

Eterna Plc
IFRS Financial Statements for the Second Quarter
ended 30 June 2014

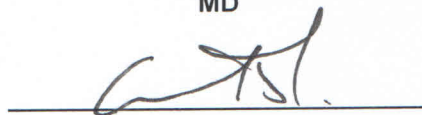
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ETERNA PLC**FINANCIAL HIGHLIGHTS****2014 FIRST QUARTER PERFORMANCE**

	Current Year Group June 2014 N'000	Previous Year Group June 2013 N'000	Actual Growth / Decline N'000	% Growth / Decline
Revenue	13,979,226	47,856,026	(33,876,800)	-71%
Gross Profit	1,291,455	1,442,777	(151,322)	-10%
EBIT	1,169,113	1,022,557	146,556	14%
Interest & Similar Charges	194,747	363,615	(168,868)	-46%
PBT	974,366	658,941	315,425	48%
Net Profit/ (Loss)	974,366	658,941	315,425	48%
Net working capital	4,049,416	1,839,164	2,210,252	-120%
Capital Employed	10,351,954	8,067,591	2,284,363	28%
Authorised share capital	1,600,000	1,600,000		0%
Issued & fully paid	1,304,145	1,304,145		0%
Share capital	652,072	652,072		0%
Share Premium	5,796,053	5,796,053	-	0%
Revaluation reserves	0	0	-	0%
Other reserves	-	-		
Shareholders Fund	8,085,076	7,042,108	1,042,968	15%

ETERNA PLC
IFRS FINANCIAL STATEMENT SUMMARY FOR 1ST QUARTER ENDED 30TH JUNE 2014

STATEMENT OF COMPREHENSIVE INCOME (For Other Companies)				
	June 2014	June 2013	% Change	Dec 2013
	N'000	N'000		N'000
Revenue	13,979,226	47,856,026	-71%	98,296,903
Cost of Sales	(12,687,771)	(46,413,249)	-73%	(95,412,455)
Distribution/Admin and Other Expenses	(571,071)	(617,523)	-8%	(1,351,859)
Other Income	448,729	197,303	127%	280,868
Financial Charges	(194,747)	(363,615)	-46%	(744,029)
Profit/Loss Before Tax	974,366	658,941	48%	1,069,428
Taxation	-	-	0%	(366,232)
Profit/Loss After Tax	974,366	658,941	48%	703,196
Other Comprehensive Income	-	-	0%	10,408
Total Comprehensive Income	974,366	658,941	48%	713,604
Profit/Loss After Tax Attr. To Noncontrolling Int	-	-	0%	28
Profit/Loss After Tax Owners of the Company	974,366	658,941	48%	713,576
Total Comp. Inc.Attr. to Non-Controlling Interest	-	-	0%	28
Attributable to Owners of the Company	974,366	658,941	48%	713,576
Basis Earnings per Share	0.75	0.51	48%	0.54
Fully Diluted Earnings per Share	0.75	0.24	215%	0.54
STATEMENT OF FINANCIAL POSITION (For Other Companies)				
	June 2014	June 2013	% Change	Dec 2013
	N'000	N'000		N'000
Property, plant and equipment	6,102,800	5,995,593	2%	6,188,805
Long term prepayments	199,738	407,154	-51%	160,025
Deferred tax asset	-	(174,320)	-	-
Investment property	-	-	0%	-
Intangible Assets	-	-	0%	-
Investments accounted for using the equity method	-	-	0%	-
Financial assets	-	-	0%	-
Non-current asset held for sale and disposal groups	-	-	0%	-
Total Non Current Assets	6,302,538	6,228,427	-49%	6,348,830
Inventories	957,068	1,202,205	-20%	3,273,828
Debtors and Other Receivables	4,013,974	5,337,697	-25%	8,031,087
Cash and cash equivalents	1,755,790	121,020	1351%	599,399
Total Current Assets	6,726,832	6,660,922	13	11,904,314
Trade and Other Payables	1,007,518	2,070,207	-51%	6,168,863
Current Financial liabilities	878,602	1,981,665	-56%	2,146,576
Current Tax Liabilities	791,296	769,886	3%	867,104
Total Current Liabilities	2,677,416	4,821,758	-104%	9,182,543
Non-Current Financial liabilities	1,826,283	500,000	265%	1,524,906
Provisions	106,459	525,484	-80%	100,850
Deferred Tax Liabilities	334,136	-	-	334,136
Liabilities included in disposal groups classified as held for sale	-	-	0%	-
Total Non-Current Liabilities	2,266,878	1,025,484	2	1,959,892
Working Capital	4,049,416	1,839,164	120%	2,721,771
Net Assets	10,351,954	8,067,591	28%	9,070,601
Non Controlling Interest	122	93	32%	122
Attributable to Owners of the Company	8,084,953	7,042,015	15%	7,110,587

STATEMENT OF CHANGES IN EQUITY							
	Share Capital	Share premium	PPE Revaluation Surplus	Retained Earnings	Total	Non-Controlling Interest	Total Equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2012	652,072	5,796,053	-	(1,001,275)	5,446,850	61	5,446,912
Changes in Accounting Policy	-	-	-	-	-	-	-
Restated balance	-	-	-	-	-	-	-
Changes in Equity for 2012:							
Issued Share Capital	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-
Profit or loss	-	-	-	950,161	950,161	33	950,194
Total Comprehensive Income	652,072	5,796,053	-	(51,115)	6,397,011	94	6,397,105
Balance as at 31 Dec 2012	652,072	5,796,053	-	(51,115)	6,397,011	94	6,397,105
Changes in Equity 2013:							
Issued Share Capital	-	-	-	-	-	-	-
Adjustment to Retained Earnings	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	713,576	713,576	28	713,604
Balance as at 30 Dec 2013	652,072	5,796,053	-	662,462	7,110,587	122	7,110,709
Changes in Equity 2014:							
Issued Share Capital	-	-	-	-	-	-	-
Adjustment to Retained Earnings	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	974,366	974,366	-	974,366
Balance as at 31st June 2014	652,072	5,796,053	-	1,636,828	8,084,953	122	8,085,075
Cash Flow from Operating Activities	2,455,635	4,878,259	-50%	-	-	-	-
Operating Cash Flow before Working Capital Changes	1,303,108	2,077,609	-37%	-	-	-	-
Net Cash Generated from Operating Activities	2,379,827	4,742,614	-50%	-	-	-	-
Cash Flow from Investing Activities	(56,866)	(228,615)	-75%	-	-	-	-
Cash Flow from Financing Activities	(1,011,826)	(296,081)	242%	-	-	-	-
Net Increase/Decrease in Cash and Cash Equivalent	1,311,135	667,916	96%	-	-	-	-
Cash and Cash Equivalent - Beginning of the Year	444,654	(223,262)	-299%	-	-	-	-
Cash and Cash Equivalent - End of the Year	1,755,789	444,654	295%	-	-	-	-
CORPORATE ACTION							
Proposed Bonus	-	-	0%	-	-	-	-
Proposed Dividend	-	-	0%	-	-	-	-
Closure Date	-	-	-	-	-	-	-
Date of Payment	-	-	-	-	-	-	-
AGM Date	-	-	-	-	-	-	-
AGM Venue	-	-	-	-	-	-	-

Consolidated statement of comprehensive income for the First Quarter ended 31st March 2014

	Note	Group		Company	
		31 March	31 December	31 March	31 December
		2014 N'000	2013 N'000	2014 N'000	2013 N'000
Revenue	4	13,979,226	98,296,903	13,967,865	99,307,561
Cost of Sales	5	(12,687,771)	(95,412,455)	(12,677,892)	(96,689,842)
Gross Profit		1,291,455	2,884,448	1,289,973	2,617,719
Selling and Distribution expenses	5	(10,474)	(548,087)	(9,965)	(515,662)
General and Administrative expenses	5	(560,597)	(803,772)	(571,748)	(717,308)
Other Income	6	416,276	172,728	415,384	165,093
Foreign exchange gains		28,601	105,922	28,601	105,922
Operating Profit		1,165,261	1,811,239	1,152,245	1,655,764
Finance Income	7	3,852	2,218	3,852	2,218
Finance Cost	8	(194,747)	(744,029)	(194,747)	(743,449)
Profit before tax		974,366	1,069,428	961,350	914,533
Taxation	9	-	(366,232)	-	(320,864)
PROFIT FOR THE YEAR		974,366	703,196	961,350	593,669
Attributable to:					
- Owners of the parent		974,366	703,168	961,350	593,669
- Non-controlling interests		-	28	-	-
		974,366	703,196	961,350	593,669
Other Comprehensive Income:					
<i>(a) Items that will not be reclassified to profit & loss</i>					
Actuarial gains or losses		-	14,869	-	14,869
Tax effect of actuarial gains and losses		-	(4,461)	-	(4,461)
Other Comprehensive Income net of tax		-	10,408	-	10,408
<i>(b) Items that may subsequently be reclassified to profit & loss</i>		-	-	-	-
		-	-	-	-
Total comprehensive income for the year		974,366	713,604	961,350	604,077
Attributable to:					
- Owners of the parent		974,366	713,576	961,350	604,077
- Non-controlling interests		-	28	-	-
Total comprehensive income for the year		974,366	713,604	961,350	604,077
Earnings per share:					
Basic	22	0.75	0.54		
Diluted	22	0.75	0.54		

Consolidated statement of financial position as at 31st March 2014

		Group		Company	
	Note	30 June	31 December	31 March	31 December
		2014 N'000	2013 N'000	2014 N'000	2013 N'000
Non-current assets					
Property, plant and equipment	10	6,102,800	6,188,805	5,880,678	5,947,561
Prepayments	11	199,738	160,025	199,738	160,025
Investment in subsidiaries	12	-	-	50,990	50,990
		<u>6,302,538</u>	<u>6,348,830</u>	<u>6,131,406</u>	<u>6,158,576</u>
Current assets					
Inventory	14	957,068	3,273,828	660,524	2,686,065
Trade and other receivables	15	3,923,981	7,921,092	3,496,236	7,568,729
Prepayments	11	89,993	109,995	89,993	109,995
Cash and bank balances	16	1,755,790	599,399	1,757,468	599,399
		<u>6,726,832</u>	<u>11,904,314</u>	<u>6,004,221</u>	<u>10,964,188</u>
Total assets		<u>13,029,370</u>	<u>18,253,144</u>	<u>12,135,627</u>	<u>17,122,764</u>
Non-current liabilities					
Borrowings	17	1,386,297	1,089,906	1,386,297	1,089,906
Deferred tax liability	13	334,136	334,136	285,357	285,357
Decomissioning liability	19	34,437	34,437	30,272	30,273
Employee benefit liability	18	72,022	66,413	72,022	66,413
Derivative liability	17	439,986	435,000	439,986	435,000
		<u>2,266,878</u>	<u>1,959,892</u>	<u>2,213,934</u>	<u>1,906,949</u>
Current liabilities					
Trade and other payables	20	1,007,518	6,168,863	717,707	5,629,630
Borrowings	17	878,602	2,146,576	878,602	2,146,576
Tax payable	9	791,296	867,104	630,881	706,457
		<u>2,677,416</u>	<u>9,182,543</u>	<u>2,227,190</u>	<u>8,482,663</u>
Total liabilities		<u>4,944,295</u>	<u>11,142,435</u>	<u>4,441,125</u>	<u>10,389,612</u>
Equity attributable to shareholders					
Share capital	21	652,072	652,072	652,072	652,072
Share premium	21	5,796,053	5,796,053	5,796,053	5,796,053
Retained Earnings/(Accumulated deficit)		1,636,828	662,462	1,246,377	285,027
		<u>8,084,953</u>	<u>7,110,587</u>	<u>7,694,502</u>	<u>6,733,152</u>
Non -controlling interest		122	122	-	-
Total equity		<u>8,085,075</u>	<u>7,110,709</u>	<u>7,694,502</u>	<u>6,733,152</u>
Total equity and liabilities		<u>13,029,370</u>	<u>18,253,144</u>	<u>12,135,627</u>	<u>17,122,764</u>

Consolidated statement of changes in equity for the First Quarter ended 31st March 2014

	Attributable to equity holders of the parent					
	Share Capital	Share premium	Retained Earnings	Total amount attributable to equity holders	Non - controlling interest	Total Equity
	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2012	652,072	5,796,053	(1,001,274)	5,446,851	61	5,446,912
Comprehensive income						
Profit or loss	-	-	946,323	946,323	33	946,356
Other Comprehensive income						
- Actuarial gains/(losses) net of tax	-	-	3,837	3,837	-	3,837
Total comprehensive income or loss	-	-	950,160	950,160	33	950,193
Transaction with owners	-	-	-	-	-	-
At 31 December 2012	652,072	5,796,053	(51,114)	6,397,011	94	6,397,105
Balance at 1 January 2013	652,072	5,796,053	(51,114)	6,397,011	94	6,397,105
Comprehensive income						
Profit or loss	-	-	703,168	703,168	28	703,196
Other Comprehensive income						
- Actuarial gains/(losses) net of tax	-	-	10,408	10,408	-	10,408
Total comprehensive income or loss	-	-	713,576	713,576	28	713,604
Transaction with owners	-	-	-	-	-	-
At 31 December 2013	652,072	5,796,053	662,462	7,110,587	122	7,110,709
Balance at 1 January 2013	652,072	5,796,053	662,462	7,110,587	122	7,110,709
Comprehensive income						
Profit or loss	-	-	974,366	974,366	-	974,366
Other Comprehensive income						
- Actuarial gains/(losses) net of tax	-	-	-	-	-	-
Total comprehensive income or loss	-	-	974,366	974,366	-	974,366
Transaction with owners	-	-	-	-	-	-
At 31 December 2013	652,072	5,796,053	1,636,828	8,084,953	122	8,085,075

	Company			
	Share capital	Share premium	Retained earnings	Total Equity
Balance at 1 January 2012	652,072	5,796,053	(1,094,945)	5,353,180
Comprehensive income				
Profit or loss	-	-	772,058	772,058
Other Comprehensive income				
- Actuarial gains/(losses) net of tax	-	-	3,837	3,837
Total comprehensive income or loss	-	-	775,895	775,895
Transaction with owners	-	-	-	-
At 31 December 2012	652,072	5,796,053	(319,050)	6,129,075
Balance at 1 January 2013	652,072	5,796,053	(319,050)	6,129,075
Comprehensive income				
Profit or loss	-	-	593,669	593,669
Other Comprehensive income				
- Actuarial gains/(losses) net of tax	-	-	10,408	10,408
Total comprehensive income or loss	-	-	604,077	604,077
Transaction with owners	-	-	-	-
At 31 December 2013	652,072	5,796,053	285,027	6,733,152
Balance at 1 January 2014	652,072	5,796,053	285,027	6,733,152
Comprehensive income				
Profit or loss	-	-	961,350	961,350
Other Comprehensive income				
- Actuarial gains/(losses) net of tax	-	-	-	-
Total comprehensive income or loss	-	-	961,350	961,350
Transaction with owners	-	-	-	-
At 31 March 2014	652,072	5,796,053	1,246,377	7,694,502

Consolidated statement of cashflows for First Quarter ended 31st June 2014

	Note	Group		Company	
		30 June 2014 N'000	31 December 2013 N'000	30 June 2014 N'000	31 December 2013 N'000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Casflow from (used in) operating activities	24	2,455,635	4,878,259	2,457,008	4,802,786
Vat paid		-	-	-	-
Tax paid	9	(75,808)	(135,645)	(75,576)	(135,645)
Net cash generated from operating activities		2,379,827	4,742,614	2,381,433	4,667,141
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sale of property, plant and equipment		-	337	-	337
Purchase of property, plant and equipment	10	(60,718)	(206,995)	(60,644)	(132,100)
Payments for leasehold properties		-	(24,175)	-	(24,175)
Interest received	7	3,852	2,218	3,852	2,218
Net cash used in investing activities		(56,866)	(228,615)	(56,792)	(153,720)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from borrowings		1,689,414	13,566,446	1,689,414	13,566,446
Repayment of borrowings		(2,506,493)	(16,668,500)	(2,506,493)	(16,668,500)
Interest paid		(194,747)	(744,029)	(194,747)	(743,449)
Net cash generated from financing activities		(1,011,826)	(296,081)	(1,011,826)	(3,845,503)
NET CHANGE IN CASH AND CASH EQUIVALENTS		1,311,135	667,916	1,312,815	667,919
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		444,654	(223,262)	444,654	(223,265)
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	16	1,755,789	444,654	1,757,468	444,654

Consolidated segment information

The chief operating decision-maker (CODM) has been identified as the Management team of Eterna Plc. Management has determined the operating segments based on the information reviewed by the management team for the purposes of allocating resources and assessing performance. Management has also determined the operating segments based on these reports.

a) Reportable segments

The CODM considers the business singularly from a product perspective. Management separately considers three segments; Retail and Industrial, Lubricants and Chemicals and the Trading activities of the group. The following summary describes the operations in each of the Group's reportable segments:

i) Retail and Industrial

This segment derives revenue from the sale and distribution of petroleum products (white products and lubricants) in retail outlets and small units and to industrial customers across Nigeria.

ii) Lubricants and Chemicals

This segment involves the manufacture and distribution of lubricants and chemicals to marine and energy customers across Nigeria.

iii) Trading

This segment represents the bulk importation and sale of fuels (PMS, AGO, DPK), Base Oils, Bitumen, LPFO. It also involves lifting and sales of crude oil.

i) The management team (CODM) reviews internal management reports at least on a quarterly basis. Information regarding the results of each reportable segment is included below.

	June 2014				December 2013			
	Retail & Industrial	Lubricants & Chemicals	Trading	Group	Retail & Industrial	Lubricants & Chemicals	Trading	Group
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Gross Revenue	2,206,096	811,399	6,336,877	9,354,373	8,188,593	3,310,100	86,798,210	98,296,903
Intersegment sales	193,628	(164,310)	-	29,318	(1,084,425)	(1,670,650)	-	(2,755,075)
	2,399,724	647,090	6,336,877	9,383,691	7,104,168	1,639,450	86,798,210	95,541,828
Operating profit before depreciation & amortisation	312,291	84,210	824,657	1,221,157	154,430	35,638	1,886,810	2,076,878
Depreciation & amortisation	(14,295)	(3,855)	(37,747)	(55,896)	(19,752)	(4,558)	(241,329)	(265,639)
Net Finance cost	(48,818)	(13,164)	(128,912)	(190,895)	(55,159)	(12,729)	(673,923)	(741,810)
Profit before tax	249,178	67,191	657,998	974,366	79,519	18,351	971,558	1,069,428
Income tax charge	-	-	-	-	(27,232)	(6,284)	(332,716)	(366,232)
Profit after tax	249,178	67,192	657,998	974,366	52,287	12,066	638,842	703,196

The CODM measures performance based on segment profit before income tax, as included in the internal management reports. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of these segments. Intersegment pricing is determined on an arm's length basis.

The measurement policies the Group uses for segment reporting are the same as those used in its financial statements. There have been no changes from prior years in the measurement methods used to determine reported segment profit or loss.

Revenue of approximately NGN73 billion are derived from three external customers. These revenues are attributable to the Trading segment.

Consolidated segment information

ii) The segment assets and liabilities as at 31 December 2013 and capital expenditure for the period then ended are as follows:

	Retail & Industrial	Lubricants & Chemicals	Trading	Group
	March 2014			
	N'000	N'000	N'000	N'000
Assets	440,866	1,199,784	11,388,719	13,029,370
Liabilities	64,452	48,946	4,830,896	4,944,295
Capital expenditure	35,967	20,059	4,692	60,718
	December 2013			
	N'000	N'000	N'000	N'000
Assets	617,619	1,680,805	15,954,719	18,253,144
Liabilities	145,249	110,305	10,886,881	11,142,435
Capital expenditure	136,935	76,371	17,864	231,170

Capital expenditure comprises additions to property, plant and equipment, long term prepayments and expenditure on investment assets;

b) Geographical segment

The geographical location of the group operations is Nigeria, operations outside Nigeria are non-existent and do not constitute a segment.

Notes to the consolidated financial statements

N'000

	Group		Company	
	June 2014	Dec 2013	June 2014	Dec 2013
4 Revenue				
Fuel	12,194,982	25,546,762	12,183,621	26,612,938
Lubricants	1,301,566	1,627,387	1,301,566	1,012,542
Gas	-	-	-	-
Marine fuel	482,678	1,682,712	482,678	2,242,039
Crude Oil	-	69,440,042	0	69,440,042
	<u>13,979,226</u>	<u>98,296,903</u>	<u>13,967,865</u>	<u>99,307,561</u>
5 Expenses by nature				
Material cost	12,621,746	95,394,845	12,677,892	96,672,232
Sales commission	9,965	17,610	9,965	17,610
Staff costs	240,040	469,605	233,090	421,919
Depreciation	146,723	265,639	127,528	243,497
Legal and Professional fees	23,415	78,838	23,415	71,646
Repairs and Maintenance	47,235	68,603	28,802	48,940
Marketing, gifts and donations	11,128	48,982	11,128	48,867
Amortisation	14,117	86,382	14,117	86,615
Travelling expenses	36,706	47,851	36,706	47,516
Insurance, medical and security expenses	29,891	52,580	29,891	49,779
Fair value loss/(gain) on derivative liability	-	19,780	0	19,780
Stationery and communication	23,179	36,911	23,179	36,526
Pension costs	13,218	23,503	13,218	23,691
Directors remuneration	963	5,000	963	5,000
Licence fees	1,823	21,838	1,823	16,065
Auditors' remuneration	2,386	14,636	2,386	9,545
Impairment provision	-	35,760	0	35,760
	-	337	0	337
Gain/(Loss) on disposal of property, plant and equipment				
Other expenses	36,306	75,614	25,502	67,487
Total cost of sales, distribution costs and administrative expenses	<u>13,258,842</u>	<u>96,764,314</u>	<u>13,259,605</u>	<u>97,922,812</u>
Expenses by function				
Cost of sales	12,621,746	95,412,455	12,677,892	96,689,842
Selling and Distribution expenses	9,965	548,087	9,965	515,662
General and Administration expenses	627,130	803,772	571,749	717,308
	<u>13,258,842</u>	<u>96,764,314</u>	<u>13,259,605</u>	<u>97,922,812</u>
6 Other income				
Depot storage income	7,419	76,390	7,419	76,390
Rent income	10,048	15,232	10,047	15,231
Crude Income	397,918	-	397,918	0
Blending Income	892	3,815	-	-
Other income		77,291		73,472
	<u>416,276</u>	<u>172,728</u>	<u>415,384</u>	<u>165,093</u>

Notes to the consolidated financial statements

N'000

7 Finance Income

Interest income on short-term bank deposits	3,852	2,218	3,852	2,218
	<u>3,852</u>	<u>2,218</u>	<u>3,852</u>	<u>2,218</u>

8 Finance cost

	June 2014	Dec 2013	June 2014	Dec 2013
Interest expense	159,658	654,531	159,658	654,531
Interest cost on employees benefits	-	7,578	0	7,578
Accretion charge	-	4,490	0	3,910
Other bank charges	35,089	77,430	35,089	77,430
	<u>194,747</u>	<u>744,029</u>	<u>194,747</u>	<u>743,449</u>

9 Taxation

	June 2014	Dec 2013	June 2014	Dec 2013
Current taxes on income for the year	-	186,432	-	158,088
Education tax levy for the year	-	24,445	-	21,131
Deferred tax for the year	(0)	155,355	-	141,645
Total tax expense	<u>(0)</u>	<u>366,232</u>	<u>-</u>	<u>320,864</u>

Notes to the consolidated financial statements

			N'000	
	June 2014	Dec 2013	June 2014	Dec 2013
Opening balance	867,104	791,830	706,457	662,883
Tax paid	(75,808)	(135,645)	(75,576)	(135,645)
Income tax charge	-	210,919	0	179,219
Closing balance	791,296	867,104	630,881	706,457
Current	791,296	867,104	630,881	706,457
Non-current	-	-	-	-
	791,296	867,104	630,881	706,457

Notes to the consolidated financial statements

10 Property, Plant and Equipment

GROUP	Capital Work- in-progress	Land and buildings	Office Equipment	Furniture and fittings	Motor vehicles	Plant and Machinery	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January 2013	576,100	650,001	69,208	26,358	92,417	4,837,251	6,251,335
Additions	21,244	86,730	17,380	7,206	23,980	50,455	206,995
Disposals	-	-	-	-	(1,700)	(2,186)	(3,886)
Reclassifications/ transfers	(26,730)	26,730	-	-	-	-	-
Depreciation	-	(17,267)	(20,774)	(11,774)	(22,695)	(193,129)	(265,639)
	570,614	746,194	65,814	21,790	92,002	4,692,391	6,188,805
Closing balance							
Cost	570,614	814,245	147,730	90,553	135,110	5,810,542	7,568,794
Accumulated depreciation	-	(68,051)	(81,916)	(68,763)	(43,108)	(1,118,151)	(1,379,989)
Closing balance	570,614	746,194	65,814	21,790	92,002	4,692,391	6,188,805
Balance as at 1 January 2014	570,614	746,194	65,814	21,790	92,002	4,692,391	6,188,805
Additions	3,385	4,901	39,190	1,896	10,500	20,690	80,562
Disposals	(19,844)	-	-	-	-	-	(19,844)
Reclassifications/ transfers	-	-	-	-	-	-	-
Depreciation	-	(7,098)	(8,900)	(7,102)	(5,229)	(118,393)	(146,723)
Closing balance	554,155	743,996	96,103	16,584	97,273	4,594,687	6,102,800
Cost	554,155	819,146	186,920	92,449	145,610	5,831,232	7,629,512
Accumulated depreciation	-	(75,149)	(90,816)	(75,865)	(48,337)	(1,236,544)	(1,526,712)
Closing balance	554,155	743,996	96,103	16,584	97,273	4,594,687	6,102,800

Notes to the consolidated financial statements

Property, Plant and Equipment (Continued)

Company	Capital Work-in-progress	Land and buildings	Office Equipment	Furniture and fittings	Motor vehicles	Plant and Machinery	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January 2013							
Additions	549,370	587,871	32,445	25,566	84,341	4,783,251	6,062,844
Disposals	700	79,732	11,845	5,055	18,980	15,788	132,100
Depreciation	-	-	-	-	(1,700)	(2,186)	(3,886)
Closing balance	550,070	652,992	32,824	19,528	82,012	4,610,135	5,947,561
Cost	550,070	704,428	75,683	84,701	117,559	5,652,441	7,184,882
Accumulated depreciation	-	(51,436)	(42,859)	(65,173)	(35,547)	(1,042,306)	(1,237,321)
Closing balance	550,070	652,992	32,824	19,528	82,012	4,610,135	5,947,561
Balance as at 1 January 2014							
Additions	550,070	652,992	32,824	19,528	82,012	4,610,135	5,947,561
Disposals	700	12,162	11,845	5,055	18,980	15,788	64,531
Depreciation	-	-	-	-	(1,700)	(2,186)	(3,886)
Closing balance	550,770	657,502	38,664	18,773	89,023	4,525,946	5,880,678
Cost	550,770	716,591	87,528	89,756	134,839	5,666,043	7,245,526
Accumulated depreciation	-	(59,088)	(48,864)	(70,983)	(45,816)	(1,140,097)	(1,364,848)
Closing balance	550,770	657,502	38,664	18,773	89,023	4,525,946	5,880,678

Notes to the consolidated financial statements

N'000

11 Prepayments

	Group	
	June 2014	Dec 2013
Prepaid rent	199,738	176,305
Current portion of prepaid rent	-	(16,280)
Non-current portion of prepaid rent	199,738	160,025
Other short term prepayment	89,993	93,715
Current portion of long term prepayments	-	16,280
	89,993	109,995

	Company	
	June 2014	Dec 2013
Prepaid rent	199,738	176,305
Current portion of prepaid rent	-	(16,280)
Non-current portion of prepaid rent	199,738	160,025
Other short term prepayment	89,993	93,715
Current portion of prepaid rent	-	16,280
	89,993	109,995

Included in prepayments are some leasehold land rentals related to filling stations and tank farm land treated as operating leases.

12 Investment in subsidiaries

	Company	
	June 2014	Dec 2013
Investment in subsidiaries is made up of:		
99.98% in Eterna Industries Limited	49,990	49,990
100% in Eterna Marine and Services Limited	1,000	1,000
	50,990	50,990

These investments are ultimately consolidated at group level.

13 Deferred Income Tax

	Group	
	June 2014	Dec 2013
The analysis of deferred tax liabilities is as follows:		
Deferred tax liabilities		
Deferred tax liability to be recovered after more than 12 months	334,136	334,136
Deferred tax liability to be recovered within 12 months	-	-
	334,136	334,136

Notes to the consolidated financial statements

The analysis of deferred tax liabilities is as follows:

Deferred tax liabilities

Deferred tax liability to be recovered after more than 12 months

Deferred tax liability to be recovered within 12 months

N'000	
Company	
June 2014	Dec 2013
285,357	285,357
-	-
<u>285,357</u>	<u>285,357</u>

Notes to the consolidated financial statements

N'000

14 Inventory

		Group	
		June 2014	Dec 2013
Raw materials		294,110	565,457
Finished goods		662,958	2,708,371
		<u>957,068</u>	<u>3,273,828</u>
		Company	
		June 2014	Dec 2013
Finished goods		660,524	2,686,065
		<u>660,524</u>	<u>2,686,065</u>

Inventory is carried at the lower of cost or net realisable value. Cost is determined using weighted average method. The cost of finished goods and work in progress comprises of raw materials, importation logistics cost, direct labour, other direct costs and other production overheads. It excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

15 Trade and Other receivables

		Group	
		June 2014	Dec 2013
Trade receivables		3,520,117	2,649,767
Due from related parties		355,000	295,000
Less: Provision for impairment of receivables		(775,006)	(775,006)
Trade receivables – net		<u>3,100,111</u>	<u>2,169,761</u>
Advance to suppliers		54,503	21,517
Tax related receivables		727,347	1,459,472
Other receivables		125,443	4,353,766
Less: Provision for impairment of other receivables		(83,424)	(83,424)
		<u>3,923,981</u>	<u>7,921,092</u>
		0	
		Company	
		June 2014	Dec 2013
Trade receivables		3,798,559	2,602,594
Due from related parties		69,321	379,868
Less: Provision for impairment of receivables		(774,775)	(774,775)
Trade receivables – net		<u>3,093,105</u>	<u>2,207,687</u>
Advance to suppliers		40,319	21,517
Tax related receivables		320,797	1,069,187
Other receivables		125,440	4,353,762
Less: Provision for impairment of other receivables		(83,424)	(83,424)
		<u>3,496,236</u>	<u>7,568,729</u>

Notes to the consolidated financial statements

	N'ooo	
	(0)	
	Group	
	June 2014	Dec 2013
Movements on the provision for impairment for trade receivables are as follows:		
Opening balance	(775,006)	(746,218)
Provision for receivables impairment	0	(28,788)
Receivables written off during the year as uncollectible	-	-
Unused amounts reversed	-	-
Closing balance	(775,006)	(775,006)

	Company	
	June 2014	Dec 2013
Movements on the provision for impairment for trade receivables are as follows:		
Opening balance	(774,776)	(745,988)
Provision for receivables impairment	0	(28,788)
Receivables written off during the year as uncollectible	-	-
Unused amounts reversed	-	-
Closing balance	(774,776)	(774,776)

The creation of provision for impaired receivables have been included in 'General and administrative expenses' and the release of impairment provisions is included in 'other income' in the income statement (note 6).

16 Cash and Cash Equivalents

	Group	
	June 2014	Dec 2013
Cash and bank	1,755,790	599,399
Short term deposits with banks	-	-
Bank overdrafts	-	(154,745)
	1,755,790	444,654

	Company	
	June 2014	Dec 2013
Cash and bank	1,757,468	599,399
Short term deposits with banks	-	-
Bank overdrafts	-	(154,745)
	1,757,468	444,654

Short term investment represents short term bank deposits. For the purpose of the statements of cashflows the cash and cash equivalent

Notes to the consolidated financial statements

N'ooo

17 Borrowings

		Group	
		June 2014	Dec 2013
Non-current			
Bank borrowings		1,386,297	1,089,906
Bond Instrument		-	-
		<u>1,386,297</u>	<u>1,089,906</u>
Current			
Bank borrowings		400,000	1,543,947
Bank overdraft		-	154,745
Bond Instrument		478,602	447,884
		<u>878,602</u>	<u>2,146,576</u>
		Company	
		June 2014	Dec 2013
Non-current			
Bank borrowings		1,386,297	1,089,906
Bond Instrument		-	-
		<u>1,386,297</u>	<u>1,089,906</u>
Current			
Bank borrowings		400,000	1,543,947
Bank overdrafts		-	154,745
Bond Instrument		478,602	447,884
		<u>878,602</u>	<u>2,146,576</u>

Notes to the consolidated financial statements

N'000

18 Employee Benefits

	Group	
	June 2014	Dec 2013
Defined benefit obligations	72,022	66,413
Fair value of plan assets	-	-
Deficit of funded plans	72,022	66,413
Unrecognised (gains)/losses	-	-
Net Liability Recognised	72,022	66,413

The reconciliation of the defined benefit obligations as at

	June 2014	Dec 2013
Opening balance	66,413	66,045
Current service cost	11,126	14,673
Interest cost		7,578
Benefits paid	(5,517)	(7,014)
Actuarial gains/losses		(14,869)
Net Liability Recognised	72,022	66,413

Income statement charge for:

	June 2014	Dec 2013
Defined benefit obligation	7,788	15,576
Total amount recognised in the income statement	7,788	15,576

Actuarial gains (net of tax) recognised in the statement of other comprehensive income in the period

	-	3,837
Cumulative actuarial gain (net of tax) recognised in the statement of other comprehensive income	3,837	3,837

Notes to the consolidated financial statements

N'000

19 Decomissioning Liability

	June 2014	Group Dec 2013
Balance as at 1 January	34,437	29,946
Additional obligations incurred	-	-
Changes in estimated flows	-	-
Unwinding of discount due to passage of time	0	4,491
Balance at 31 December	<u>34,437</u>	<u>34,437</u>

	June 2014	Company Dec 2013
Balance as at 1 January	30,273	26,363
Additional obligations incurred	-	-
Changes in estimated flows	-	-
Unwinding of discount due to passage of time	-	3,910
Balance at 31 December	<u>30,273</u>	<u>30,273</u>

20 Trade and other payables

	June 2014	Group Dec 2013
Trade creditors	(1,464,190)	4,656,158
Tax related liabilities	627,914	1,132,344
Advance received	-	30,365
Accrued payables	1,843,794	198,920
Other payables	-	151,076
	<u>1,007,518</u>	<u>6,168,863</u>

0

	June 2014	Company Dec 2013
Trade creditors	(1,016,444)	4,563,665
Tax related liabilities	(28,146)	728,481
Advance received	-	30,365
Accrued payables	1,762,297	182,435
Other payables	-	124,684
Due to subsidiaries	-	-
	<u>717,707</u>	<u>5,629,630</u>

Notes to the consolidated financial statements

N'000

21 SHARE CAPITAL AND SHARE PREMIUM

Authorised:

1,600,000 thousands Ordinary shares of 50k each

June 2014 Dec 2013

800,000 800,000

Issued and fully paid:

1,304,145 thousand Ordinary shares of 50k each

652,072 652,072

Issued and fully allotted:

1,304,145 thousand Ordinary shares of 50k each

652,072 652,072

Movements during the period:

	Number of shares '000	Ordinary shares '000	Share premium shares '000	Total '000
Balance at December 2012	1,304,145	652,072	5,796,053	6,448,125
Capitalised during the period	-	-	-	
Issue of new shares	-	-	-	
At 31 December 2013	<u>1,304,145</u>	<u>652,072</u>	<u>5,796,053</u>	<u>6,448,125</u>

22 Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

Group

June 2014 Dec 2013

Profit for the year attributable to shareholders (in N'000)

974,366 703,196

Weighted average number of ordinary shares in issue

1,304,145 1,304,145

Basic earnings per share (in N'000)

0.75 0.54

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

June 2014 Dec 2013

Profit for the year attributable to shareholders (in N'000)

974,366 703,196

Weighted average number of ordinary shares in issue

1,304,145 1,304,145

Adjustments for :

- Share options

- -

Weighted average number of ordinary shares for diluted earnings per share (thousands)

1,304,145 1,304,145

Basic earnings per share (in N'000)

0.75 0.54

Notes to the consolidated financial statements

N'ooo

23 Related party transactions

Eterna Plc. is not wholly controlled by any individual/company/entity, however Lenux integrated resources Limited held 23.09% of the shareholding of Eterna plc. and is represented by 3 directors out of the 5 directors on the board.

The company has two subsidiaries: Eterna Marine Services Limited and Eterna Industries Limited. The company carried out some transactions with its subsidiaries during the year under review.

The balances due from/(due to) these companies and the nature of the business relationships involved are as follows:

	Relationship	Amount June 2014	Amount Dec 2013
Company Name:			
Eterna Industries Limited	Subsidiary	(337,925)	(20,839)
Eterna Marine and Services Limited	Subsidiary	52,246	50,882
CEC-Lenux Investments Limited		355,000	-
		<u>69,321</u>	<u>30,043</u>

Significant related party transactions and balances relating to the Company's financial statements are as follows:

a) Transactions

	Amount June 2014	Amount Dec 2013
Sales		
Eterna Industries Limited	141,239	1,180,766
Purchases		
Eterna Industries Limited	755,276	1,725,748

b) Key management compensation

Key Management includes the Managing Director/CEO and The Head of Internal Controls. The compensation paid or payable to key management for employee services is shown below:

	Amount Mar 2014	Amount Dec 2013
Salaries and other short-term employee benefits	31,494	62,988
Post-employment benefits	5,448	7,678
	<u>36,941</u>	<u>70,666</u>

Notes to the consolidated financial statements

N'ooo

Cash (used in)/generated
24 from operations

	Group		Company	
	June 2014	Dec 2013	June 2014	Dec 2013
Profit on ordinary activities before interest and taxation	1,165,261	1,811,239	1,152,245	1,655,764
Adjustments for non-cash items:				
Depreciation	146,723	265,639	127,527	243,497
Fair value loss/(gain) on derivative liability	-	19,780	-	19,780
Amortisation of long term prepayments	14,117	66,808	14,117	66,762
Loss/(Profit) on disposals of property, plant and equipment	-	337	-	337
Unrealised foreign exchange gain	(28,601)	(105,922)	(28,601)	(105,922)
Unwinding discount on decommissioning liability	-	4,491	-	3,910
Increase in employees benefits	5,609	15,237	5,609	15,237
	1,303,108	2,077,609	1,270,898	1,899,365
Changes in working capital:				
(Increase) / decrease in inventory	2,316,761	(2,389,204)	2,025,541	(2,071,450)
(Increase) / decrease in debtors	3,997,111	17,572,894	4,072,493	17,564,387
Increase/(Decrease) in payables	(5,161,345)	(12,383,040)	(4,911,923)	(12,589,516)
	1,152,527	2,800,650	1,186,111	2,903,421
Cashflow from operating activities	2,455,635	4,878,259	2,457,008	4,802,786

Consolidated value added statement

N'ooo

The consolidated statement of value added is included for the purpose of the Companies and Allied Matters Act.

Group	31 Mar 2014	%	31 Dec 2013	%
Turnover	13,979,226		98,296,903	
Bought in materials and services - all local	<u>(12,782,126)</u>		<u>(95,871,394)</u>	
	1,197,100		2,425,509	
Interest income	3,852		2,218	
Other income	<u>416,276</u>		<u>172,728</u>	
Value added	<u><u>1,617,228</u></u>		<u><u>2,600,455</u></u>	
Applied as follows:				
Staff salaries, wages and benefits	240,040	15	469,605	15
Maintenance of assets	208,075	13	306,986	12
Government taxes	0	0	366,232	18
Interest on borrowings	194,747	12	744,029	19
Retained for future growth	<u>974,366</u>	60	<u>713,604</u>	36
	<u><u>1,617,228</u></u>	100	<u><u>2,600,456</u></u>	100

Company	31 Mar 2014	%	31 Dec 2013	%
Turnover	13,967,865		99,307,561	
Bought in materials and services - all local	<u>(12,827,467)</u>		<u>(97,092,127)</u>	
	1,140,398		2,215,434	
Interest income	3,852		2,218	
Other income	<u>415,384</u>		<u>165,093</u>	
Value added	<u><u>1,559,634</u></u>		<u><u>2,382,745</u></u>	
Applied as follows:				
Staff salaries, wages and benefits	233,090	15	421,919	18
Maintenance of assets	170,447	11	292,436	12
Government taxes	0	0	320,864	13
Interest on borrowings	194,747	12	743,449	31
Retained for future growth	<u>961,350</u>	62	<u>604,077</u>	25
	<u><u>1,559,634</u></u>	100	<u><u>2,382,745</u></u>	100

Consolidated five-year financial summary

N'000

The consolidated five-year financial summary is included for the purpose of the Companies and Allied Matters Act.

	June 2014	Dec 2013	Dec 2012	Dec 2011	Dec 2010
Financial performance					
Revenue	13,979,226	98,296,903	89,637,474	39,198,807	14,138,607
Profit/(loss) before tax	974,366	1,069,428	1,413,128	1,784,683	1,089,150
Taxation	-	(366,232)	(466,772)	(745,429)	(471,224)
Profit for the year	974,366	703,196	946,356	1,039,254	617,926
Actuarial gains or losses	-	14,869	5,482	27,085	-
Tax effect of actuarial gains and losses	-	(4,461)	(1,645)	(8,126)	-
Non - controlling interest	-	(28)	(33)	(3)	(14)
Total comprehensive income for the year	974,366	713,576	950,160	1,058,210	617,912
Basic earnings per share (kobo)	0.75	0.54	0.73	0.80	0.47
Diluted earnings per share (kobo)	0.75	0.54	0.73	0.80	0.47
Financial position					
Share capital	652,072	652,072	652,072	652,072	652,072
Share premium	5,796,053	5,796,053	5,796,053	5,796,053	5,796,053
Revaluation reserves	-	-	-	-	-
Non -controlling interest	122	122	94	61	58
Retained Earnings/(Accumulated deficits)	1,636,828	1,376,038	(51,114)	(1,001,274)	(2,059,483)
Total equity	8,085,075	7,824,285	6,397,105	5,446,912	4,388,700
Property, plant and equipment	6,102,800	6,188,805	6,251,335	6,147,772	6,130,716
Other non-current assets	199,738	160,025	194,468	230,565	587,949
Net current (liabilities)/assets	4,049,415	2,646,497	720,164	20,785	(550,457)
Non-current liabilities	(2,266,878)	(1,959,892)	(768,862)	(952,210)	(1,779,508)
Net assets	8,085,075	7,035,435	6,397,105	5,446,912	4,388,700
Net assets per share (Naira)	6.20	5.39	4.91	4.18	3.34