

CONOIL PLC

**UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

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CONOIL PLC

RESULTS AT A GLANCE FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	September 2013 N'000	September 2012 N'000	Change %
Revenue	121,803,182	114,772,431	6
Profit before taxation	3,084,294	699,424	341
Profit after taxation	2,088,067	487,220	329
Share capital	346,976	346,976	0
	September 2013 N'000	December 2012 N'000	
Shareholders' Fund	17,055,409	15,661,295	9

PER SHARE DATA:

Based on 693,952,117 ordinary
shares of 50 kobo each

Earnings per 50k share (Naira)- Basic	3.01	0.70
Stock Exchange quotation (Naira)		
Number of Staff	266	266

CONOIL PLC

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	Note	September 2013 N'000	September 2012 N'000
Revenue	5	121,803,182	114,772,431
Cost of sales	6	<u>(109,579,020)</u>	<u>(103,033,604)</u>
Gross profit		12,224,162	11,738,827
Other operating Income	7	119,526	177,730
Other gains and losses	8	-	-
Distribution expenses		(2,800,615)	(2,748,913)
Administrative expenses		(4,774,220)	(5,561,204)
Finance cost	9	<u>(1,684,560)</u>	<u>(2,907,016)</u>
Profit before tax	10	3,084,294	699,424
Income tax expense	11	<u>(996,227)</u>	<u>(212,204)</u>
Profit for the period		<u>2,088,067</u>	<u>487,220</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u><u>2,088,067</u></u>	<u><u>487,220</u></u>
Earnings per share			
Basic (Kobo per share)	12	<u><u>301</u></u>	<u><u>70</u></u>

CONOIL PLC

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013

	Note	September 2013 N'000	December 2012 N'000
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	13	5,205,329	6,393,790
Investment property	15	508,913	546,150
Other intangible assets	14	94,436	94,436
Prepayments-Non current portion	17	293,728	114,329
Other financial asset	16	10	10
Total non-current assets		<u>6,102,415</u>	<u>7,148,715</u>
<i>Current assets</i>			
Inventories	18	10,964,182	10,989,181
Trade and other receivables	19	45,068,616	58,384,396
Prepayments and other current assets	17	46,392	185,569
Cash and bank balances	20	<u>7,832,709</u>	<u>6,388,114</u>
Total current assets		<u>63,911,899</u>	<u>75,947,260</u>
Total assets		<u>70,014,314</u>	<u>83,095,975</u>
Equity and liabilities			
<i>Capital and reserves</i>			
Share capital	21	346,976	346,976
Share premium	21	3,824,770	3,824,770
Reserves	22	-	-
Retained earnings	23	<u>12,883,663</u>	<u>11,489,549</u>
Total equity		<u>17,055,409</u>	<u>15,661,295</u>
<i>Non-current liabilities</i>			
Other liability	27	497,147	496,084
Staff gratuity	28	-	423,859
Deferred tax liabilities	11	1,373,912	1,373,912
Decommissioning liability	29	<u>23,548</u>	<u>23,548</u>
Total non-current liabilities		<u>1,894,607</u>	<u>2,317,403</u>
<i>Current liabilities</i>			
Borrowings	24	12,438,039	29,610,760
Trade and other payables	25	36,893,408	34,769,893
Current tax liabilities	11	<u>1,732,851</u>	<u>736,624</u>
Total current liabilities		<u>51,064,298</u>	<u>65,117,277</u>
Total liabilities		<u>52,958,905</u>	<u>67,434,680</u>
Total equity and liabilities		<u>70,014,314</u>	<u>83,095,975</u>

The unaudited financial statements on pages 2 to 32 were approved by the Board of Directors on October 30, 2013



GEORGE K. GEORGE
FRC/2013/IODN/00000003924



J. O. ARIYO
FRC/2013/ICAN/00000003433

CONOIL PLC

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	Share capital N'000	Share premium N'000	Retained earnings N'000	Total equity N'000
Balance at 1 January 2012	346,976	3,824,770	12,509,448	16,681,194
				-
Profit for the period	-	-	714,981	714,981
Other comprehensive income for the period	-	-	-	-
Payment of dividends	-	-	(1,734,880)	(1,734,880)
Balance at 31 December 2012	346,976	3,824,770	11,489,549	15,661,295
Total comprehensive income for the period	-	-	2,088,067	2,088,067
Dividend Payable-2012	-	-	(693,952)	(693,952)
Balance at 30 September 2013	346,976	3,824,770	12,883,663	17,055,409

CONOIL PLC

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	Note	September 2013 N'000	December 2012 N'000
Cash flows from operating activities			
Cash receipts from customers		135,258,139	148,560,569
Cash paid to suppliers and employees		<u>(113,635,098)</u>	<u>(170,703,519)</u>
		21,623,040	(22,142,950)
Value added tax paid		(50,968)	(285,809)
Tax paid	11	<u>-</u>	<u>(1,229,306)</u>
Net cash provided by operating activities	30	<u>21,572,073</u>	<u>(23,658,065)</u>
Cash flows from investing activities			
Purchase of fixed assets	13	(114,366)	(392,940)
Purchase of software	14	-	(28,908)
Interest received		<u>1,138</u>	<u>71,908</u>
Net cash provided by investing activities		<u>(113,228)</u>	<u>(349,940)</u>
Cash flows from financing activities			
Repayment of loan from related company		(1,149,968)	-
Distributors' deposit		(7,000)	36,500
Dividend paid	23	-	(1,734,880)
Interest paid		<u>(1,684,560)</u>	<u>(4,166,857)</u>
Net cash provided by financing activities		<u>(2,841,528)</u>	<u>(5,865,237)</u>
Net Increase/(decrease) in cash and cash equivalents		18,617,316	(29,873,242)
Cash and cash equivalents at 1 January		<u>(23,222,646)</u>	<u>6,650,596</u>
	20	<u>(4,605,330)</u>	<u>(23,222,646)</u>

CONOIL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

1. The Company

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

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

	2013		2012	
	Number of shares	Holdings %	Number of shares	Holdings %
Conpetro Limited	516,298,603	74.4	516,298,603	74.4
Nigerian Public	177,653,514	25.6	177,653,514	25.6
	<u>693,952,117</u>		<u>693,952,117</u>	

1.2 Composition of financial statement

The financial statement are drawn in naira, the functional currency of Conoil Plc in accordance with IFRS accounting presentation. The financials statement comprise:

Statement of comprehensive income
Statement of financial position
Statement of changes in equity
Statement of cash flows
Statement of Accounting Policies
Notes to the annual financial statements

1.3 Accounting Convention

The financial statement have been prepared using the historical cost convention, as modified by the revaluation of certain items, as stated in the accounting policies.

1.4 Financial Period

The financial statements cover the financial period from 1st January to 30th June 2013, with comparative figures for the financial period from 1st January to 30th June 2012, and where appropriate, from 1st January to 31st December 2012.

1.5 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

2 Application of new and revised International Financial Reporting

2.1 New and revised IFRSs in issue but not yet effective

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendment to IFRS 7 Disclosures - Transfers of Financial Assets
IFRS 9 Financial Instruments³
IFRS 11 Joint Arrangements¹
IFRS 12 Disclosure of Interests in Other Entities¹
IFRS 13 Fair Value Measurement¹
Amendment to IAS 1 Presentation of items of Other Comprehensive Income
Amendment to IAS 12 Deferred Tax - Recovery of Underlying Assets
IAS 19 (as revised in 2011) Employee Benefits
IAS 27 (as revised in 2011) Separate Financial Statements¹

¹ Effective for annual periods beginning on or after 1 January 2013.

² Effective for annual periods beginning on or after 1 January 2014

³ Effective for annual periods beginning on or after 1 January 2015.

2.2 Early adoption of standards and interpretations

The company has not early adopted any standards or interpretations during the current year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Compliance with applicable law and IFRS

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

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

3.2 Accounting principles and policies

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

3.3 Revenue recognition

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

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

3.3.1 Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and the costs incurred or to be incurred in respect of the transaction can be measured reliably

3.3.2 Interest revenue

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.3.3 Service Income

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

3.4 Foreign currency translation

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

3.5 Pensions and other post-employment benefits

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

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

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

3.6 Taxation

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

3.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

3.6.2 Deferred tax

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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

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

3.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at cost less accumulated depreciation and accumulated impairment loss

All other plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

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

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

Leasehold land and buildings	20-50 Years
Plant and machinery	5-10 Years
Motor vehicles	2-5 Years
Furniture, fittings and equipment	-
-Office furniture	3-12 Years
-Office equipment	5- 15Years
-Computer equipment	2-10 Years

Freehold land and Assets under construction are not depreciated.

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

CONOIL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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

3.8 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated

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

Software	10 years
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Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

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

3.9 Impairment of long lived assets

The recoverable amounts of intangible assets and property, plant and equipment are tested for

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.10 Non-current assets held for sale

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

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

3.11 Inventories

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

3.12 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions and highly liquid investments generally with maturities of three months or less. They are readily convertible into known amounts of cash and have an insignificant risk of changes in value.

3.13 Provisions

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

i. Onerous contracts

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

ii. Restructuring

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

3.14 Financial assets and liabilities

Financial assets and liabilities are financial loans and receivables, investments in non-consolidated companies, publicly traded equity securities, derivative instruments and current and non-current financial liabilities.

The accounting treatment of these financial assets and liabilities is as follows:

i. Loans and receivables

Financial loans and receivables are recognized at amortized cost. They are tested for impairment, by comparing the carrying amount of the assets to estimate of the discounted future recoverable cash flows. These tests are conducted as soon as there is any evidence that their fair value is less than their carrying amount, and at least annually. Any impairment loss is recorded in the statement of comprehensive income.

ii. Trade receivables

Trade receivables do not generally carry any interest and are normally stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade receivable is determined to be uncollectable it is written off, firstly against any provision available and then to the statement of comprehensive income. Subsequent recoveries of amounts previously provided for are credited to the statement of comprehensive income. Long-term receivables are discounted where the effect is material.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.15 Asset retirement obligations

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

4. Critical accounting judgements and key sources of estimation uncertainty

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

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

4.1 Critical judgements in applying accounting policies

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

4.1.1 Revenue recognition

The directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with recognition of an appropriate provision for the rectification costs.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

4.2.1 Useful lives of property, plant and equipment

As described in Note 3.8, the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the useful lives of property, plant and equipment

4.2.2 Decommissioning liabilities

As described in Note 28, estimates regarding cashflows, discount rate and weighted average expected timing of cashflows were made in arriving at the future liability relating to decommission costs. Should these

4.2.3 Impairment losses on receivables

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

4. Critical accounting judgements and key sources of estimation uncertainty

4.2.4 Allowance for Obsolete Inventory

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

4.2.5 Valuation of Financial Liabilities

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

5 Revenue

The following is the analysis of the Company's revenue for the period from continuing operations (excluding investment income- see Note 7)

	September 2013 N'000	September 2012 N'000
Revenue from sale of petroleum products	<u>121,803,182</u>	<u>114,772,431</u>

5.1 All the sales were made within Nigeria.

6 Segment Information

The reportable segments of Conoil PLC are strategic business units that offer different products. The report of each segment is reviewed by management for resource allocation and performance assessment.

Operating segments were identified on the basis of differences in products. The Company has identified three operating and reportable segments: White products (Industrial and Aviation Fuel), Lubricants and Liquefied Petroleum Gas (LPG). The White products segment is involved in the sale of Premium Motor Spirit (PMS), Aviation Turbine Kerosene (ATK), Dual Purpose Kerosene (DPK), Low-pour Fuel Oil (LPFO) and Automotive Gasoline/grease Oil (AGO). The products under the lubricants segment are Lubricants transport, Lubricants industrial, Greases, Process Oil and Bitumen. Products traded under LPG segment are Liquefied Petroleum Gas - Bulk, Liquefied Petroleum Gas - Packed, cylinders and valves.

The segment results for the period ended 30 September 2013 are as follows:

	Fuel N'000	%	Lubricants N'000	%	LPG N'000	%	Total N'000	%
Turnover	114,394,362	93	7,142,261	6	266,560	1	121,803,182	100
Cost of sales	<u>(104,597,456)</u>	94	<u>(4,743,742)</u>	4	<u>(237,822)</u>	1	(109,579,020)	100
Gross profit	<u>9,796,906</u>	80	<u>2,398,519</u>	20	<u>28,737</u>	0	12,224,162	100

The segment results for the year ended 30 September 2012 are as follows:

	Fuel	%	Lubricants	%	LPG	%	Total	%
Turnover	108,408,573	94	6,134,795	5	229,063	1	114,772,431	100
Cost of sales	<u>(98,529,347)</u>	95	<u>(4,298,952)</u>	4	<u>(205,305)</u>	1	(103,033,604)	100
Gross profit	<u>9,879,226</u>	83	<u>1,835,843</u>	16	<u>23,758</u>	1	11,738,827	100

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

7 Other Operating Income

	September 2013 N'000	September 2012 N'000
Rental income:		
Service income (See Note 7.1)	48,325	77,030
Rent Income	55,411	48,317
Glo recharge card	14,652	
Interest income:		
Bank deposits	1,138	52,383
	<u>119,526</u>	<u>177,730</u>

7.1 Service income

Service income represents commissions received from dealers for the use of the Company's properties at service stations. The dealers use the properties for the sale of Conoil's products.

8 Other gains and losses

	September 2013 N'000	September 2012 N'000
Exchange gain/loss	-	-
Provision No Longer Required	-	-
	<u>-</u>	<u>-</u>

8.1 Provision No longer Required

Provision no longer required represents general provisions on trade receivables and obsolete stock no longer required

9 Finance cost

	September 2013 N'000	September 2012 N'000
Accretion expense (see Note 29)	-	-
Interest on bank overdraft	1,684,560	2,907,016
	<u>1,684,560</u>	<u>2,907,016</u>

Bank overdrafts are repayable on demand. The average effective interest rate on bank overdrafts approximates 17%% (2011 17.5%) per annum and are determined based on NIBOR plus lender's mark-up.

The Overdraft was necessitated by non payment of subsidy fund by federal government and it was for the purpose of importation/purchase of products for resale.

10 Profit Before Tax

	September 2013 N'000	September 2012 N'000
This is stated after charging/(crediting) the following:		
Director's emoluments	43,725	43,725
Auditors remuneration	19,500	18,750
Depreciation	1,340,063	911,499
Exchange (Gain)/Loss	-	-
	<u>-</u>	<u>-</u>

CONOIL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

11 Income taxes

	September 2013 N'000	December 2012 N'000
Income tax based on profit for the Period	925,288	387,651
Education tax	70,939	49,503
Under/(Over)provision in prior year	-	30,855
Deferred tax	-	(34,171)
Per statement of Comprehensive Income	996,227	433,838
At 1 January	736,624	1,657,540
Payment during the year	-	(1,229,306)
Withholding tax utilised during the year	-	(159,619)
Transfer to deferred tax (Note 14)	-	34,171
Per Statement of Financial Position	1,732,851	736,624
Balance above is made up of :		
Company income tax	1,603,715	678,427
Education tax	128,856	57,917
Capital gains tax	280	280
	1,732,851	736,624

The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act CAP C21 LFN 2004 as amended to date, Education Tax Act CAP E4 LFN 2004 and Capital Gains Tax Act CAP C1 LFN 2004. The under provision in the prior year is as a result of additional tax assessment levied by tax authority including interest and penalty for late payment of tax.

11.1 Deferred tax

	September 2013 N'000	December 2012 N'000
At 1 January	1,373,912	1,408,083
Charge to profit or loss	-	(34,171)
Charge to other comprehensive income	-	-
Charge to equity	-	-
Exchange differences	-	-
At 30 September/31 December	1,373,912	1,373,912

Deferred tax as at 30 September 2013 was as a result of differences between the rates of depreciation adopted for accounting purposes and the rates of capital allowances granted for tax purposes.

12 Earnings per share

	September 2013	September 2012
Basic earnings per share	Kobo per share	Kobo per share
From continuing operations	301	70

CONOIL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

12.1 Basic earnings per share

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

	September 2013 N'000	September 2012 N'000
Earnings		
Earnings for the purposes of basic earnings per share being net profit attributable to equity holders of the Company	<u>2,088,067</u>	<u>487,220</u>
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	<u>693,952,117</u>	<u>693,952,117</u>
Earnings per share		
	September 2013 Kobo Per Share	September 2012 Kobo Per Share
Basic earnings per share	<u>301</u>	<u>70</u>
From continuing operations		

As at the reporting date, the Company did not have any convertible shares or any instruments that gives the holder right to any equity instrument in issue (2012: NIL). Consequently, no diluted earnings per share was

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

Diluted earnings per share are calculated by dividing net income by the fully-diluted number of ordinary shares outstanding during the period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2013

13. Property Plant and equipment

	Freehold land Land N'000	Freehold Buildings N'000	Plant and machinery Machinery N'000	Furniture and Fitting N'000	Motor vehicles Vehicles N'000	Computer Equipment N'000	Capital work-in- WIP N'000	Total N'000
Cost or valuation								
Balance at 1 January 2012	106,266	5,196,923	9,426,892	5,411,676	1,184,745	948,806	173,538	22,448,846
Additions	-	128,087	85,939	46,875	119,083	12,956	-	392,940
Disposals/Transfers	-	-	173,538	-	-	-	(173,538)	-
Revaluation increase	-	-	-	-	-	-	-	-
Balance at 31 December 2012	106,266	5,325,010	9,686,369	5,458,551	1,303,828	961,762	-	22,841,786
Additions	41,500	2,557	24,707	7,513	13,350	24,740	-	114,366
Transfers	-	-	-	-	-	-	-	-
Balance at 30 Sept 2013	147,766	5,327,567	9,711,076	5,466,064	1,317,178	986,502	-	22,956,152
Accumulated depreciation and impairment								
Balance at 1 January 2012	-	2,866,506	6,352,729	4,025,124	1,001,591	883,595	-	15,129,545
Amortisation charge on capitalised decommissioning liability	-	-	3,411	-	-	-	-	3,411
Depreciation expense	-	299,249	589,255	280,493	133,710	12,335	-	1,315,042
Balance at 31 December 2012	-	3,165,755	6,945,395	4,305,617	1,135,301	895,930	-	16,447,998
Impairment losses	-	-	-	-	-	-	-	-
Amortisation charge on capitalised decommissioning liability	-	-	-	-	-	-	-	-
Depreciation expense	-	224,564.61	745,647.25	211,496.67	103,620.00	17,497.06	-	1,302,826
Balance at 30 Sept 2013	-	3,390,320	7,691,042	4,517,114	1,238,921	913,427	-	17,750,824
Carrying amount								
At 30 September, 2013	147,766	1,937,248	2,020,033	948,950	78,257	73,075	-	5,205,329
At 31 December 2012	106,266	2,159,255	2,740,974	1,152,934	168,527	65,832	-	6,393,788
At 1 January 2012	106,266	2,330,417	3,074,163	1,386,552	183,154	65,211	173,538	7,319,301

13.1 Transfers

The transfers represent capital work-in-progress reclassified to property, plant and equipment upon completion of the storage tanks and being put into use as at the end of the financial year.

Impairment losses recognised in the year

No impairment loss was recognised during the year for items of property, plant and equipment

13.3 Assets pledged as security

No asset was pledged as security as at September 2013

13.4 Contractual commitments

No contractual commitments as at September 2013

CONOIL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

14 Intangible assets

	Computer software (WIP) N'000
Cost	
Balance as at 1 January 2012	65,528
Addition	28,908
Disposal	-
Balance as at 31 December 2012	94,436
Addition	-
Disposal	-
Balance as at 30 September 2013	94,436
Carrying amount	
As at 30 September 2013	94,436
As at 31 December 2012	94,436
As at 1 January 2012	65,528

The software acquired during the reporting period was not available or ready for use by the end of the period as it was not fully installed yet. Therefore no amortisation expense was incurred during the period.

15 Investment property

Building

	September 2013 N'000	December 2012 N'000
Cost		
Balance at beginning of year	993,000	993,000
Additions	-	-
Disposals	-	-
Transferred from property, plant and equipment	-	-
Property classified as held for sale	-	-
Balance at the end of the year	993,000	993,000
Accumulated depreciation		
Balance at the beginning of the year	446,850	397,200
Disposals	-	-
Transferred from property, plant and equipment	-	-
Depreciation	37,238	49,650
Balance at the September 2013	484,088	446,850
NBV Balance at the September 2013	508,913	546,150

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

CONOIL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

16 Other financial asset

	September 2013 N'000	December 2012 N'000
Investment in Nigerian Yeast and Alcohol Manufacturing Plc		
Cost	1,846	1,846
Impairment	(1,836)	(1,836)
	<u>10</u>	<u>10</u>

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

17 Prepayments and Other Assets

	September 2013 N'000	December 2012 N'000
Current		
Prepayments and other accounts	46,392	185,569
	<u>46,392</u>	<u>185,569</u>
Non-current		
Prepaid Rent	293,728	114,329
	<u>293,728</u>	<u>114,329</u>

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

18 Inventories

	September 2013 N'000	December 2012 N'000
Raw materials	520,056	520,056
Finished goods	10,343,448	10,368,447
Spare parts and consumables	100,678	100,678
	<u>10,964,182</u>	<u>10,989,181</u>

The cost of inventories recognised as an expense during the year in respect of continuing operations was N71.99bn (2012: N68.48bn)

There was no write-down or reversal of previous write-down of inventory during the period.

Spare parts and Consumables are engineering spares for maintenance of generators, pumps, plants and machinery

19 Trade and other receivables

	September 2013 N'000	December 2012 N'000
Trade debtors	13,273,409	11,969,886
Allowance for bad and doubtful debts	(453,266)	(428,266)
	<u>12,820,143</u>	<u>11,541,620</u>
Other debtors	149,750	417,843
Receivable from Petroleum Support Fund	14,073,448	16,622,522
Bridging claims receivable	14,642,699	12,572,896
Advance for product supplies	3,382,576	17,084,097
Withholding tax recoverable	-	145,418
	<u>45,068,616</u>	<u>58,384,396</u>

CONOIL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

In determining the recoverability of a trade receivable the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

The entity does not hold any collateral over these balances.

	September 2013 N'000	December 2012 N'000
Ageing of impaired trade receivables		
less than 90 days	11,791,230	10,912,531
91-180 days	1,270,606	928,619
181-360 days	89,970	50,105
360+ days	121,603	78,631
Total	13,273,409	11,969,886

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

19.1 Bridging claims receivable

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

19.2 Withholding tax recoverable

	September 2013 N'000	December 2012 N'000
At 1 January	145,418	271,258
Addition during the year	5,539	33,779
Amount Utilized during the Period	-	(159,619)
	150,957	145,418

20 CASH AND CASH EQUIVALENTS

	September 2013 N'000	December 2012 N'000
Cash and Bank	7,832,709	6,388,114
Bank Overdraft	(12,438,039)	(29,610,760)
	(4,605,330)	(23,222,646)

The Company did not have any restricted cash at the reporting date (2012: NIL)

CONOIL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

21 Authorised, Issued And Paid-up Capital

	September 2013 N'000	December 2012 N'000
Share capital	346,976	346,976
	<u>346,976</u>	<u>346,976</u>
Issued capital comprises:		
Authorised 700,000,000 ordinary shares of 50k each	<u>350,000</u>	<u>350,000</u>
Issued and fully paid 693,952,117 ordinary shares of 50k each	<u>346,976</u>	<u>346,976</u>
SHARE PREMIUM ACCOUNT	<u>3,824,770</u>	<u>3,824,770</u>

22 Reserves

	September 2013 N'000	December 2012 N'000
Transfer to retained earnings on transition	-	-
	<u>-</u>	<u>-</u>

23 Retained earnings

	September 2013 N'000	December 2012 N'000
At 1 January	11,489,549	12,509,448
Dividend declared and paid	(693,952)	(1,734,880)
Profit for the Period/year	2,088,067	714,981
Transfer from revaluation reserve	-	-
At 31 March	<u>12,883,663</u>	<u>11,489,549</u>

CONOIL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

24

	September 2013 N'000	December 2012 N'000
Unsecured borrowing at amortized cost		
Bank overdraft	12,438,039	29,610,760

Bank overdrafts are repayable on demand. The average effective interest rate on bank overdrafts approximates 17% (2012:17%) per annum and are determined based on LIBOR plus lender's mark-up.

25 Trade and other payables

	September 2013 N'000	December 2012 N'000
Trade creditors	3,197,930	11,661,223
Other creditors and accruals	16,580,809	10,280,469
Bridging contribution (Note 25.1)	14,218,511	10,954,029
Unclaimed dividend	50	50
Value added tax	1,308,358	1,056,367
Withholding tax payable	775,089	690,940
PAYE	118,708	114,913
Staff Pension and similar obligations (Note 26.2)	-	11,902
Dividend Payable	693,952	-
	36,893,408	34,769,893

26. Bridging contributions

Bridging Contributions are mandatory contributions per litre of regulated white products lifted to assist the Federal Government defray the Bridging Claims.

26.1 Staff pension

	September 2013 N'000	December 2012 N'000
At 1 January	11,902	12,298
Contributions during the year	107,118	145,216
Remittance in the year	(119,020)	(145,612)
	-	11,902

CONOIL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

27 Other liabilities

27.1 Distributors' deposit

	September 2013 N'000	December 2012 N'000
At 1 January	496,084	459,584
New deposits	8,063	41,750
Refunds	(7,000)	(5,250)
	497,147	496,084

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

28 Staff gratuity

	September 2013 N'000	December 2012 N'000
	-	423,859

The Company discontinued the gratuity scheme in 2008. The balance above represents the outstanding liability in respect of the scheme. This amount is estimated to represent the amount payable when the liability eventually crystallizes. This liability is however contingent on the outcome of a pending law suit on this gratuity.

29 Decommissioning liability

The following table presents the reconciliation of the carrying amount of the obligation associated with the decommissioning of the Company's Property, plant and equipment:

	September 2013 N'000	December 2012 N'000
Balance	23,548	20,041
Liabilities incurred	-	-
Liabilities settled	-	-
Accretion	-	3,507
Change in assumptions	-	-
	23,548	23,548

Decommissioning liabilities is accounted for in accordance with IAS 37, Provisions, contingent liabilities and contingent assets and IAS 16, *Property, plant and equipment*. The associated asset retirement costs are capitalized as part of the carrying cost of the asset. Our asset retirement obligations consist of estimated costs for dismantlement and removal of signages and pumps from dealer-owned service stations. An asset retirement obligation and the related asset retirement cost are recorded when an asset is first constructed or purchased. The asset retirement cost is determined and discounted to present value using commercial lending rate ruling at the reporting period. After the initial recording, the liability is increased for the passage of time, with the increase being reflected as accretion expense in the statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
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30 Reconciliation of net income to net cash
provided by operating activities

	September 2013 N'000	December 2012 N'000
Profit after tax	2,088,067	714,981
Adjustments to reconcile profit after tax to net cash provided		
Depreciation	1,340,063	1,368,103
Interest payable and similar charges	1,684,560	4,166,857
Interest receivable and similar income	(1,138)	(71,908)
Changes in assets and liabilities		
Increase in debtors and prepayments	13,315,780	(30,718,755)
Increase in stock	24,999	(3,637,242)
Increase in trade creditors	(8,463,293)	3,895,792
Increase in other creditors	10,586,808	1,575,687
Increase in decommissioning liability	-	3,507
Decrease in taxation	996,227	(920,916)
Increase/(decrease) in deferred taxation	-	(34,171)
Net cash used in operating activities	21,572,073	(23,658,065)

31 Risk management

Risk management roles and responsibilities are assigned to stake holders in the Company at three levels: The board, executive committee and line managers.

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

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

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

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

The Company monitors and manages financial risks relating to its operations through internal risk report which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

32 Capital Risk Management

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

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

Categories of financial instrument

	September 2013 N'000	December 2012 N '000'
Financial Asset		
At amortised cost		
Cash and bank balance	7,832,709	6,388,114
Loans and receivables	45,068,616	58,384,396
	52,901,325	64,772,510
Held to maturity	-	-
Financial Liabilities		
At amortised cost		
Trade and other payables	36,893,408	34,769,893
Borrowings	12,438,039	29,610,760
	49,331,447	64,380,653

33 Gearing Risk Assessment

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

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

33.1 Gearing ratio

The gearing ratio at the year end is as follows

	September 2013 N'000	December 2012 N'000
Debt	12,438,039	29,610,760
Equity	17,055,409	15,661,295
Net debt to equity ratio	0.73	1.89

Debt is defined as long- and short-term borrowings (bank overdraft inclusive) , while equity includes all capital and reserves of the company. The gearing ratio increased over the years indicating increase in the company's debt profile relative to equity.

33.2 Significant accounting policies

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

34 FINANCIAL RISK MANAGEMENT

34.1 Financial risk management objectives

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

34.2 Interest rate risk management

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

34.3 Foreign Exchange

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

34.4 Credit risk management

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

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

34.5 Liquidity risk management

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

34.6 Liquidity and interest risk tables

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

	Weighted average effective Interest rate %	6 months to 1year N'000	1-5 Years N'000	Total N'000
30 September 2013				
Borrowings	17%	12,438,039	-	12,438,039
		12,438,039	-	12,438,039
31 Decemebrr 2012				
Borrowings	17%	29,610,760	-	29,610,760
		29,610,760	-	29,610,760

35 Fair value of financial instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

36 Related party transactions

RELATED PARTY TRANSACTIONS

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

30 September 2013

	Sales of Goods	Purchase of Goods	Deposits	Overdraft and Term loan	Balance due (to)/from
	N'000	N'000	N'000	N'000	N'000
Sterling Bank Plc	-	-	5,977,129	(5,629,146)	347,982
Globacom Mobile Limited	30,334	24,477	-	-	(5,372.77)
Consolidated Oil Limited	122,906	-	-	-	70,677
Chairman's current account	-	-	-	-	-
Synopsis Enterprises Limited	-	-	-	-	-
Southern Air Limited	37,489	-	-	-	33,401
Proline (WA) Ltd	-	191,709	-	-	(22,753)
	190,729	216,187	5,977,129	(5,629,146)	423,934

31 December 2012

	Sales of Goods	Purchase of Goods	Deposits	Overdraft and Term loan	Balance due (to)/from
	N'000	N'000	N'000	N'000	N'000
Sterling Bank Plc	-	-	6,298,737	(7,514,162)	(1,215,425)
Globacom Mobile Limited	131,203	71,213	-	-	6,869
Consolidated Oil Limited	510,409	-	-	-	74,209
Chairman's current account	-	-	-	-	-
Synopsis Enterprises Limited	-	-	13,517,789	-	13,517,789
Southern Air Limited	82,946	-	-	-	31,309
Proline (WA) Ltd	-	283,327	-	-	(22,392)
	724,558	354,540	19,816,526	(7,514,162)	12,392,359

The Chairman of the Company, Chief Mike Adenuga, is known to have significant interests in Globacom Mobile Limited, Principal Enterprises, Southern Air Limited, Sterling Bank Plc (formerly Equitorial trust bank), Conoil Producing Limited (formerly Consolidated Oil Limited) and Synopsis Enterprises Limited.

CONOIL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

37 CAPITAL COMMITMENTS

There were no capital commitments as at 30 September 2013 (2012 Nil).

38 FINANCIAL COMMITMENTS

As at 30 September 2013, the Company had outstanding letters of credit amounting to Nil Naira(2012: N8.992billion).

39 CONTINGENT LIABILITIES

There are a number of legal suits outstanding against the Company estimated at N1.738 billion. On the advice of the Solicitors, the Board of Directors are of the opinion that no material losses are expected to arise therefrom, hence no provision has been made in these financial statements.

40 INFORMATION ON DIRECTORS AND EMPLOYEES

40.1 Employment Costs:

Employment cost including Directors salaries and wages, staff training and benefit scheme

September 2013 N'000	September 2012 N'000
1,664,674	1,562,621

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

		Up to 1,000,000
N1,000,001	-	N2,000,000
N2,000,001	-	N3,000,000
N3,000,001	-	N4,000,000
N4,000,001	-	N5,000,000
N5,000,001	-	Above

September 2013 Number	December 2012 Number
16	16
51	51
46	46
43	43
25	25
85	85
266	266

40.3 Average number of employees during the year:

Managerial Staff
Senior Staff
Junior Staff

22	22
225	225
19	19
266	266