no impairment has been recognised on employee loan receivables as amounts due are backed by collateral which include international shares, in-house pension schemes etc. that ensure the Company will be able to recover the debts from its employees.

Movements in the allowance for impairment in respect of trade receivables.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows;

	Individual impairments	
	31 December 2023	31 December 2022
	₦'000	₦'000
Balance at 1 January	1,553,845	1,594,034
Reversal of impairment	(803,136)	(876,080)
Net remeasurement of loss allowance	444,566	835,891
Balance at 31 December	1,195,275	1,553,845
Amount recognised in profit or loss:		
Reversal of impairment	(803,136)	(876,080)
Net remeasurement of loss allowance	444,566	835,891
Net impairment write-back on trade receivables	(358,570)	(40,189)

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

Financial Risk Management (cont'd)

31 Classification of financial instruments

(a) Accounting classifications and fair values

The classification of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are shown in the table below. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

31 December 2023

	Financial assets at amortized cost	
	Carrying amount	Fair value
	₦'000	₦'000
Financial assets not measured at fair value		
Trade and other receivables (note 19) ¹	108,193,062	108,193,062
Cash and cash equivalents (note 27)	88,158,753	88,158,753
	196,351,815	196,351,815

	Financial liabilities at amortized cost	
	Carrying amount	Fair value
	₦'000	₦'000
Financial liabilities not measured at fair value		
Borrowings (note 21)	84,540,792	84,540,792
Trade and other payables (note 24) ²	213,141,601	213,141,601
	297,682,393	297,682,393

As at 31 December 2022

	Financial assets at amortized cost	
	Carrying amount	Fair value
	₦'000	₦'000
Financial assets not measured at fair value		
Trade and other receivables (note 19) ¹	80,485,183	80,485,183
Cash and cash equivalents (note 27)	82,724,315	82,724,315
	163,209,498	163,209,498

	Financial liabilities at amortized cost	
	Carrying amount	Fair value
	₦'000	₦'000
Financial liabilities not measured at fair value		
Borrowings (note 21)	47,741,972	47,741,972
Trade and other payables (note 24) ²	189,503,443	189,503,443
	237,245,415	237,245,415

¹ Trade and other receivables excludes advance to suppliers and PPE.

² Trade and other payables excludes statute based deductions.

32 Assets pledged as security

As at the year ended 31 December 2023 there were no assets pledged as security (2022: nil).

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

33 Events after the reporting date

There were no events after the reporting date that could have a material effect on the financial position of the Company at 31 December 2023 and on the result for the year ended on that date that have not been taken into account in these financial statements.

34 Related party transactions

As at the year ended 31 December 2023, the Parent Company TotalEnergies Marketing Services (incorporated in France) owned 61.72% of the issued shares of TotalEnergies Marketing Nigeria Plc. The Parent and Ultimate controlling entity is TotalEnergies S.A (incorporated in France).

34.1 Transactions with related parties

During the period, the Company entered into the following transactions with related parties, who are members of the TotalEnergies Group, as shown below:

	Sale of goods		Purchase of goods		Others ¹	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Total Outre Mer	-	-	66,440,405	85,637,485	3,596,888	1,933,699
TotalEnergies E&P Nigeria	6,071,795	3,270,451	-	-	-	-
TotalEnergies Upstream Nigeria Limited	-	-	-	-	1,664,379	1,294,081
TotalEnergies Lubrifiants	267,826	205,439	-	-	-	-
TotalEnergies Supply Marketing Services	-	-	869,927	481,939	-	-
Rades	-	-	-	-	56,974	25,288
TotalEnergies marketing middle east	-	-	2,165,849	719,754	-	-
TotalEnergies Learning Solutions	-	-	-	-	70,193	37,186
TotalEnergies Global Procurement	-	-	-	-	321,392	142,373
TotalEnergies Marketing Belgium	-	-	20,716	4,132	-	-
TotalEnergies Consulting	-	-	-	-	3,921	29,892
TotalEnergies Renewables	-	-	-	-	231,375	124,189
TotalEnergies Gabon	-	-	-	-	-	-
TotalEnergies Gestion International	-	-	-	-	399,255	256,559
TotalEnergies Global Services	-	-	-	-	174,569	102,174
TotalEnergies Marketing Services	-	-	-	-	2,474,469	1,537,293
	<u>6,339,621</u>	<u>3,475,890</u>	<u>69,496,897</u>	<u>86,843,310</u>	<u>8,993,415</u>	<u>5,482,734</u>

¹Others refer to transactions that are not related to sales and purchase of goods, these are service cost incurred by the company.

34.2 Outstanding balance

The following amounts were outstanding at the reporting date:

	Amounts owed by related parties		Amounts owed to related parties	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	₦'000	₦'000	₦'000	₦'000
TotalEnergies Marketing Afrique	-	-	29,752,414	50,419,564
TotalEnergies E&P Nigeria	906,670	388,199	-	-
TotalEnergies Global Procurement	-	-	17,931	24,872
TotalEnergies Global Services	-	-	35,892	9,855
TotalEnergies Learning Solutions	-	-	47,351	10,653
TotalEnergies Upstream Nigeria Limited	-	-	-	11,304,750
TotalEnergies Congo	-	44,714	-	-
TotalEnergies Cameroon	-	39,117	-	-
TotalEnergies Niger	2,317	2,317	-	-
TotalEnergies Gabon	-	2,526	-	-
TotalEnergies Renewables	231,375	124,189	-	-
TotalEnergies Gestion International	-	-	153,972	44,254
TotalEnergies Belgium	-	-	2,774	9,469
TotalEnergies Supply Marketing Services	-	-	-	-
Rades Training Center	-	-	8,939	25,288
TotalEnergies Consulting	-	-	-	-
Total Marketing middle east	-	-	88,266	212,539
TotalEnergies Marketing Services	-	-	8,253,595	2,921,162
TotalEnergies Lubrifiants	35,190	78,686	-	-
	<u>1,175,552</u>	<u>679,748</u>	<u>38,361,134</u>	<u>64,982,406</u>
TotalEnergies Treasury ¹	<u>81,472,607</u>	<u>28,507,205</u>	<u>-</u>	<u>-</u>
	<u>82,648,159</u>	<u>29,186,953</u>	<u>38,361,134</u>	<u>64,982,406</u>

¹Included in the analysis above is the balance of funds held with TotalEnergies Treasury as at the year ended 31 December 2023 amounting to ₦ 81.47 billion (2022: ₦28.51 billion). This has however been classified along with cash and cash equivalents in the statement of financial position. See note 27.

Technical assistance and management fees

TotalEnergies Marketing Services charges TotalEnergies Marketing Nigeria Plc for General Assistance recorded and TotalEnergies Marketing Afrique charges TotalEnergies Marketing Nigeria Plc for Technical Assistance. The expenses are generally charged to profit or loss. During the year, an accrual of ₦8.50 billion (2022: ₦2.56 billion) was charged to profit or loss in this regard. See note 10.2.

TOTALENERGIES MARKETING NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

34.3 Related party transactions (continued)

(i) Transactions with key management

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

The Company has identified its management team as its key management personnel. The compensation paid or payable to key management for employee services is shown below:

	2023 N'000	2022 N'000
Short-term employee benefits		
Salaries and allowances	871,500	461,971
Directors remuneration (Note 10.2)	985,002	493,329
	985,002	493,329
Directors' fees	52,831	14,024
Other remunerations	932,171	479,305
	985,002	493,329

Emoluments of the highest paid director was N544.35 million (2022 N290.53 million). The chairman of the board did not earn any emoluments during the year (2022:nil).

Dividends totalling N3.61 million were paid in the year in respect of ordinary shares held by the Company's directors. (2022: N3.61 million)

The table below shows the number of Directors whose emoluments during the year excluding pension contributions were within the ranges stated:

	2023 Number	2022 Number
N6,000,001 and above	10	10
	10	10
Number of Directors who had no emoluments during the year	4	4

35 Information regarding employees

(i) The table below shows the number of staff of the Company whose emoluments during the year excluding pension contributions were within the ranges stated:

	31 December 2023 Number	31 December 2022 Number
Below N1,500,000	5	3
N1,500,001 - N2,500,000	3	1
N2,500,001 - N3,500,000	5	-
N3,500,001 - N4,500,000	2	-
N4,500,001 - N5,500,000	1	-
N5,500,001 - N6,500,000	1	3
N6,500,001 - N7,500,000	6	7
N7,500,001 - N8,500,000	5	7
N8,500,001 - N9,500,000	13	11
N9,500,001 - N10,500,000	19	22
N10,500,001 - N11,500,000	21	22
N11,500,001 - N12,500,000	24	60
N12,500,001 - N13,500,000	41	15
N13,500,001 - N14,500,000	26	22
N14,500,001 - N15,500,000	33	31
N15,500,001 and above	219	225
	424	429

(ii) The average number of persons employed in the financial period and the staff costs were as follows:

	31 December 2023 Number	31 December 2022 Number
Managerial staff	164	159
Senior staff	250	259
Junior staff	10	11
	424	429

Other national disclosures

**OTHER NATIONAL DISCLOSURES
STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER**

	<u>2023</u> <u>N'000</u>	%	<u>2022</u> <u>N'000</u>	%
Revenue	635,951,600		482,470,780	
Less: Bought in materials and services :				
- Imported	(69,496,897)		(86,843,310)	
- Local	<u>(517,865,732)</u>		<u>(345,421,530)</u>	
	48,588,971		50,205,940	
Other Income	4,333,092		3,482,059	
Finance Income	<u>3,807,580</u>		<u>2,256,941</u>	
Value added	<u>56,729,643</u>	<u>100</u>	<u>55,944,940</u>	<u>100</u>
Applied as follows:				
To pay government:				
Income tax, minimum tax, education tax and capital gains tax, Nigeria Police Trust Fund levy and National Agency for Science and Engineering Infrastructure (NASENI) Levy.	4,668,387	8	8,413,904	15
To pay employees:				
Salaries, wages, pensions and social benefits	15,892,832	28	13,076,549	23
To pay providers of finance:				
Finance costs	10,200,597	18	5,392,201	10
Interim dividend	-	-	1,358,087	2
Final dividend	7,129,959	13	6,179,297	11
Retained in the business				
To maintain and replace:				
- Property, plant and equipment	5,838,897	10	5,361,062	10
- Intangible assets	78,081	-	51,832	-
To augment retained earnings	<u>12,920,891</u>	<u>23</u>	<u>16,112,008</u>	<u>29</u>
	<u>56,729,643</u>	<u>100</u>	<u>55,944,940</u>	<u>100</u>

**OTHER NATIONAL DISCLOSURES
FIVE YEAR FINANCIAL SUMMARY**

	2023 N'000	2022 N'000	2021 N'000	2020 N'000	2019 N'000
ASSETS					
Property, plant and equipment	43,130,868	41,866,105	38,734,517	36,207,654	35,476,862
Intangible assets	207,391	191,875	123,302	142,420	11,730
Right-of-use assets	7,950,570	7,938,283	7,862,178	8,189,839	7,525,045
Deferred tax assets	-	-	-	433,774	923,193
Trade and other receivables	7,124,287	1,985,733	2,830,275	2,326,547	3,085,587
Current assets	316,702,557	255,833,727	159,178,694	96,312,651	88,008,461
	375,115,673	307,815,723	208,728,966	143,612,885	135,030,878
EQUITY AND LIABILITIES					
Current liabilities	308,522,282	247,960,348	159,440,828	109,818,252	101,139,355
Non-current liabilities	10,515,649	9,568,565	7,668,833	5,643,654	5,571,739
Share capital	169,761	169,761	169,761	169,761	169,761
Retained earnings	55,907,981	50,117,049	41,449,544	27,981,218	28,150,023
	375,115,673	307,815,723	208,728,966	143,612,885	135,030,878
REVENUE AND PROFITS					
Revenue	635,951,600	482,470,780	341,316,345	204,721,463	292,177,202
Profit before taxation	17,580,931	24,532,280	24,835,555	2,909,038	3,070,510
Profit for the year	12,912,544	16,118,376	16,862,130	2,063,385	2,278,979
Total comprehensive income	12,920,891	16,112,008	16,862,130	2,063,385	2,278,979
Dividends	8,488,046	8,488,046	7,537,384	2,063,385	2,278,192
Basic earnings per share:					
Per 50 kobo share (basic) (Naira)	38.03	47.47	49.66	6.08	6.71
Dividend per share:					
Per 50 kobo share (actual) (Naira)	25.00	25.00	22.20	6.08	6.71
Net assets:					
Per 50 kobo share (actual) (Naira)	165.17	148.11	122.58	82.91	83.41

NOTE:

Earnings per share is based on profit after tax and the number of ordinary shares of 50k in issue at the end of each financial year.

Dividend per share is based on the interim dividend declared and paid within the year and the final dividend proposed for that year which is subject to approval at the Annual General Meeting divided by the number of ordinary shares in issue at the end of the year.

Net assets per share are based on the net assets of the Company and number of ordinary shares of 50k in issue at the end of each financial year.

No interim dividend was paid during the year (2022: ₦4.00 per share). At the board of directors meeting of 22 March 2024, a final dividend of ₦25.00 was proposed for the year ended 31 December 2023 (2022: ₦21.00)

The financial information presented above reflects historical summaries based on International Financial Reporting Standards.