



MRS Oil Nigeria Plc
IFRS Financial Statement
for the Quarter ended 30 September 2013

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for the period ended 30 September 2013

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Corporate Information

RC 6442

Board of Directors

Alhaji Sayyu I. Dantata	Chairman
Mr. Paul Bissohong	Managing Director
Mr. Patrice Alberti	Non Executive Director
Mr. Andrew O. Gbodume	Executive Director (Finance & Administration)
Dr. Samaila M. Kewa	Non Executive Director
Mr. Lawal Mangal	Alternate director

Registered Office

8, Macarthy Street,
Onikan
Lagos State

Company secretary

Mrs. O.M. Jafojo
8, Macarthy Street,
Onikan
Lagos State

Registrar

City Securities (Registrars) Limited
358, Albert Macaulay Street,
Yaba
Lagos

Statement of Directors' Responsibilities in Relation to the Financial Statements for the period ended 30 September 2013

The directors accept responsibility for the preparation of the nine months financial statements set out on pages 5 to 22 that give a true and fair view in accordance with the International Financial Reporting Standards applicable in Nigeria and in the manner required by the Companies and Allied Matters Act of Nigeria.

The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria and for such internal control as the directors determine as 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 the Company will not remain as a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Signature

Signature

Name

Name

Date

Date

MRS Oil Nigeria Plc
Statement of financial position
for the period ended 30 September 2013

		30 September 2013	31 December 2012
	Notes	N'000	N'000
Non-current assets			
Property, plant and equipment	12	21,488,745	22,013,568
Intangible assets	13	95,373	140,560
Non Current Trade & Other Receivables		20,641	7,507
Prepayments		348,017	236,673
Total non-current assets		21,952,776	22,398,308
Current assets			
Inventories	14	6,496,616	4,331,733
Trade and other Receivable	15	22,520,613	18,406,207
Prepayments		129,083	158,738
Cash and cash equivalents	16	4,853,465	10,300,702
Total current assets		33,999,778	33,197,380
Total assets		55,952,554	55,595,688
Equity			
Share capital	17	126,994	126,994
Retained earnings	18	18,959,356	18,927,016
Total equity		19,086,350	19,054,010
Liabilities			
Non-current liabilities			
Employee benefit obligations	19	31,944	218,415
Deferred tax liability		6,238,600	6,238,600
Total non-current liabilities		6,270,544	6,457,015
Current liabilities			
Security deposits		1,577,710	1,510,904
Dividend payable		378,034	473,942
Trade and other Payables	20	27,721,088	14,180,677
Bank overdraft and short term borrowings	21	648,774	13,460,102
Tax payable		270,054	459,038
Total current liabilities		30,595,660	30,084,663
Total liabilities		36,866,204	36,541,678
Total equity and liabilities		55,952,554	55,595,688

(1.00)

Approved by the Board of Directors on

2013 and signed on its behalf by:

_____) Alhaji Sayyu I. Dantata (Chairman)

_____) Mr. Paul Bissohong (Managing Director (Ag.))

_____) Mr. Andrew Gbodume (Executive Director, Finance & Administration)

The notes on pages 10 to 22 are an integral part of these nine months financial statements.

MRS Oil Nigeria Plc
Statement of comprehensive income
for the period ended 30 September 2013
(All amount in 'N'000 unless otherwise stated)

		Year to date ending	Year to date ending
	Notes	30 September 2013	30 September 2012
		N'000	N'000
Revenue	5	69,216,347	52,538,336
Cost of Sales		(65,489,218)	(49,127,060)
Gross Profit		3,727,129	3,411,276
Other income	6	459,661	124,841
Selling and distribution expenses		(192,661)	(228,791)
Administrative expenses	7	(3,387,825)	(2,989,265)
Results from operating activities		606,304	318,061
Finance Income	8	85,288	89,306
Finance cost	8	(562,281)	(443,572)
Net finance income/(costs)	8	(476,993)	(354,266)
Profit before income tax	9	129,311	(36,205)
Income tax expense	11(a)	(37,517)	-
Profit for the year		91,794	(36,205)
Total comprehensive income for the year		91,794	(36,205)
Earnings per share (EPS)			
Basic earnings per share (Naira)	10	0.36	(0.14)

The notes on pages 10 to 22 are an integral part of these nine months financial statements.

MRS Oil Nigeria Plc
Statement of changes in equity
for the period ended 30 September 2013
(All amount in 'N'000 unless otherwise stated)

		Share capital	Retained earnings	Total equity
	Notes	N'000	N'000	N'000
Balance at 1 January 2012		126,994	18,861,691	18,988,685
Comprehensive income for the year				
Profit for the year		-	(36,205)	(36,205)
Actuarial gains on post-employment benefit obligation, net of tax		-	-	-
Total comprehensive income for the year		126,994	18,825,486	18,952,480
Transactions with owners recorded directly in equity				
Dividends		-	(177,792)	(177,792)
Total transactions with owners of the Company		-	(177,792)	(177,792)
Balance at 30 September 2012		126,994	18,647,694	18,774,688
		N'000	N'000	N'000
Balance at 1 January 2013	17, 18	126,994	18,927,016	19,054,010
Comprehensive income for the year				
Profit for the year		-	91,794	91,794
Actuarial gains on post-employment benefit obligation, net of tax		-	-	-
Total comprehensive income for the year		-	91,794	91,794
Transactions with owners recorded directly in equity				
Dividends		-	(59,454)	(59,454)
Total transactions with owners of the Company		-	(59,454)	(59,454)
Balance at 30 September 2013		126,994	18,959,356	19,086,350

The notes on pages 10 to 22 are an integral part of these nine months financial statements.

MRS Oil Nigeria Plc
Statement of cash flows
for the period ended 30 September 2013
(All amount in 'N'000 unless otherwise stated)

Notes	For the period ended	
	30 September 2013	30 September 2012
	N'000	N'000
Cash flows from operating activities:		
Profit after tax	91,794	(36,205)
Adjustments for :		
Depreciation	12(a) 1,133,259	892,184
Amortisation of intangible assets	13 45,187	27,661.00
Finance income	8 (85,288)	(89,306)
Finance cost	8 562,281	443,572
(Gain)/Loss on sale of property, plant and equipment	(22)	(46)
Provision for other long term benefits/ gratuity	(6,271)	46,160
Tax expense	11(a) 37,517	-
	<u>1,778,457</u>	<u>1,284,020</u>
Changes in:		
- (increase)/decrease in trade and other receivables (long-term)	(13,134)	-
- (increase)/decrease in prepayments (long-term)	(111,344)	(221,862)
- (increase)/decrease in trade and other receivables (short-term)	(4,114,406)	17,756,221
- (increase)/decrease in prepayments (short-term)	29,655	
- decrease/(increase) in inventories	(2,164,883)	451,048
- increase/(decrease) in security deposits	66,806	680,654
- increase/ (decrease) in trade and other payables	<u>13,444,503</u>	<u>3,658,018</u>
Cash generated from operating activities	<u>8,915,653</u>	<u>23,608,099</u>
Income taxes paid	11(b) (226,501)	(993,753)
Gratuity settlement paid	(180,200)	(107,423)
Net cash from operating activities	<u>8,508,952</u>	<u>22,506,923</u>
Cash flows from investing activities:		
Proceeds from sale of property, plant and equipment	289	46
Purchase of property, plant and equipment	12(a) (608,702)	(267,398)
Purchase of intangible assets	-	(59,416)
Interest received	8 85,288	89,306
Net cash used in investing activities	<u>(523,126)</u>	<u>(237,462)</u>
Cash flows from financing activities:		
Net addition/(repayment) on short term borrowings	(11,685,775)	(20,159,117)
Dividends paid	(59,454)	(177,792)
Interest paid	8 (562,281)	(443,572)
Net cash (used in)/ generated from financing activities	<u>(12,307,510)</u>	<u>(20,780,481)</u>
Net change in cash and cash equivalents	(4,321,684)	1,488,980
Cash and cash equivalents at start of the period	8,886,913	8,421,512
Cash and cash equivalents at end of the period	<u>10 4,565,229</u>	<u>9,910,492</u>

The notes on pages 10 to 22 are an integral part of these nine months financial statements.

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1. Reporting entity

The Company was incorporated as Texaco Nigeria Limited (a privately owned Company) on 12 August 1969 and was converted to a Public Limited Liability company quoted on the Nigerian Stock Exchange in 1978, as a result of the 1977 Nigerian Enterprises Promotions Decree. The Company is domiciled in Nigeria and its shares are listed at the Nigerian Stock Exchange (NSE). The Company's name was changed to Texaco Nigeria Plc. in 1990 and again on 1 September 2006 to Chevron Oil Nigeria Plc.

On the 20th of March, 2009 there was an acquisition of Chevron Africa Holdings Limited, (a Bermudian Company) by Corlay Global SA of Moffson Building, East 54th Street, Panama, Republic of Panama. By virtue of this foreign transaction, M.R.S. Africa Holdings Limited gained control of all assets of Chevron Nigeria Holdings Limited, Bermuda.

The new management of the Company announced a change of name of the Company from Chevron Oil Nigeria Plc to MRS Oil Nigeria Plc ("MRS") effective 2nd of December, 2009 following the ratification of the name change of the Company at the 40th Annual General Meeting of the Company on September 29, 2009.

The Company is domiciled in Nigeria and has its registered office address at:

8, Macarthy Street
Onikan
Lagos
Nigeria

The Company is principally engaged in the business of marketing and distribution of refined petroleum products, blending of lubricants and manufacturing of greases.

2 Basis of preparation

(a) Statement of compliance

These financial statements for the nine months ended 30 September 2013 have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with IFRSs.

The financial statements were authorised for issue by the Board of Directors on _____

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for defined benefit obligations.

The methods used to measure fair values are discussed further in Note 4.

(c) Functional and presentation currency

These financial statements are presented in Nigerian naira, which is the Company's functional currency. All financial information presented in naira have been rounded to the nearest thousand unless stated otherwise.

(d) Use of estimates and judgements

The preparation of interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2012, with the exception of changes in estimates that are required in determining the provision for income taxes.

3 Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

IAS 19 (revised) 'Employee benefits'. IAS 19 (revised) amends the accounting for employment benefits.

The assessment of the impact on the Company would have been in the following areas:

- (i) The standard requires past service cost to be recognised immediately in profit or loss.
- (ii) The standard replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year. There is no change to determining the discount rate; this continues to reflect the yield on high-quality Nigerian government bonds.
- (ii) There is a new term "remeasurements". This is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost.

The revised standard is not expected to have any significant impact on the financial statements of the company.

IFRS 13 'Fair value measurement'. IFRS 13 measurement and disclosure requirements are applicable for the December 2013 year end. The Company has included the disclosures required by IAS 34 para 16A(j). See Note 5.

4 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these financial statements. Those which may be relevant to the Company are IFRS 11 *Joint Arrangement*, IFRS 13 *Fair Value Measurement* and IFRS 9 *Financial Instruments*, which is expected to impact the classification and measurement of financial assets. These standards will become mandatory for the Company's 2013 financial statements except for IFRS 9 which is mandatory for the 2015 financial statements. The extent of the impact has not been determined and the Company does not plan to adopt these standards early.

MRS Oil Nigeria Plc
Notes to the financial statement for the period ended 30th September, 2013
(All amounts in N thousands unless otherwise stated)

5	Revenue	30 Sept. 2013	30 Sept. 2012
		N'000	N'000
	Premium Motor Spirit (PMS)	51,408,155	37,895,675
	Aviation Turbine Kerosene (ATK)	7,808,735	7,064,150
	Automotive Gas Oil (AGO)	7,063,473	4,501,024
	Lubricants and greases	2,175,727	2,022,553
	Dual Purpose Kerosene (DPK)	760,257	851,073
	Low Pour Fuel Oil (LPFO)	-	203,860
		69,216,347	52,538,335

6	Other income	30 Sept. 2013	30 Sept. 2012
		N'000	N'000
	Rental and lease income	11,063	31,624
	Gains on disposal of property, plant & equipment	22	46
	Sundry income	241,915	93,170
	Income on storage services	206,661	-
	Total	459,661	124,841

Rental and lease income relates to income earned on assets that are on lease (finance and operating leases) to third parties. Assets on lease include filling stations and related equipment (generators and dispenser pumps).

7	Administrative Expenses	30 Sept. 2013	30 Sept. 2012
		N'000	N'000
	Amortization & Depreciation	1,178,529	996,481
	Training Cost	18,920	20,911
	Outsourced services	325,717	211,197
	Insurance	80,657	84,269
	Consultancy fee	84,690	84,546
	Auditor's remuneration	18,000	14,313
	Miscellaneous Office expenses	15,440	16,031
	Printing & Stationery	44,063	26,491
	Rentals	89,048	48,973
	Utility cost	21,112	28,736
	Licences, Fine & Permits	47,047	9,329
	Subscription & Donations	12,743	10,846
	Impairment on Trade receivables Write off/ (Write On)	26,766	10,526
	Directors' Allowance	1,700	17,034
	Meeting Expenses	16,281	60,969
	Employee Costs	532,326	587,312
	Management Fees	444,956	391,188
	Advertising & Sales Promotion Expenses	18,656	1,194
	Communication/IT	131,470	109,474
	Maintenance & Repairs	213,148	210,595
	Local and international travel	66,555	48,850
		3,387,825	2,989,265

8 Finance income and finance costs

	30 Sept. 2013	30 Sept. 2012
	N'000	N'000
Finance income		
Interest income on short-term bank deposits	84,699	89,306
Interest on employee receivables	-	-
Interest income on loans (dealer and staff loans)	588	-
Total finance income	85,288	89,306
Finance cost		
– Interest expense	39,797	51,864
– Bank charges	102,997	380,940
– Net foreign exchange loss	419,487	10,768
Total finance costs	562,281	443,572
Net finance income / (cost)	(476,993)	(354,266)

9 Profit before income tax

a Profit before income tax is stated after charging:

	30 Sept. 2013	30 Sept. 2012
	N'000	N'000
Depreciation (Note 12)	1,133,259	968,820
Amortisation of intangible assets (Note 13)	45,187	27,661
Management fees	444,956	391,188
Director's remuneration	1,700	-
Employee benefit expense	52,841	161,682
Auditor's remuneration	18,000	14,313
Loss on disposal of property, plant and equipment	-	-
Foreign currency exchange loss	419,487	10,768

(b) Directors and employees

i Employee costs during the year comprise:

	30 Sept. 2013	30 Sept. 2012
	N'000	N'000
Salaries and wages	308,976	400,400
Other employee benefits	130,055	66,370
Termination benefits	56,616	-
Employer's pension contribution	35,666	77,958
Post employment benefit charge	-	42,584
Other long term employee benefit charge (Note 18)	1,012	-
	532,326	587,312

ii The average number of full-time persons employed during the year (other than executive directors) was as follows:

	Number	
	30 Sept. 2013	30 Sept. 2012
Administration	23	49
Technical and production	19	37
Operation and distribution	35	43
Sales and marketing	32	74
	109	203

- iii Higher-paid employees of the Company, other than directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration in excess of N1,000,000 (excluding pension contributions) in the following ranges:

		Number	
		30 Sept. 2013	30 Sept. 2012
1,000,001	2,000,000	-	6
2,000,001	3,000,000	1	8
3,000,001	4,000,000	19	73
4,000,001	5,000,000	50	46
5,000,001	6,000,000	10	32
6,000,001	7,000,000	10	19
7,000,001	8,000,000	12	9
8,000,001	9,000,000	2	2
9,000,001	10,000,000	1	3
Above	10,000,000	4	5
		109	203

- iv Directors' remuneration (including pension contributions) for directors of the Company charged to the profit and loss account are as follows:

	30 Sept. 2013	30 Sept. 2012
	N'000	N'000
Fees		1,500
Other emoluments	1,700	15,534
	1,700	17,034

The directors' remuneration shown above includes:

Chairman	-	-
Highest paid director		

Other directors received emoluments in the following ranges:

		Number	
		30 Sept. 2013	30 Sept. 2012
Nil		4	3
1,000,001	2,000,000	-	1
2,000,001	3,000,000	-	-
3,000,001	4,000,000	-	1
4,000,001	5,000,000	2	-
5,000,001	6,000,000	-	2

10 Earnings per share (EPS)

(a) Basic

Basic earnings per share of ₦0.65 (2012: ₦0.53) is based on profit attributable to ordinary shareholders of N166,337,351 (2012: N133,556,436), and on the 253,988,672 ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue during the year (2012: 253,988,672).

	30 Sept. 2013	30 Sept. 2012
Profit for the year attributable to shareholders (expressed in Naira)	91,794,249	(36,205,000)
Weighted average number of ordinary shares in issue	253,988,672	253,988,672
Basic earnings per share (expressed in Naira per share)	0.36	(0.14)

(b) Dividend declared per share

Dividend declared per share of xx kobo (2012: 70 kobo) is based on total declared dividend of Nxx.xx million (2011: N177.79 million) on 253,988,672 ordinary shares of 50 kobo each, being the ordinary shares in issue during the year (2012: 253,988,672).

11 Taxation

(a) Income tax expense

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 30 September 2013 is 32%.

The tax change 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:

	30 Sept. 2013	30 Sept. 2012
	₦'000	₦'000
Current tax expense:		
Income tax	36,036	-
Tertiary education tax	1,481	-
	37,517	-
Deferred tax expense:		
Origination and reversal of temporary differences	-	-
	37,517	-
Tax expense from operations	37,517	-

(b) Movement in current tax liability

	2013	2012
	₦'000	₦'000
Balance at beginning of the year	459,038	1,157,171
Payments during the year	(226,501)	(976,442)
Provision for the year	37,517	336,520
Withholding tax credit notes utilised	-	(58,211)
Tax impact of prior year errors	-	-
	270,054	459,038

12 Property, Plant and Equipment

(a) The movement on these accounts was as follows:

	Leasehold Land & Buildings	Plant & Machinery	Automotive Equipment	Computer & Office Equipment	Furniture & Fittings	Capital Work in Progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost/deemed cost							
Balance at 1 January 2013	14,388,204	9,876,568	1,333,110	761,280	191,302	125,699	26,676,163
Additions	-	-	-	-	-	608,702	608,702
Transfers	68,122	102,284	24,370	7,996	-	(202,771)	-
Reclassification/ Adjustments	(53,121)	-	(3,440)	(341)	-	56,903	-
Disposals	-	-	(3,074)	-	-	-	(3,074)
Balance as at 30 September 2013	14,403,204	9,978,852	1,350,966	768,935	191,302	588,532	27,281,791
Depreciation and impairment losses							
Balance at 1 January 2013	1,212,384	1,850,304	954,350	525,460	120,097	-	4,662,595
Charge for the year	218,260	706,323	110,396	85,656	13,561	-	1,134,196
Reclassification/ Adjustments	(514)	-	(409)	(14)	-	-	(937)
Disposal	-	-	(2,808)	-	-	-	(2,808)
Balance as at 30 September 2013	1,430,130	2,556,627	1,061,529	611,102	133,658	-	5,793,046
Carrying amounts							
At 30 September 2013	12,973,074	7,422,225	289,437	157,833	57,644	588,532	21,488,745
At 1 January 2013	13,175,820	8,026,264	378,760	235,820	71,205	125,699	22,013,568

(b) **Impairment assessment**

The entity assessed its cash generating units (CGUs) for impairment as at 30 September 2013. Management is of the opinion that there are no triggers of impairment on its CGUs, hence, an impairment testing was not carried out as at 30 September 2013.

(c) All depreciation expense is included as part of administrative expenses.

13 Intangible assets	30 Sept 2013 N'000	31 December 2012 N'000
Cost		
Balance at 1 January	175,050	165,830
Additions	-	9,220
Balance at 31 December	175,050	175,050
Amortisation		
Balance at 1 January	(34,490)	(3,189)
Charge for the year	(45,187)	(31,301)
Balance at 30 September	(79,677)	(34,490)
Carrying amount	95,373	140,560

Amortisation of N45.1 million is included in 'administrative expenses' in the statement of comprehensive income (2012: N31 million).

14 Inventories

	30 Sept 2013	31 December 2012
	N'000	N'000
Premium Motor Spirit (PMS)	3,485,090	872,340
Lubricants and greases	2,161,802	1,722,285
Aviation Turbine Kerosene (ATK)	464,528	1,307,816
Automotive Gas Oil (AGO)	286,060	300,635
Dual Purpose Kerosene (DPK)	96,353	126,371
Packaging materials and other sundry stocks	2,783	2,286
	6,496,616	4,331,733

15 Trade and other receivables

	30 Sept 2013	31 December 2012
	N'000	N'000
Trade receivables	5,064,476	3,440,509
Petroleum Equalisation Fund (PEF)	4,383,755	3,193,286
Petroleum Support Fund (PSF)	5,736,535	8,627,610
Loans to employees	109,942	27,337
Interest receivable	-	2,159
Interest paid in advance	-	-
Withholding tax receivable	108,350	71,990
Due from joint venture partners	41,532	62,763
Receivables from registrar	-	214,697
Receivables from related parties	5,012,980	2,557,888
Other debtors	2,083,685	215,475
	22,541,254	18,413,714
Less: non-current portion	(20,641)	(7,507)
Current portion	22,520,613	18,406,207

For receivables that are classified as 'current', due to their short-term maturities, the fair value approximates their carrying values.

The Company's exposure to credit risk and impairment losses related to trade and other receivables are disclosed in Note 22 (a).

16 Cash and cash equivalents

	30 Sept 2013	31 December 2012
	N'000	N'000
Cash and cash equivalents	1,515,831	1,155,398
Short term deposits with banks	3,337,634	9,145,304
	4,853,465	10,300,702
Bank overdrafts used for cash management purposes	(288,237)	(1,413,789)
	4,565,228	8,886,913

Cash and cash equivalents in the statement of cashflows

17 Share Capital

	30 Sept 2013	31 December 2012
	N'000	N'000
Authorised:		
271,657,230 Ordinary shares of 50k each	135,829	135,829
Issued and fully paid:		
253,988,672 Ordinary shares of 50k each	126,994	126,994
Issued and fully allotted:		
253,988,672 Ordinary shares of 50k each	126,994	126,994

18 Retained earnings

	30 Sept 2013	31 December 2012
	N'000	N'000
At 1 January	18,927,016	18,861,691
Profit for the year	91,794	205,121
Defined benefit plan actuarial gain, net of tax	-	3,725
Dividends declared	(780)	(177,792)
Unclaimed dividend written back	(58,675)	34,271
Deferred tax on revaluation surplus	-	-
At 30 September	18,959,356	18,927,016

19 Employee benefit obligations

During the nine months period, a change in Company policy resulted in the Company being required to settle all obligations under its defined benefit obligations in the period. The cost of settling the obligation did not exceed the amount recognised as an employee benefit obligation which led to a surplus of N24m
The settlement resulted in an expense of N180 million. The amounts outstanding at the end of the period is shown below;

	30 Sept 2013	31 Dec 2012
	N'000	N'000
At 1 January	218,415	
Post-employment benefit	-	201,250
Other long term employee benefits	18,177	17,165
Gratuity settlement paid	(180,200)	
Surplus on settlement of retirement benefit obligation	(24,448)	-
Total employee benefit liabilities	31,944	218,415

(b)

The provision was based on assumptions as at December 2012 but adjusted to reflect changes in market variables. Other long term employee benefits comprise of long service awards and it is funded on a pay as you go basis by the Company.

The movement on the provision for other long term employee benefits was as follows:

	30 Sept 2013	31 Dec 2012
	N'000	N'000
Balance at 1 January	17,165	36,019
Provision for the year		
Current service cost	454	6,987
Interest cost	558	3,157
remeasurement (gains)/ losses	-	23
Benefits paid by the employer	-	(909)
Curtailment gains		(28,112)
Liability in the balance sheet	18,177	17,165

(c) **Actuarial Assumptions**

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2013	2012
Long-term average discount rate (p.a.)	13%	13%
Future average pay increase (p.a.)	13%	13%
Average rate of inflation (p.a.)	10%	10%
Average Duration in years (Gratuity)	21.7	21.7
Average Duration in years (Long Service Awards)	12.9	12.9

These assumptions depict management's estimate of the likely future experience of the Company.

20 Trade and other payables

	30 Sept 2013	31 December 2012
	N'000	N'000
Trade payables	13,628,296	8,435,992
Accrued expenses	3,977,339	2,662,679
Amounts due to joint venture partners	-	-
Advances received from customers	-	1,429,200
Bridging allowance	-	464,806
Amounts due to related parties	5,981,322	1,146,307
Pension payable	2,469	4,333
Other liabilities	4,131,663	37,360
	27,721,088	14,180,677

21 Bank overdrafts and other short term borrowings

	30 Sept 2013	31 December 2012
	N'000	N'000
Bank overdraft and short term borrowings	288,237	1,413,789
Bank borrowings (Import Finance Facility)	360,537	12,046,313
Total Borrowings	648,774	13,460,102

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

22 Financial Risk Management & Financial Instruments

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The nine months financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Company's annual financial statements as at 31 December 2012. There have been no changes in the risk management department or in any risk management policies since the year end.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

(a) Credit risk

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 and other related parties.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	30 Sept 2013 N'000	31 Dec 2012 N'000
Trade and other receivables	15	22,541,254	18,413,714
Cash and cash equivalents	16	4,565,228	8,886,913
		<u>27,106,482</u>	<u>27,300,627</u>

(b) Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

(d) Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. Management also monitors the level of dividends to all shareholders.

The Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

	30 Sept 2013 N'000	31 Dec 2012 N'000
Total borrowings (Note 21)	648,774	13,460,102
Less: Cash and cash equivalents (Note 16)	(4,853,465)	(10,300,702)
Net debt	(4,204,691)	3,159,400
Total equity	19,086,350	19,054,010
Total capital Employed	<u>14,881,660</u>	<u>22,213,410</u>
Debt to adjusted capital ratio	-22%	17%

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements.

(c) Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Financial assets	Financial liabilities	Total
	Loans and receivables	Amortised Cost	
	N'000	N'000	N'000
30 'September 2013			
Financial assets			
Trade and other receivables	22,541,254	-	22,541,254
Cash and cash equivalents	4,853,465	-	4,853,465
	27,394,719	-	27,394,719
Financial liabilities			
Short term borrowings	-	648,774	648,774
Trade and other payables	-	27,721,088	27,721,088
Security deposits	-	1,577,710	1,577,710
	-	29,947,572	29,947,572

The Company's financial instruments are categorised as follows:

	Financial assets	Financial liabilities	Total
	Loans and receivables	Amortised cost	
	N'000	N'000	N'000
31 December 2012			
Financial assets			
Trade and other receivables	18,413,714	-	18,413,714
Cash and cash equivalents	10,300,702	-	10,300,702
	28,714,416	-	28,714,416
Financial liabilities			
Short term borrowings	-	13,460,102	13,460,102
Trade and other payables	-	14,180,677	14,180,677
Security deposits	-	1,510,904	1,510,904
	-	29,151,683	29,151,683

Trade and other receivables, security deposits, bank overdrafts and other short term borrowings are the Company's short term financial instruments. Accordingly, management believes that their fair values are not expected to be materially different from their carrying values.

The interest rates used to determine the discount estimated cash flows, where applicable are based on external sources and were as follows:

	30 Sept 2013	31 Dec 2012
Other receivables	18%	18%

23 Segment reporting

In accordance with the provisions of IFRS 8 – Operating Segments, the operating segments used to present segment information were identified on the basis of internal reports used by the Company's Board of Directors to allocate resources to the segments and assess their performance. The Board of Directors is MRS Oil Nigeria Plc's "chief operating decision maker" within the meaning of IFRS 8.

Segment information is provided on the basis of product segments as the company manages its business through three product lines - Retail/Commercial & Industrial, Aviation, and Lubricants. The business segments presented reflect the management structure of the Company and the way in which the Company's management reviews business performance. The accounting policies of the reportable segments are the same as described in notes 2 and 3.

The Company has identified three operating segments:

- (i) Retail/ Commercial & Industrial - this segment is responsible for the sale and distribution of petroleum products (white products) to retail customers and industrial customers.
- (ii) Aviation - this segment involves the sale of Aviation Turbine Kerosene (ATK).
- (iii) Lubricants - this segment manufactures and sells lubricants and greases.

Segment assets and liabilities are not disclosed as these are not regularly reported to the Board of Directors.

(a) Segment revenue and cost of sales

30-Sep-13		Revenue		Cost of sales		Gross profit	
		Amount	% of Total	Amount	% of Total	Amount	% of Total
		N'000		N'000		N'000	
Retail/C&I		59,231,885	86	56,306,682	86	2,925,203	79
Aviation		7,808,735	11	7,450,938	11	357,796	10
Lubes		2,175,727	3	1,747,195	3	428,532	12
Total		69,216,347	100	65,504,816	100	3,711,531	100

30-Sep-12		Revenue		Cost of sales		Gross profit	
		Amount	% of Total	Amount	% of Total	Amount	% of Total
		N'000		N'000		N'000	
Retail/C&I		43,451,631	83	40,934,486	83	2,517,145	74
Aviation		7,064,150	13	6,714,522	14	349,628	10
Lubes		2,022,553	4	1,478,052	3	544,501	16
Total		52,538,335	100	49,127,060	100	3,411,275	100

(b) Segment profit/ (loss) before tax

	Nine months ended	
	30 Sept. 2013	30 Sept. 2012
	N'000	N'000
Retail/C&I	111,207	(30,050)
Aviation	14,224	(4,707)
Lube	3,879	(1,448)
	129,311	(36,205)

24 Subsequent events

There are no significant subsequent events, which could have had a material effect on the state of affairs of the Company as at 30 September 2013.

25 Comparatives

Certain items in the comparative period financial information were restated.