Conoil


WE KEEP NIGERIA MOVING

# 2018
## Annual Report & Accounts


Quatro Ultra
the right boost for your engine performance
Conoil
Quatro
Ultra
Advanced Motor Oil
Huile à moteur avancé
SAE 20W-50
...we go the extra mile
Conoil

# CONTENT



Quatro
Ultra
GOLDEN SUPER
Multi-grade
GOLDEN SUPER
GOLDEN SUPER
Diesel
CROWN HEAVY DUTY
GOLDEN SUPER

# VISION

To be Africa's leading petroleum marketing company

# MISSION

To remain the industry's flagship offering world-class products and services

# PLEDGE

To make life abundantly convenient for our customers with top-class service delivery


**OUR HISTORY**

Conoil Plc is the first and largest indigenous oil marketing company in Nigeria. It began operations in 1927 under the name Shell Company of Nigeria (SCN) and later Shell Company of West Africa. It was incorporated as a private limited liability company in 1960 and registered with the Nigerian Stock Exchange (NSE) as a public liability company in 1989. Earlier in April 1975, the Federal Government of Nigeria acquired 60 percent shares of the company through the Nigerian National Petroleum Corporation (NNPC) and the company became known as National Oil and Chemical Marketing Company (NOLCHEM).
In the year 2000, the Federal Government, through the Bureau of Public Enterprises (BPE), bought 40 percent issued ordinary shares of the company held by Shell Company of Nigeria (UK) Limited. Following the privatization of the company, Conpetro Limited acquired 60 percent of the issued shares and as a result of a right issue made by the company in 2002, Conpetro now holds 74.4 percent of the issued capital; while the Nigerian public holds the remaining 25.6percent.

**THE CONOIL BRAND**

The company's name and logo were adopted in December 2000, as part of efforts to rebrand and reposition the Company as a world class organization committed to excellence and best practices.
Our identity is the symbol of everything we value and everything we represent. Our wreath-like logo, made of oil droplets, represents prosperity, flexibility, development and growth, while also alluding to environmental factors of which we remain conscious. It indicates dynamism and represents a brand with a positive attitude as well as a fresh and energetic approach to innovation. It reflects the solidity and stability of the company, and communicates our basic principles of vision, focus and unity.
Our identity is warm, welcoming and unified. It is progressive and traditional. It is simple and impactful. It is African and world-class. It is uniquely Conoil.

**WHAT WE DO**

The core business of Conoil plc. is marketing of refined petroleum products and manufacturing and marketing of lubricants. Its operations revolve around a number of strategic units, including Retail, Congas, Aviation, Lubricants, Depot Operations and Specialized Products.


# FUELS & SERVICES

Through its growing network of about 400 fuel stations across Nigeria; covering urban areas and rural hinterlands, Conoil meets the nation's energy needs in a responsible way.

With this spread, and propelled by its values of innovation, care and reliability, Conoil touches the lives of a broad spectrum of the populace by providing kerosene for domestic use, automotive fuels and lubricants for vehicles, fuels and solvents for industrial consumption and well-stocked convenience stores for everyday needs. The Company's world-class stations reflect its commitment to quality and premium service delivery that is uniquely its credo.

At Conoil stations, the customer is king, thus the Company always goes the extra mile to offer excellent service to its teeming customers, in a courteous way, within a clean and safe environment. Its stations are bright and inviting, all day long, to give customers a fulfilling fueling experience.

Conoil retail network undisputedly ranks among the fastest growing in the industry – and is still raring to go. To retain its competitive edge, the company has embarked on an aggressive acquisition and expansion drive that aims at increasing, substantially, the number of its fuel stations across the nation. This is in addition to its ongoing project of having at least one mega station in every state of the federation, to ensure that customers get products and service no matter their location.


# CONGAS

Congas is conoil's brand of liquefied petroleum gas (LPG), popularly called cooking gas. It adds more flavor to family lives, guaranteeing safety, quality, quantity, reliability and convenience to millions of homes across the county. Drawing on its vast experience of marketing and trading in petroleum products, the company efficiently offers gas to its customers at a price they can afford. Its supply chain covers the entire country. In addition to distributing through its filling stations, it is supported by a network of independent distributors who ensure constant availability of the product.

The company is committed to promoting the safest possible use of LPG at all times and ensuring that safety standard are maintained for the benefit of customer and the environment. Against this background, its cylinders are protected against corrosion and subjected to strict safety checks at each refill. The high-tech equipment in its multi-million naira LPG bottling plant and storage terminal, conforms to industry regulations and international safety guidelines.


# AVIATION

Day after day, Conoil aviation provides fuel for hundreds of aircraft in the various airport across the country in stringent compliance with international regulations. Its widespread presence in airfields across the country, superior quality control system and teeming local and international customers, who desire world-class service delivery, give it a commanding share in the nation's aviation fuel market.

Determined to maintain its leadership position, the company constantly sharpens its competitive edge, upgrading its infrastructure at regular intervals while reactivating promising airfields in any part of the country that lack aviation presence.

Conoil aviation is reputed for unequalled commitment to quality, safety and efficient service delivery, while constantly investing in modern equipment with a capacity that meets international standards.


# AUTOMOTIVE FUELS

Conoil is one of the largest lubricant manufacturers in Nigeria with a significant market share. It offers some of the most recognized lubricant brands in the country, known for performance and innovation. It markets both automotive and industrial lubricants through a growing network of about 400 fuel stations and hundreds of distributors across the country. Its state of the art blending plant produces lubricant brands that guarantee peak engine performance, fuel efficiency and a smooth driving experience.

Conoil's top of the class products, Quatro and golden super motor oil are among Nigeria's top three lubricant brands in terms of brand recall. Focused on its vision to be the preferred lubricant manufacturer and supplier of automotive and industrial grades in the sub-continent, its brands are formulated in line with international specifications – from Quatro ultra to Quatro Gerol to golden super motor oil to golden super multigrade, Conoil's automotive lubricants meet and exceed the latest standard of the oil industry and vehicle manufacturers. Conoil's lubricant continuously keep millions of vehicles and machines performing at their best.


## DEPOTS

Conoil's state of the art facilities at its depots in Lagos and Port Harcourt give it unparalleled leverage in the storage and blending of products, in conformity with the world's best industry practices. The depots ensures availability and prompt delivery of products and services to customers nationwide. In Port Harcourt the company regularly augments its storage capacity for different products to meet the demands of customers in the south-south, south-east and the northern regional markets. This has improved throughput at Port Harcourt and also saved transportation time and cost of moving products from Lagos to these areas. Similarly, a new full-fledge depot in Calabar is on the drawing board, which will have storage tanks for aviation turbine fuel, automotive gas oil and premium motor spirit. The depot will also have high-tech loading gantries with allied facilities of international standard.


# SPECIALIZED PRODUCTS

Specialized products segment of conoil's business deals in bulk delivery of all petroleum products to industries including breweries, cement companies, textile firms, banks, hotels, transport companies, cosmetics manufacturers, vegetable oil producers, among others.

Its huge investment in storage facilities and modern infrastructure in all its locations guarantees seamless distribution of products to its teeming clients. Business in this segment has witnessed astronomical growth over time based on the company's sterling reputation for reliability and quality, with prospect of further growth. To consolidate its high profile clientele and further attract more strategic patronage, Conoil is continually launching aggressive marketing drive which builds on its competitive selling proposition, products security and world class service delivery. Already, it is breaking new grounds across the country and efforts are yielding positive results.

| | | | |
|---|---|---|---|
| **Directors:** | Dr Mike Adenuga (Jr), GCON | - Chairman | |
| | Mr. Kheterpal Hardeep Singh | - Ag. Managing Director | Appointed 29 August 2018 |
| | Mr. Pandey Ajay | - Ag. Managing Director | Resigned on 30 September 2018 |
| | Dr. M. Ebietsuwa Omatsola | - Director | |
| | Mr. Mike Jituboh | - Director | |
| | Mr. Ike Oraekwuotu | - Director | |
| | Engr. Babatunde Okuyemi | - Director | |
| | Mr. Joshua Ariyo | - Director | |
| | Mr. Ademola Idowu | - Director | |
| | Arch. Harcourt Adukeh | - Director | |
| | Miss Abimbola Michael-Adenuga | - Executive Director | |
| | Mr. Salam Ismail Ajani | - Executive Director | Appointed on 19 July 2018 |
| | Mr. Akinyemi Ibrahim Akinlawon | - Executive Director | Resigned on 1 August 2018 |

**Company Secretary:** Mr. Conrad Eberenu

**RC Number:** 7288

**Registered Office:**
Bull Plaza
38/39 Marina
Lagos
www.conoilplc.com

**Auditors:**
Nexia Agbo Abel & Co
43 Anthony Enahoro Street
Utako
FCT Abuja.
www.nexianigeria.com

**Registrars:**
Meristerm Registrars Limited
213 Herbert Macaulay Way
Adekunle,
Yaba,
Lagos.
www.meristermregistrars.com

**Bankers:**
First Bank of Nigeria Limited
Guaranty Trust Bank Plc
Sterling Bank Plc

# RESULTS AT A GLANCE

Conoil

| | 2018 N'000 | 2017 N'000 | % Change |
|---|---|---|---|
| Revenue | 122,213,014 | 115,513,246 | 5.8 |
| Profit before taxation | 2,566,765 | 2,304,627 | 11.4 |
| Taxation | (770,723) | (726,120) | 6.1 |
| Profit for the year | 1,796,042 | 1,578,507 | 13.8 |
| Retained earnings | 14,129,328 | 13,721,190 | 3.0 |
| Share capital | 346,976 | 346,976 | - |
| Shareholders' funds | 18,301,074 | 17,892,936 | 2.3 |
| Per share data | | | |
| Earnings per share (kobo) | 259 | 227 | 13.8 |
| Dividend per share (kobo) | 200 | 200 | - |
| Net assets per share (kobo) | 2,637 | 2,578 | 2.3 |

# NOTICE OF ANNUAL GENERAL MEETING

Conoil

Notice is hereby given that the forty-ninth Annual General Meeting of the members of Conoil Plc will be held at Ibom Hotel and Golf Resort, Uyo, Akwa Ibom State on Friday, 16 August 2019 at 11.00am for the transaction of the following business:

**ORDINARY BUSINESS**

1. To receive the Report of the Directors and the Statement of Financial position as at 31 December 2018 together with the Statement of Profit or Loss and Other Comprehensive Income for the year ended on that day and the Reports of the Auditors and the Audit Committee thereon.
2. To declare a dividend.
3. To elect and re-elect Directors.
4. To authorize the Directors to fix the remuneration of the Auditors.
5. To elect members of the Audit Committee.

**SPECIAL BUSINESS**

6. To fix the remuneration of the Directors by Special Resolution.

**NOTES:**

**1. Proxy**

A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him or her. A proxy need not also be a member of the Company. If a proxy form is to be valid for the purposes of the meeting, it must be stamped by the Commissioner of Stamp Duties and deposited at the office of the Registrar, Meristem Registrars Limited, 213, Herbert Macaulay Way, Adekunle, Yaba, Lagos not less than 48 hours before the time fixed for the meeting.

**2. Payment of Warrants**

If the dividend recommended by the Directors is approved at the Annual General Meeting, the dividend warrants will be posted on Friday, 23 August 2019 to members whose names appear in the Register of Members at the close of business on Friday, 2 August, 2019.

**3. Closure of Register**

The Register of Members and the Transfer Books of the Company will be closed from Monday, 5 August 2019 to Friday, 9 August 2019 both days inclusive, to enable the preparation and payments of dividends.

**4. Nominations for the Audit Committee**

In accordance with Section 359(5) of the Companies and Allied Matters Act CAP C 20 LFN 2004, any member may nominate a shareholder as a member of the Audit Committee by giving in writing, notice of such nomination at least 21 days before the date of the Annual general Meeting. Such nominations should be guided by the requirements of the Securities & Exchange Commission's Code of Corporate Governance for Public Companies in Nigeria, 2011.

**5. Right of Shareholders to Ask Questions**

Shareholders have a right to ask questions not only at the meeting but also in writing prior to the meeting and such questions must be submitted to the Company Secretary on or before Friday, 9 August 2019.

**6. Unclaimed Dividend Warrants and Share Certificates**

Several Dividend Warrants and Share Certificates of some members remain unclaimed or, are yet to be presented for payment or returned to the Company for revalidation. A list of such members will be circulated with the Annual Report for the year ended 31st December 2018. Those who are affected are advised to write to the Company's Registrars.

**7. e-Dividend Mandate.**

Shareholders are hereby advised to open bank accounts, stockbroking and CSCS accounts for the purpose of timely receipt of dividend payments. A detachable e-dividend mandate activation Form will be included in the Annual Report and also available at the office of the Registrars to enable all shareholders furnish particulars of their bank accounts / CSCS details to the Registrars as soon as possible. Further, all unregistered investors/members for E-Dividend payment are advised to take advantage of the Securities and Exchange Commission's Unclaimed Dividend Retrieval Process by searching for their unclaimed dividend and downloading the e-mandate forms at http://www.sec.gov.ng/non-mandated/. Downloaded forms should be filled and submitted through the Bank or Registrar.

**BY ORDER OF THE BOARD**

**Conrad Eberemu**
Company Secretary / Legal Adviser.
FRC/2017/NBA/00000016701
**16 July 2019.**

**Conoil Plc,**
**Bull Plaza,**
**38 / 39, Marina,**
**Lagos.**

**Distinguished shareholders,**

It is with great sense of joy and fulfillment that I welcome you all, on behalf of the Board of Directors, to the 49th annual general meeting of our company; the nation's complete energy provider. It is also my pleasure to present to you, your company's financial statements and report, plus a review of its performance for the year ended 31st December 2018.

Although the economy generally witnessed far-reaching challenges with some consequences on the various sectors during the year under review, I am pleased to inform you that your company, through dynamic and proactive steps taken by the board and management, modestly achieved its strategic goals and delivered competitive profitability.

As a prelude to our company's financial performance in 2018 therefore, please permit me to briefly examine the significant developments in the industry; in particular, and the economy in general, that impacted our results.

**Background**

The year started with great hopes that the tough business climate experienced in 2017 would improve and become conducive to the pursuit of our long term profitable plans.

The relative stability in the Nigerian oil and gas industry from the second half of 2017 continued in the early part of the year under review, with average daily crude oil production rising to around 2.0 million barrels in the first quarter of 2018 from 1.86 million barrels in the fourth quarter of the preceding year. The price of crude oil in the international market rebounded by more than 40 percent to over $70 per barrel, aided mainly, by the continued geopolitical tension in the Middle East and Korean Peninsula.

The Central Bank of Nigeria (CBN) maintained a non-expansionary monetary policy stance in the first half of 2018, with the monetary policy rate (MPR) kept at 14.0 per cent. Consequently, average exchange rate of the naira to the US dollar, at the inter-bank and BDC segments, appreciated by 0.03 and 0.5 percent, respectively, to N305.79/US$ and N362.25/US$.

Headline inflation rate according to the Nigeria Bureau of Statistics (NBS) trended down to 11.23 percent from 16.5 percent. The country's foreign reserves rose to US$47.16 billion at end-June 2018 from $40.4 billion at the end of 2017.

The economy however, experienced slow growth in the second half of the year under review. Oil production slumped to 1.85 million b/d, while manufacturing expansion slowed to 0.68 percent..

Despite the federal government's concerted efforts to reverse the odds in the supply of electricity, the crisis in the Nigerian energy sector still constituted a hindrance to socio-economic transformation and consequently, capacity utilization in the manufacturing sector.

The oil industry still awaits the passage of the Petroleum Industry Bill (PIB), which aims at establishing a progressive fiscal framework that will encourage further investment in the petroleum industry whilst optimizing accruable revenues to the Federal Government, by the National Assembly into law.

The uncertainty over government's plan to fully deregulate the downstream petroleum sector continued to pose serious challenges to operators in the sector, including your company. The prohibitive cost implication of importing petroleum products, especially Premium Motor Spirit (PMS) on the back of crippling bank charges, posed a critical challenge to the operations of the downstream companies during the year. Local supplies of petroleum products was near non-existent because the refineries continued to operate in fits.

**How We Fared**

I am pleased to report that Conoil emerged as a stronger, more competitive company in 2018. There is no gain saying that the business environment was rough and tough, but we remained focused on our strategic growth plans, drawing from our inherent resilience and dynamism as world-class company and the marketer of choice.

Thus, in spite of the enormous challenges in the operating environment in the year under review, our revenue grew by 5.8% to reach N122,213,014, as against N115,513,246 posted in 2017. Profit before tax soared to N2,566,765 from N2,304, 627 posted in 2017, representing 11.4% increase, while profit after tax also rose to N1,796,042 from N1,578,507, or 13.8% increase.

It is noteworthy that your company managed the challenges properly and ended the year creditably. We took pragmatic steps to tackle the turbulent conditions in some of our key markets. We embarked on strategic cost reduction, while ensuring that the future growth potential of our business was not sacrificed.

> ***"We embarked on strategic cost reduction, while ensuring that the future growth potential of our business was not sacrificed."***

We continued to develop our product portfolio to meet the ever-changing demands of customers. As the marketer of first choice, your company is reputable for spotting new markets and cashing in on emerging opportunities in order to create value for our shareholders and remain far ahead of competition.

**Dividend**

The board of directors proposes, for your approval the sum of N1,387,904 as dividend payable to all shareholders. This translates to a dividend of 200 kobo for every 50 kobo share held. This proposal is informed by the realities in the industry in the industry which make it expedient for the company to fortify its capital base. This will ensure that we are properly positioned for emerging opportunities. On behalf of the board of directors I would like to assure you all that we remain committed to delivering solid financial results with competitive and better returns to you, our valuable shareholders.

**Staff**

Our rich history cannot be complete without mentioning and acknowledging the commitment of our ever dependable members of staff. For me and other members of our board, an excellent workforce is a sine qua non for greatness. The success story we tell today would not be possible without their dedication, hard work and loyalty.
It gives me great pleasure to acknowledge the fact that your company parades some of the best hands in the industry. They drive our vision of adding value to the lives of our customers across the country. They are at the core of everything we do. On behalf of my colleagues on the board, I thank them most sincerely for this excellent performance.

We will continue to recognize competence and capabilities of our staff through competency modeling to help identify and place the right person in the right job. We will continue to identify competency gaps and bridge such gaps through appropriate training and developmental programs. We remain committed to our corporate tradition of giving continuing development to all employees, regardless of gender, nationality, race, creed or disability.

**Corporate social responsibility**

Maintaining a balance between our business goals and social responsibility has become our long standing tradition as a corporate entity. We are always ready to bring succor to the underprivileged around us and as we expanded our operations across the country in 2018, we supported developmental initiatives that impacted positively on the communities and the people. We were guided by our objective of remaining a good corporate citizen, and a responsible and responsive member of the society.

Your company also maintained its record as a leading promoter of sustainable environment throughout the period under review. You would agree with me that the long term success of our business is closely tied not only to the wellbeing of the community in which we operate, but also to the vitality of the environment. In the light of this, Conoil would continue to manage and grow its business in a responsible and sustainable manner. We believe this would serve the best interests of both the business and all our stakeholders.

**Future prospects**

The prospects for the rebound of both the national and global economy in 2019 look dicey based on trends at the close of 2018. The International Monetary Fund (IMF) projected that the world economy would grow by 3.5% in 2019 from 3.7% in 2018.

The Nigerian economic growth has been slower than expected and it is still driven by oil prices. A surge or sudden drop in the price of crude oil in the international market could pose problems.

But we acknowledge the federal government's promise of sweeping reforms in the critical sectors of the nation's economy to stimulate economic recovery, growth and progress.

For us in Conoil, we will leverage our proven pedigree and cutting-edge advantage in technical expertise and service delivery to take maximum advantage of growth opportunities emerging from the reforms. We have invested in new facilities and also significantly increased the level of support behind our brands.

Every segment of our business will continue to receive the desired attention with a view to maintaining world class levels of operating and capital discipline.

We believe that the future holds a lot of promise for our shareholders and that the company will surely reward their steadfastness and unwavering faith in its prospects. Indeed, your company will maintain its leading position in the downstream petroleum sector through new initiatives in product development, service delivery, and best practices, while delivering value to all our stakeholders.

***"Every segment of our business will continue to receive the desired attention with a view to maintaining world class levels of operating and capital discipline."***

**Conclusion**

In the face of uncertainties, what counts is being trusted to deliver. We are committed to delivering excellent returns and building value for our customers, our employees and, of course, our distinguished shareholders.

While I thank you most sincerely for your valuable support and understanding over the years, I enjoin you all to look forward to another success story in 2019.

Thank you all.

**Dr. Mike Adenuga (jr), GCON, CSG, CLH**
Chairman


Cooking has never been safer
Congas
Congas...4Sure
- Quality
- Quantity
- Safty
- Reliability
...we go the extra mile
Conoil

The Directors hereby submit to the members, their Annual Report together with the Audited Financial Statements for the year ended 31 December 2018.

**1. Legal status**

Conoil Plc (formerly National Oil and Chemical Marketing Plc) was incorporated in 1960 as a private limited liability company - Shell Nigeria Limited. In April 1975, the Federal Government of Nigeria acquired 60% shares of the Company through the Nigerian National Petroleum Corporation (NNPC) and the Company became known as National Oil and Chemical Marketing Company (NOLCHEM). The Company was later converted to a public company and in the year 2000, the Federal Government of Nigeria through the Bureau of Public Enterprises (BPE) bought 40% issued ordinary shares of the Company held by Shell Company of Nigeria (UK) Limited. After the privatization of the Company, Conpetro Limited acquired 60% of the issued shares of the Company. As a result of a rights offering by the Company in 2002, Conpetro Limited now holds 74.4% of the issued capital while members of the Nigerian public hold the remaining 25.6% stake in the Company. The Company's name was formally changed from National Oil and Chemical Marketing Plc to Conoil Plc on the 14th day of January, 2003.

**2. Principal activities**

The principal activities of the Company are the marketing of refined petroleum products, manufacturing and marketing of lubricants, household and liquefied petroleum gas for domestic and industrial use.

**3. Result for the year**

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

| | 2018 N'000 | 2017 N'000 | % Change |
|---|---|---|---|
| Revenue | 122,213,014 | 115,513,246 | 5.8 |
| Profit before taxation | 2,566,765 | 2,304,627 | 11.4 |
| Profit after tax | 1,796,042 | 1,578,507 | 13.8 |
| Proposed dividend | 1,387,904 | 1,387,904 | - |
| Share capital | 346,976 | 346,976 | - |
| Shareholders' funds | 18,301,074 | 17,892,936 | 2.3 |

**4. Dividends**

The Directors recommend the payment of a dividend of 200 kobo per share on the results for the year 2018.

**5. Changes on the Board of Directors**

The names of the Directors that served during the year are as listed on page 2

**I.MR. PANDEY AJAY** (Indian) resigned from his appointment as Ag. Managing Director of the Company with effect from 30 September 2018.

**ii.MR. AKINYEMI IBRAHIM AKINLAWON** resigned from his appointment as Executive Director, Finance of the Company with effect from 1 August 2018.

**iii.MR. ISMAIL SALAM** was appointed as Ag. Executive Director, Finance of the Company with effect from 19 July 2018.

**iv.MR. HARDEEP KHETERPAL** was appointed as Ag. Managing Director of the Company with effect from 29 August 2018.

**6. Directors' interest in shares**

The interest of Directors, direct and indirect, in the shares of the Company as recorded in the Register of Directors' shareholdings and/or as notified by them for purposes of section 275 and 276 of the Companies and Allied Matters Act, CAP C 20 LFN 2004 is as follows:

| Directors | Direct Number | Indirect Number | Total 2018 Number | Total 2017 Number |
|---|---|---|---|---|
| * Dr Mike Adenuga (Jr), GCON | Nil | 103,259,720 | 103,259,720 | 103,259,720 |
| Mr. Hardeep Kheterpal (Indian) | Nil | Nil | Nil | Nil |
| Dr M. E. Omatsola | 541 | Nil | 541 | 541 |
| Engr Babatunde Okuyemi | 8,500 | Nil | 8,500 | 8,500 |
| Mr Mike Jituboh | Nil | Nil | Nil | Nil |
| Mr Ike Oraekwuotu | Nil | Nil | Nil | Nil |
| Miss Abimbola Michael - Adenuga | Nil | Nil | Nil | Nil |
| Arch Harcourt Adukeh | Nil | Nil | Nil | Nil |
| Mr Joshua Ariyo | 25,365 | Nil | 25,365 | 25,365 |
| Mr Ademola Idowu | 15,125 | Nil | 15,125 | Nil |
| Mr. Ismail Salam | Nil | Nil | Nil | Nil |

***Representing Conpetro Limited**

**7. Contracts**

For the purposes of Section 277 of the Companies and Allied Matters Act CAP C20 LFN 2004, none of the Directors has notified the Company of any disclosable interests in contracts involving the Company during the year.

**8. Shareholdings**

As at 31 December 2018, the range of shareholdings of the Company was as follows:

| Share Range | No of Holders | Holders' % | Holders' Cum | Units | % Units | Units Cum |
|---|---|---|---|---|---|---|
| 1 - 1,000 | 126,136 | 88.44 | 126,136 | 52,379,498 | 7.55 | 52,379,498 |
| 1,001 - 5,000 | 14,294 | 10.02 | 140,430 | 25,798,561 | 3.72 | 78,178,059 |
| 5,001 - 10,000 | 1,055 | 0.74 | 141,485 | 7,589,969 | 1.09 | 85,768,028 |
| 10,001 - 50,000 | 892 | 0.63 | 142,377 | 18,062,234 | 2.60 | 103,830,262 |
| 50,001 - 100,000 | 117 | 0.08 | 142,494 | 8,261,130 | 1.19 | 112,091,392 |
| 100,001 - 500,000 | 106 | 0.07 | 142,600 | 21,823,958 | 3.14 | 133,915,350 |
| 500,001 - 1,000,000 | 13 | 0.01 | 142,613 | 8,755,251 | 1.26 | 142,670,601 |
| 1,000,001 - and above | 9 | 0.01 | 142,622 | 551,281,116 | 79.44 | 693,951,717 |
| | **142,622** | **100.00** | | **693,951,717** | **100** | |

**9. Major shareholding**

According to the register of members, no shareholder of the Company other than Conpetro Limited, as noted below, held more than 5% of the issued shares of the Company as at 31 December 2018.

The shares of the Company were held as follows:

| | 2018 Number of shares | % | 2017 Number of shares | % |
|---|---|---|---|---|
| Conpetro Limited | 516,298,603 | 74.40 | 516,298,603 | 74.40 |
| Other Shareholders | 177,653,514 | 25.60 | 177,653,514 | 25.60 |
| **Total** | **693,952,117** | **100.00** | **693,952,117** | **100.00** |

**10. Share capital history**

Conoil Plc ("Company"), which commenced operations in 1927 under the name Shell Trading Company, was incorporated as a limited liability company in 1960 and converted to a public limited liability company in 1991. Prior to 1991, it had an authorised share capital of N28 million divided into 14 million ordinary shares of N2.00 each, all of which were fully issued and paid up. These shares were sub-divided into ordinary shares of 50 kobo each in 1991. In 2002, the authorised share capital of the Company was increased to N350 million divided into 700 million ordinary shares of 50 kobo each. As at 2004, 694 million ordinary shares of 50 kobo each were issued and paid up.

| Year | Authorised Increase N | Share Capital Cumulative N | Issued & Increase N | fully paid Cumulative N | Number of shares | Consideration |
|---|---|---|---|---|---|---|
| Pre - 1991 | - | 28,000,000 | - | 28,000,000 | 14,000,000 | - |
| 1991 | 47,000,000 | 75,000,000 | - | 28,000,000 | 56,000,000 | Share split |
| 1991 | - | 75,000,000 | 28,000,000 | 56,000,000 | 112,000,000 | Bonus (1:1) |
| 1995 | 125,000,000 | 200,000,000 | 28,000,000 | 84,000,000 | 168,000,000 | Bonus (2:1) |
| 1996 | - | 200,000,000 | 42,000,000 | 126,000,000 | 252,000,000 | Bonus (2:1) |
| 1997 | - | 200,000,000 | 21,000,000 | 147,000,000 | 294,000,000 | Bonus (6:1) |
| 1998 | - | 200,000,000 | 24,500,000 | 171,500,000 | 343,000,000 | Bonus (6:1) |
| 2002 | 150,000,000 | 350,000,000 | - | 171,500,000 | 343,000,000 | - |
| 2003 | - | 350,000,000 | 117,647,059 | 289,147,059 | 578,294,117 | Convertible loan stock |
| 2004 | - | 350,000,000 | 57,829,000 | 346,976,059 | 693,952,117 | Bonus (5:1) |

### 11. Dividend payment history

| DIV No. | DIV. Type | Year ended | Declaration date | Dividend rate per share N | Total amount of dividend gross N | Total amount of dividend net N |
|---|---|---|---|---|---|---|
| 12 | Final | 31/12/2001 | 21/06/2002 | 0.50 | 171,500,000.0 | 154,350,000.0 |
| 13 | Final | 31/12/2002 | 20/06/2003 | 2.00 | 686,000,000.0 | 617,400,000.0 |
| 14 | Final | 31/12/2003 | 27/08/2004 | 3.50 | 2,024,029,409.5 | 1,821,626,468.6 |
| 15 | Final | 31/12/2004 | 25/11/2005 | 2.00 | 1,387,904,234.0 | 1,249,113,810.6 |
| 16 | Final | 31/12/2005 | 27/10/2006 | 2.50 | 1,734,880,292.5 | 1,561,392,263.3 |
| 17 | Final | 31/12/2006 | 31/08/2007 | 2.75 | 1,908,368,321.8 | 1,717,531,489.6 |
| 18 | Final | 31/12/2007 | 29/08/2008 | 2.75 | 1,908,368,321.8 | 1,717,531,489.6 |
| 19 | Final | 31/12/2008 | 18/12/2009 | 1.00 | 693,952,117.0 | 624,556,905.3 |
| 20 | Final | 31/12/2009 | 22/10/2010 | 1.50 | 1,040,928,175.5 | 936,835,358.0 |
| 21 | Final | 31/12/2010 | 24/06/2011 | 2.00 | 1,387,904,234.0 | 1,249,113,810.6 |
| 22 | Final | 31/12/2011 | 30/08/2012 | 2.50 | 1,734,880,292.5 | 1,561,392,263.3 |
| 23 | Final | 31/12/2012 | 04/10/2013 | 1.00 | 693,952,117.0 | 624,556,905.3 |
| 24 | Final | 31/12/2013 | 30/09/2014 | 4.00 | 2,775,808,468.0 | 2,498,227,621.2 |
| 25 | Final | 31/12/2014 | 23/10/2015 | 1.00 | 693,952,117.0 | 624,556,905.3 |
| 26 | Final | 31/12/2015 | 28/10/2016 | 3.00 | 2,081,856,351.0 | 1,873,670,715.9 |
| 27 | Final | 31/12/2016 | 11/08/2017 | 3.10 | 2,151,251,562.7 | 1,936,126,406.4 |
| 28 | Final | 31/12/2017 | 29/06/2018 | 2.00 | 1,387,904,234.0 | 1,249,113,810.6 |

### 12. Property, plant and equipment

Changes in the value of property, plant and equipment were due to additions and depreciation as shown in Note 15. In the opinion of the Directors, the market value of the Company's properties is not lower than the value shown in the financial statements.

### 13. Suppliers

The major supplier of the Company's products is Petroleum Products Marketing Company Limited (PPMC), a subsidiary of Nigerian National Petroleum Corporation (NNPC).

### 14. Distribution network

The distribution of the Company's products is done through its own network of branches, numerous dealers and distributors who are spread around the country. The Company has 395 dealers and distributors.

Some of the Company's major dealers and distributors are as follows:

| S/No. | Dealer | Station | Location of station |
|---|---|---|---|
| 1. | Alhaja Bola Alanamu | Marina Service Station | Marina, Lagos Island, Lagos. |
| 2. | Mrs Julianah Ofurhe | Alapere Mega Station | 3rd Axial Road, Lagos - Ibadan Expressway, Alapere Area, Lagos. |
| 3. | Capt. A. Adeyinka | Kilometer 10 | FAAN Local Airport, Km. 10 Agege Motor Road, Ikeja, Lagos. |
| 4. | Mrs M. O. Labinjo | Airport Road Station | Murtala Muhammed Airport Road, Lagos. |
| 5. | Mrs Lami Ahmed | Herbert Macaulay Filling Station, Abuja | Plot 763, Herbert Macaulay Way, CBD, FCT, Abuja. |
| 6. | Mr Akin Olanrewaju | Kado Mega Station, Abuja | B5, Cadastral Zone, Kado Estate, Kado, FCT, Abuja. |
| 7. | Mr Samuel Dixon | Iganmu Station | Old Apapa Road, by Costain Roundabout, Iganmu, Lagos. |
| 8. | Mr Sheyi Adebayo | Eric Moore Service Station | Eric Moore Road, Eric Moore, Surulere, Lagos. |
| 9. | Mrs Rewane-Fabyan | Hughes Avenue Service Station | Herbert Macaulay Way, Alagomeji, Yaba, Lagos. |
| 10. | Mr Tunde Ogundele | Toll Gate Mega Station | Along Lagos - Ibadan Expressway, near old Toll gate, Alausa, Lagos. |

**14. Distribution network** (Continued)

| S/No. | Dealer | Station | Location of station |
|---|---|---|---|
| 11. | Mrs C. O. Okonede | Western Avenue Service Station | Western Avenue, Barracks Bus Stop, Surulere, Lagos. |
| 12. | Mrs Rose Osipitan | Ipaja Station | Ipaja Road, Ipaja, Lagos. |
| 13. | Mr Adewale Adeleye | G.R.A Mega Station | Oba Akinjobi Road, by GRA Roundabout, Ikeja, Lagos. |
| 14. | Capt. Toriseju Ogisi | Cele Mega Station | Cele Bus Stop, Apapa - Oshodi Expressway, Lagos. |
| 15. | Mr Abimbola Olawale | Ikate - Lekki Mega Station | Ikate Elegushi/Lekki, Lekki - Epe Expressway, Lagos. |
| 16. | Mr Kadiri Yunusa | Durumi Mega Station,Abuja | B5, Cadastral Zone, Durumi District, Area 1, Durumi, FCT, Abuja. |
| 17. | Mr Samuel Okorho | Lugbe Extension Mega Station | Plot 199 Cadastral Zone, Airport Road, Lugbe District, Abuja, F.C.T. |
| 18. | Golddust Ventures | Utako Mega Station | Utako Cadastral Zone B5, Utako District, Abuja, F.C.T. |
| 19. | Philip Dillon Ikpaikpai | Obio Mega Station | Port Harcourt – Aba Express Way, Market Junction, Port Harcourt City, Rivers State. |
| 20. | A.M and Sons | Kaita Road, Service Station | Kaita Road, Katsina. |
| 21. | A. Likoro | Sokoto Road, Service Station | Sokoto Road, Zaria. |
| 22. | Ubolo Okpanachi | Garki Service Station | 42 Festival Road, Area 10, Garki, Abuja, F.C.T. |
| 23. | Mr Akinyemi Omoyeni | Chevron Mega Station | Lekki – Epe, Express Way, Chevron Roundabout. |
| 24. | Mr Adebambo Bashorun | Ajah Mega Station | Lekki – Epe Express Way, Ajah |
| 25. | Mr Olubusuyi Oladele | Kilometer 2 Service Station | FAAN Local Airport, Km. 2, Ikeja. |
| 26. | Mrs Sumbo Agbabiaka | Oregun Service Station | Kudirat Abiola way, Oregun Ikeja. |
| 27. | Mrs Tola Aworh | Poly South Service Station | South Gate, The Polytechnic, Ibadan. |
| 28. | Mr Martins Abiloye | Mile 2 Mega Station | 109 Ikwerre Road, by Ikoku Junction, Port Harcourt. |
| 29. | Alhaji Mohammed Okeji | Millenium Estate Service Station | Plot 3283 Sabon Lugbe Extension, Airport Road, Lugbe, Abuja. |

**15. Post balance sheet events**

There were no post balance sheet events which could have had a material effect on the state of affairs of the Company as at 31 December 2018 and on the profit for the year to that date which have not been adequately provided for.

**16. Shareholders relations**

The Company is conscious of and promotes shareholders' rights. It continues to take necessary steps to improve on same. The benefits from contributions, advice and wisdom from the shareholder members of the statutory Audit Committee remain invaluable.

**17. Employment and employees**

**(I). Employment of disabled persons**

The Company's employment policies ensure that there is no discrimination in considering application for employment including those of disabled persons. As at 31 December 2018, no disabled person was in the employment of the Company.

**(ii). Employees involvement**
During the year, the Company maintained good relationship with its employees. To enhance communication between management and staff, management briefings were extended to all levels of staff during the year. These efforts were supplemented by regular consultative departmental/divisional meetings and in-house bulletins to keep employees informed on the state of the Company's operations.

**(iii).Employees development**
The development and training of the Company's staff continue to receive constant attention. It is the belief of the Company that the professional and technical expertise of its staff constitutes a major asset.

**(iv).Welfare**
The Company operates a contributory pension scheme under the Pension Reform Act, 2014 for the benefit of its employees.

**(v). Health**
The Company maintains well-equipped medical clinics at its head office and other major operational/manufacturing locations. This is complemented by free medical services during and after working hours by medical retainers in locations across the country. Staff also enjoy medical insurance with negotiated bulk benefits from credible Health Maintenance Organizations under the National Health Insurance Scheme (NHIS).

**(vi).Safety and environment**
To enhance the health and safety of all employees, safety regulations are conspicuously displayed and enforced in all the Company's offices and installations.
The Company carries out safety and operations inspections on a regular basis. It also provides safety equipment in all its installation and retail outlets. In addition, safety training is provided for staff. Fire- fighting drills are regularly carried out to keep workers at alert in the event of a fire outbreak. The Company lays emphasis on industrial hygiene, and inspection, and provides good sanitary facilities for its employees. The Company ensures non-pollution of the environment within its areas of operation.

**18. Compliance with code of corporate governance**
In the conduct of its business, Conoil Plc ensures the observance of the highest standard of corporate governance. It complies particularly with the provisions of Code of Best Practices on Corporate Governance in Nigeria. The Company adopts a responsible approach in its activities by maintaining a high standard of openness and accountability while also taking into consideration the interest of stakeholders.
During the year under review, Conoil Plc duly observed all regulations guiding its activities. Conoil Plc established structures/mechanism to enhance its internal control while the effectiveness of measures for enhancing operational and compliance control are constantly reviewed.

**18.1The Board**
The Board during the period of year 2018 had a Non-Executive Director as Chairman, six (6) other Non- Executive Directors, three (3) Executive Directors and one (1) Independent Director. It provided the required leadership for the Company for prudent and effective risk management while it also ensured that resources were available to enable the Company achieve its aims. The Board also reviewed the performance of Management. The Board during the year held four (4) meetings on Thursday, 18th January 2018; Monday, 21st May 2018; Friday, 24th August 2018; and Wednesday, 5th December 2018. Attendance at the meetings was excellent.

**18. Compliance with code of corporate governance (Continued)**
**18.1 The Board (Continued)**

| Names of Directors | 18th January 2018 | 21st May 2018 | 24th August 2018 | 5th December 2018 |
|---|---|---|---|---|
| Dr Mike Adenuga (Jr), GCON | P | P | P | P |
| Mr Ajay Pandey (Managing Director) | P | P | P | R |
| Mr. Hardeep Kherterpal (Ag. Managing Director) | N | N | N | P |
| Dr M. E. Omatsola | P | P | P | P |
| Engr. Babatunde Okuyemi | P | P | A | P |
| Mr Mike Jituboh | P | P | P | P |
| Mr Ike Oraekwuotu | P | P | P | P |
| Miss Abimbola Michael - Adenuga | P | P | P | P |
| Arch. Harcourt Adukeh | P | P | P | P |
| Mr. Akinyemi Ibrahim Akinlawon (Exec. Director, Finance) | P | P | R | R |
| Mr. Ismail Salam (Ag. Exec. Director, Finance) | N | N | P | P |
| Mr Joshua Ariyo | A | P | P | P |
| Mr Ademola Idowu | P | P | P | P |

**Attendance keys: P**=Present; **A**=Absent with apology; **N**=Not yet appointed, **R**=Resigned.

**18.2 Board committees:**
In observance of the Code of Best Practices in Corporate Governance, the Board established the following

**I. The Executive Board Committee**
The Executive Board Committee, led by the Acting Managing Director and comprising the Executive Directors, sets the Company's priorities and targets, allocates resources and ensures the effective running of the Company. The Executive Board ensures that the Company's resources are fully utilized to meet the Company's goals. The Committee held five (5) meetings on Monday, 29th January 2018; Tuesday, 3rd April 2018; Tuesday, 17th July 2018; Monday, 10th September 2018; and Friday 14th December 2018.

| Names | 29th January 2018 | 3rd April 2018 | 17th July 2018 | 10th September 2018 | 14th December 2018 |
|---|---|---|---|---|---|
| Mr. Ajay Pandey (Managing) | P | P | P | P | Resigned |
| Mr. Hardeep Kherterpal (Ag. Managing Dir) | N | N | N | N | P |
| Miss Abimbola Michael - Adenuga | P | P | P | P | P |
| Mr. Akinyemi Ibrahim Akinlawon (Exec. Dir) | P | P | P | R | R |
| Mr. Ismail Salam (Ag. Exec. Director, Finance | N | N | N | P | P |

**Attendance keys: P**=Present; **A**= Absent with apology; **N**=Not yet appointed;

**ii. Operation Review Committee**
Members of this Committee are one Executive Director, two non-executive Directors and Head, Internal Audit with the non-executive Director as Chairman of the Committee. The Committee deliberates on matters relating to the general Operating Expenditure (OPEX), Capital Expenditure (CAPEX), general finance and administration of the Company and reports same to the Board. The Committee held three (3) meetings on Thursday, 17th May 2018; Thursday, 23rd August 2018; and Monday, 19th November 2018. The meetings were well attended.

| Names | 17th May 2018 | 23rd August 2018 | 19th November 2018 |
|---|---|---|---|
| Miss Abimbola Michael-Adenuga | P | P | P |
| Mr. Mike Jituboh | P | P | P |
| Mr. Joshua Ariyo | P | P | P |
| Peter K. Awokulehin (Head, Internal Audit) | P | R | R |
| Mr. John Ajao (Head, Internal Audit) | N | P | P |

**Attendance keys: P**=Present; **A**=Absent with apology; **N**=Not yet appointed, **R**=Resigned.

**18. Compliance with code of corporate governance (Continued)**

**iii. Risk Management Committee**

The Committee is responsible for evaluating and handling issues relating to risk management in the Company. The Committee held three (3) meetings on Tuesday, 30th January 2018, Wednesday, 4th July 2018 and Thursday, 4th October 2018. The meetings were well attended.

| Names | 30th January 2018 | 4th July 2018 | 4th October 2018 |
|---|---|---|---|
| Dr. M. E. Omatsola | P | P | P |
| Mr. Joshua Ariyo | P | P | P |
| Mr. Ike Oraekwuotu | P | P | P |
| Mr. Peter Awokulehin (Head, Internal Audit) | P | R | R |
| Mr. John Ajao (Ag. Head, Internal Audit) | N | P | P |
| Mr. Edim Aikpo (Financial Controller) | P | P | P |

**Attendance keys: A**=Absent; **P**=Present; **N**=Not yet appointed, **R**=Resigned.

**iv. Remuneration Committee**

The Committee acts on behalf of the Board on all matters related to the workforce. The Committee held two (2) within the year on Monday, 9th April 2018 and Friday, 28th September 2018. The meetings were well attended.

| Names | 9th April 2018 | 28th September 2018 |
|---|---|---|
| Mr. Mike Jituboh | P | P |
| Mr. Ike Oraekwuotu | P | P |
| Mr. Ademola Idowu | P | P |
| Miss Abimbola Michael - Adenuga | P | P |
| Mr. Edim Aikpo (Financial Controller) | P | P |

**Attendance keys: P**=Present.

**18.3 Audit Committee**

In compliance with Section 359 (3) of the Companies and Allied Matters Act, CAP C20 LFN 2004 and Section 11, Part E of the amended Code of Corporate Governance, the Company has in place an Audit Committee consisting of six members, three of whom are representatives of shareholders and three Non-Executive Directors with the Company Secretary/Legal Adviser as the Secretary. The Committee has as its Chairman, a member representing the shareholders and holds meeting from time to time to deliberate on audit scope and Plan, the time table of the Company for the year, the audited accounts and unaudited trading results of the Company. They also review the Management Letter prepared by the External Auditors of the Company.

The Committee carries out an oversight of the Company's financial controls, the internal audit functions as well as assessing the external audit process including relating with the external auditors. These are in addition to the review of the risk management systems.

In the performance of its functions, the Committee has unrestricted, direct access not just to the internal audit department but also to the external auditors.

Any member may nominate a shareholder as member of the Audit Committee, by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting. The Committee held four (4) meetings within the year ended 31 December 2018. The meetings were held on Monday, 5th February 2018; Monday, 7th May 2018; Tuesday, 17th July 2018; and Friday, 26th October 2018. All meetings were well attended.

| Names | Designation | 5th February 2018 | 7th May 2018 | 17th July 2018 | 26th October 2018 |
|---|---|---|---|---|---|
| Mr. Oladepo Olalekan Adesina | Chairman rep. of Shareholders | P | P | P | P |
| Chief Joshua Oluwole Oginni | Member rep. of Shareholders | P | P | P | P |
| Comrade S.B. Aderenle | Member rep. of Shareholders | P | P | P | P |
| Mr. Mike Jituboh | Non-Executive Director | P | P | P | P |
| Mr. Ike Oraekwuotu | Non-Executive Director | P | P | P | P |
| Mr. Akinyemi Ibrahim Akinlawo | Executive Director | P | P | P | R |
| Mr. Ismail Salam (Ag. Executive) | Executive Director | N | N | N | P |

**Attendance keys: P**=Present; **A**=Absent with apology; **N**=Not yet appointed, **R**=Resigned.

**18. Compliance with code of corporate governance (Continued)**
**18.4 Management Committees**

### I. Executive Management Committee

The Committee is comprised of Senior Management staff and Heads of Department. The Committee holds its meetings every Friday to deliberate on daily management operations, business reviews, targets and sundry issues. Members of the Committee are:

| | |
|---|---|
| Managing Director | -Chairman |
| Finance Director | -Member |
| Head, Retail | -Member |
| Deputy Head, Retail | -Member |
| Executive Director, Business Operations | -Member |
| General Manager, Process and Expenditure | -Member |
| Chief Operating Officer, Aviation | -Member |
| Head, Retail Business | -Member |
| Head, Internal Audit | -Member |
| Head, Central Operations Unit | -Member |
| Head, Apapa Installation | -Member |
| Head, Imports | -Member |
| Head, Supply and Distribution | -Member |
| Head, Lubricants Business | -Member |
| Corporate Affairs Manager | -Member |
| IT Manager | -Member |
| Financial Controller | -Member |
| Head, Credit Control | -Member |
| Treasurer | -Member |
| Company Secretary/Legal Adviser | -Member |

### ii. Tender Committee

The Committee holds its meetings every Tuesday and Thursday to conduct negotiation to obtain the most technically and commercially competitive bid/vendor. The Committee thereafter makes recommendation to the Management or the Board as the case may be. The members of the Committee are as follows:

| | |
|---|---|
| Finance Director | -Chairman |
| Financial Controller | -Member |
| Head, Internal Audit | -Member |
| Head, Apapa Installation | -Member |
| Procurement Manager | -Member |
| Head of User Department concerned | -Member |

### iii. Import Committee

The Committee is responsible for the procurement of petroleum products and to ensure that petroleum products are available to the Company timely and at the best possible price. The Committee meets as the need arises on every transaction. The Committee thereafter makes recommendation to the Management or the Board as the case may be for approval. Members of the Committee are as follows:

| | |
|---|---|
| Managing Director | -Chairman |
| Finance Director | -Member |
| Head, Imports | -Member |
| Head, Central Operations Unit | -Member |
| Head, Internal Audit | -Member |

## 18. Compliance with code of corporate governance (Continued)

### iv. Process & Expenditure Committee

The Committee sits to consider all processes and identify areas of bottlenecks that may impede smooth and speedy resolution of issues with a view to having better control in running of the Company. The Committee also scrutinizes all proposed expenditures of the Company to determine that the expenditures are reasonable and fair.

The Committee meets every week. The members of the Committee are as follows:

| | |
|---|---|
| General Manager, Process & Expenditure | -Chairman |
| Financial Controller | -Member |
| Head, Internal Audit | -Member |

### 18.5 Conoil Plc and its shareholders

In its interaction with its shareholders, the Company lays emphasis on effective communication. Through its reports and the Annual General Meeting, the Board renders stewardship to the Company's shareholders. Outside these, the Board has in place other avenues for interaction with shareholders such as other less formal meetings and contacts. The inclusion of the representatives of the shareholders in the Audit Committee ensures that the shareholders are kept abreast of developments in the Company.

### 18.6 Corporate Social Responsibilities

The Company did not make any donations during the year under review.

The Company undertook the following in the year under review.

| S/N | In Port Harcourt | Duration | Cost Estimate |
|---|---|---|---|
| 1 | Supporting the Magcobar Community in Port Harcourt on various Projects | Annually | Varied Sums |
| 2 | Financial support to Bundu-Ama Community (host community) at year ends. | Annually | Varied Sums |
| 3 | Road Construction in the Magcobar Community, Port Harcourt, Rivers State. | Up to 2018 | Over N10,000,000.00 |

| S/N | Lagos | Duration | Cost Estimate |
|---|---|---|---|
| 1 | Co-sponsorship and support for the Department of Petroleum Resources' Health, Safety and Environment (HSE) Biennial Conference. | Biannually | Varied |

### 18.7 Internal Financial Controls

The Company has in place procedures and structures for an effective control environment that promotes an orderly and efficient conduct of the Company's business. These include the safeguarding of the Company's assets and the maintenance of proper accounting records and financial information among others.The Audit Committee also plays a vital role in ensuring a sound system of internal control.19.Conoil Plc and the Law

## 19. Conoil plc and the law

Conoil Plc ensures compliance with the laws and regulations guiding its operations in Nigeria. The Company has in place the following policies which are available on the website of the Company www.conoilplc.com.:

I. Securities Trading Policy
ii. Complaint management policy
iii. Code of Conduct and Business Ethics
iv. Anti-Bribery and Corruption Policy
v. Anti-Money Laundering and Combating Terrorism Financing Policy
vi. Market Conduct Policy

### 19.1 Regulatory Compliance

The Company submitted its audited financial statements for the year ended 31 December 2018 out of time to the Nigerian Stock Exchange (NSE) and was penalized by the Exchange for the sum of N300,000 in 2018. Apart from this, the Company complied with other laws and regulations.

### 19.2 Interaction with the society

The Company in its activities pays due attention to ethical values, complies with legal requirements and takes into consideration the various stakeholders comprising not just its members but also the general populace and communities where it carries on business. The Company ensures maximum care for the environment where it operates by maintaining the highest environmental standards. Being an employer, supplier and consumer, Conoil Plc contributes to the economic growth of the country.

**20. Auditors**

The Auditors, Messrs Nexia Agbo Abel & Co. have indicated their willingness to continue in office in accordance with Section 357 (2) of the Companies and Allied Matters Act CAP C20 LFN 2004. A resolution will be proposed authorising the Directors to determine their remuneration.

**By order of the Board**

**Conrad Eberemu**
Company Secretary / Legal Adviser
FRC/2017/NBA/00000016701

28th June 2019

Conoil Plc
Bull Plaza
38/39, Marina
Lagos


We fuel your journey
Conoil
AVIATION
HIGHLY FLAMMABLE
JET A-1
Conoil
...we go the extra mile
Conoil

# THE ACCOUNTS



# STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors of Conoil Plc ("the Company") are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 December 2018, and the results of its operations, cash flows and changes in equity for the period ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011.

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

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- making an assessment of the Company's ability to continue as a going concern

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Company;
- maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- preventing and detecting fraud and other irregularities.

**Going Concern**
The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

The financial statements of the Company for the year ended 31 December 2018 were approved by the Directors on 28th June 2019.

**On behalf of the Directors of the Company**

**Mr. Salam Ismail Ajani**
Finance Director
FRC/2018/ICAN/00000018798

**Dr. M. Ebietsuwa Omatsola**
Director
FRC/2013/COMEG/00000003735

**Mr. Kheterpal Hardeep Singh**
Ag. Managing Director
DirectorFRC/2018/NIM/00000018841

Nexia Agbo Abel & Co

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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CONOIL PLC ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying financial statements of Conoil Plc which comprise the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information set out on pages 23 to 56.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Conoil Plc as at 31 December 2018 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, Companies and Allied Matters Act CAP C20 LFN 2004 and the Financial Reporting Council of Nigeria Act No 6, 2011.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the requirements of the Institute of Chartered Accountants of Nigeria Professional Code of Conduct and Guide for Accountants (ICAN Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

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

| **Revenue recognition**<br>See note 3.3 and note 5 to the financial statements. | |
|---|---|
| **Key audit matter**<br>Revenue is a significant measure of the performance of the Company.<br><br>The Company adopted IFRS 15 - Revenue from Contract with Customers in the year under review. There is a risk of wrong application of the standard. | **How our audit addressed the matter**<br>- Our audit procedures include testing of the design, existence and operating effectiveness of internal control procedures implemented as well as test of details to ensure accurate processing of revenue transactions.<br>- We obtained and reviewed sales documents to ensure revenue were recognised in line with IFRS 15.<br>- We performed substantive analytical procedures and investigated differences in excess of the threshold.<br>- We reviewed basis of valuation of foreign denominated contracts.<br>- We performed cut-off tests to ensure that revenue were not under/over stated. |

**Key audit matters (Continued)**

| **Contigent liabilities** | |
|---|---|
| See note 3.14 and note 35 to the financial statements. | |
| **Key audit matter** | **How our audit addressed the matter** |
| Contingent liabilities relate to estimates including costs related to litigation and claims. The Company is exposed to a number of litigation and claims from suppliers. In recognising the contingent liabilities, the Directors determine their best estimate of related expenses and liabilities based on their judgment of specific details of the individual litigation and claims. Since actual expenses will depend on the future outcome of the litigation and claims, the provision for contingent liabilities is subject to inherent uncertainty. | - We received the list of outstanding litigation and claims and discussed the developments in the new and outstanding litigation and claims.<br>- We considered management's assessment of the possible outcome of the litigation and claims for selected cases by discussing the matters with the legal team.<br>- We corroborated the discussion held with management with confirmations from solicitors.<br>- We recomputed the provisions for significant provisions. |

| **Impairment of receivables** | |
|---|---|
| See note 3.15.1 and note 21 to the financial statements. | |
| **Key audit matter** | **How our audit addressed the matter** |
| The Company adopted IFRS 9 in the year. There is a risk that the trade receivables, particularly contract receivables may be misstated due to wrong application of the expected credit loss model under IFRS 9 regarding impairment of financial assets | - Our audit procedures were designed to test the existence and recoverability of trade receivables.<br>- We obtained and reviewed the appropriateness of the report of impairment test on receivables carried by management during the year.<br>- We reviewed management identification of scenarios in which receivables may default as well as the cash shortfall that may be incurred.<br>- We also reviewed the reasonableness of the estimation of probability of default events occuring as made by management.We re-assessed the appropriateness of the expected credit loss calculated for the period.<br>- We circularised selected debtors for confirmation of balances. |

**Other information**

The directors are responsible for the other information. The other information comprises the Directors' Report which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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

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

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

**Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Companies and Allied Matters Act CAP C20 LFN 2004, the Financial Reporting Council of Nigeria Act No 6, 2011, the International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

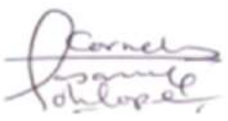
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

**Report on other legal and regulatory requirements**

In compliance with the requirements of the Sixth Schedule of the Companies and Allied Matters Act CAP C20 LFN 2004, we confirm that:

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
(ii) the Company have kept proper books of account, so far as appears from our examination of those books; and
(iii) the statements of financial position and comprehensive income are in agreement with the books of account and returns.




Tolulope Fasanya - FRC/2012/ICAN/00000000109
for: Nexia Agbo Abel & Co
**Chartered Accountants**
**Abuja, Nigeria**
**1 July 2019**

# REPORT OF THE AUDIT COMMITEE FOR THE YEAR ENDED 31 DECEMBER 2018

In compliance with the provisions of Section 359 (6) of the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, 2004, we confirm that we have:

1. Reviewed the scope and planning of the audit requirements
2. Reviewed the external auditors' Management Letter for the year ended 31 December 2018 as well as the Management's response thereon; and
3. Ascertained that the accounting and reporting policies of the Company for the year ended 31 December 2018 are in accordance with legal requirements and agreed ethical practices.

In our opinion, the scope and planning of the audit for the year ended 31 December 2018 were adequate and Management's responses to the External Auditors' findings were satisfactory.

In addition, the scope, planning and reporting of these Financial Statements were in compliance with the requirement of the Financial Reporting Standards as adopted by the Company.

**Mr. Adesina Olalekan Oladepo**
Chairman
FRC/2013/NIM/00000003678

28 June 2019

**Members of the Audit Committee**
Chief Joshua Oluwole Oginni
Comrade S.B. Aderenle
Mr. Mike Jituboh
Mr. Ike Oraekwuotu
Mr. Bamidele Ogunnaike

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

Conoil

| | Note | 2018 N'000 | 2017 N'0001 |
|---|---|---|---|
| Revenue | 5 | 122,213,014 | 115,513,246 |
| Cost of sales | 6 | (109,442,111) | (102,463,874) |
| Gross profit | | **12,770,902** | **13,049,372** |
| Other operating income | 7 | 79,012 | 2,522,765 |
| Other gains or losses | 8 | 34,699 | 2,060,169 |
| Distribution expenses | 9 | (2,571,260) | (1,995,504) |
| Administrative expenses | 10 | (6,238,524) | (11,195,005) |
| Finance cost | 11 | (1,508,064) | (2,137,170) |
| **Profit before tax** | 12 | **2,566,765** | **2,304,627** |
| Income tax expense | 13 | (770,723) | (726,120) |
| Profit for the year | | **1,796,042** | **1,578,507** |
| Other comprehensive income for the year net taxes | | - | - |
| Total comprehensive income | | **1,796,042** | **1,578,507** |
| **Earnings per share** | | | |
| Basic earnings per share (kobo) | 14 | 259 | 227 |
| Diluted earnings per share (kobo) | 14 | 259 | 227 |

The notes on pages 38 to 75 form part of these financial statements.

# STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

Conoil

| Assets | Note | 2018 N'000 | 2017 N'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | 15 | 3,084,601 | 2,519,941 |
| Intangible assets | 16 | 49,841 | 53,066 |
| Investment property | 17 | 248,250 | 297,900 |
| Other financial assets | 18 | 10 | 10 |
| Prepayments | 19 | 193,412 | 199,485 |
| Deferred tax assets | 13 | 2,412,680 | 2,412,680 |
| **Total non-current assets** | | **5,988,795** | **5,483,082** |
| **Current assets** | | | |
| Inventories | 20 | 9,141,599 | 5,661,155 |
| Trade and other receivables | 21 | 30,295,096 | 25,866,860 |
| Prepayments | 19 | 118,900 | 69,230 |
| Cash and bank balances | 22 | 15,352,855 | 25,774,757 |
| **Total current assets** | | **54,908,451** | **57,372,002** |
| **Total assets** | | 60,897,246 | 62,855,084 |
| **Equity and liabilities** | | | |
| Equity | | | |
| Share capital | 23 | 346,976 | 346,976 |
| Share premium | 23 | 3,824,770 | 3,824,770 |
| Retained earnings | 24 | 14,129,328 | 13,721,190 |
| **Total equity** | | **18,301,074** | **17,892,936** |
| **Non - Current liabilities** | | | |
| Distributors' deposits | 27 | 497,034 | 496,610 |
| Deferred tax liabilities | 13 | 400,435 | 365,773 |
| Decommissioning liability | 28 | 57,004 | 54,616 |
| **Total non-current liabilities** | | **954,473** | **916,999** |
| **Current liabilities** | | | |
| Borrowings | 25 | 4,766,240 | 5,178,802 |
| Trade and other payables | 26 | 35,065,872 | 36,573,231 |
| Current tax payable | 13 | 1,809,587 | 2,293,116 |
| **Total current liabilities** | | **41,641,699** | **44,045,149** |
| **Total liabilities** | | **42,596,172** | **44,962,148** |
| **Total equity and liabilities** | | **60,897,246** | **62,855,084** |

These financial statements were approved by the Board of Directors on 28 June 2019 and signed on its behalf by:

**Mr. Salam Ismail Ajani**
Finance Director
FRC/2018/ICAN/00000018798

**Dr. M. Ebietsuwa Omatsola**
Director
FRC/2013/COMEG/00000003735

**Mr. Kheterpal Hardeep Singh**
Ag. Managing Director
DirectorFRC/2018/NIM/00000018841

The notes on pages 38 to 75 form part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2018

Conoil

| | Share capital N'000 | Share premium N'000 | Retained earnings N'000 | Total equity N'000 |
|---|---|---|---|---|
| **Balance at 1 January 2017** | **346,976** | **3,824,770** | **14,293,935** | **18,465,681** |
| Profit for the year | - | - | 1,578,507 | 1,578,507 |
| Other comprehensive income (net of tax) | - | - | - | - |
| **Total comprehensive income** | - | - | 1,578,507 | 1,578,507 |
| Dividends to shareholders | - | - | (2,151,252) | (2,151,252) |
| **Balance at 31 December 2017** | **346,976** | **3,824,770** | **13,721,190** | 17,892,936 |
| Balance at 1 January 2018 | **346,976** | **3,824,770** | **13,721,190** | 17,892,936 |
| Profit for the year | - | - | 1,796,042 | 1,796,042 |
| Other comprehensive income (net of tax) | - | - | - | - |
| **Total comprehensive income** | - | - | **1,796,042** | 1,796,042 |
| Dividends to shareholders | - | - | (1,387,904) | (1,387,904) |
| **Balance at 31 December 2018** | **346,976** | **3,824,770** | **14,129,328** | 18,301,074 |

The notes on pages 38 to 75 form part of these financial statements.

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

Conoil

| | Note | 2018<br>N'000 | 2017<br>N'000 |
|---|---|---|---|
| Profit before tax | | 2,566,765 | 2,304,627 |
| **Adjustments to reconcile profit before tax to net cash provided:** | | | |
| Interest from bank deposits | 7 | (34,392) | (12,806) |
| Interest on delayed subsidy payment | 7 | - | - |
| Interest on bank overdraft | 11 | 1,505,150 | 2,134,695 |
| Accretion expense | 11 | 2,914 | 2,475 |
| Depreciation of property, plant and equipment | 15 | 947,632 | 722,492 |
| Amortisation of intangible assets | 16 | 11,433 | 10,614 |
| Depreciation of investment property | 17 | 49,650 | 49,650 |
| Withholding tax credit | 13 | - | (48,126) |
| **Changes in working capital:** | | | |
| Increase in inventories | | (3,480,444) | (405,559) |
| Increase in trade and other receivables | | (4,471,835) | (9,452,710) |
| Decrease in trade and other payables | | (1,143,504) | (421,592) |
| (Decrease)/increase in distributors' deposits | | 424 | (6,249) |
| ***Cash used by operations*** | | (4,046,209) | (5,122,489) |
| Tax paid | | (1,219,590) | (2,144,990) |
| Value added tax paid | | (361,467) | (361,467) |
| ***Net cash used in operating activities*** | | **(5,627,266)** | **(7,628,946)** |
| **Cashflows from investing activities** | | | |
| Purchase of property, plant and equipment | 15 | (1,512,292) | (803,966) |
| Purchase of intangible assets | 16 | (8,208) | - |
| Interest received | 7 | 34,392 | 12,806 |
| ***Net cash used in investing activities*** | | **(1,486,108)** | **(791,160)** |
| **Cashflows from financing activities** | | | |
| Interest paid | 11 | (1,508,064) | (2,137,170) |
| Dividends paid | 24 | (1,387,904) | (2,151,252) |
| ***Net cash used in financing activities*** | | **(2,895,968)** | **(4,288,422)** |
| **Net decrease in cash and cash equivalents** | | (10,009,341) | (12,708,528) |
| **Cash and cash equivalents at 1 January** | | 20,595,955 | 33,304,483 |
| **Cash and cash equivalents at 31 December** | 22 | **10,586,614** | **20,595,955** |

The notes on pages 38 to 75 form part of these financial statements.

## 1. The Company

Conoil Plc ("The Company") was incorporated in 1960. The Company's authorised share capital is 700,000,000 ordinary shares of 50k each.
The Company was established to engage in the marketing of refined petroleum products and the manufacturing and marketing of lubricants, household and industrial chemicals.

### 1.1 Composition of Financial Statements

The financial statements are drawn up in Nigerian Naira, the financial currency of Conoil Plc, in accordance with IFRS accounting presentation. The financial statements comprise:

- Statement of profit or loss and other comprehensive income
- Statement of financial position
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements

Additional information provided by the management includes:

- Value added statement
- Five-year financial summary

### 1.2 Financial period

These financial statements cover the financial year from 1 January 2018 to 31 December 2018 with comparative figures for the financial year from 1 January 2017 to 31 December 2017.

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

### 2.1 Accounting standards and interpretations issued and effective

The following revisions to accounting standards and pronouncements were issued and effective at the reporting period.

**Effective for the financial year commencing 1 January 2018**

- IFRS 9 Financial Instruments
- Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions
- IFRS 15 Revenue from Contracts with Customers
- Applying IFRS 9 Financial Instruments with IFRS 4 - Insurance Contracts
- Amendments to IAS 40: Transfers of Investment Property
- Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture

### 2.2 Accounting standards and interpretations issued but not yet effective

The following revisions to accounting standards and pronouncements that are applicable to the Company were issued but are not yet effective. Where IFRSs and IFRIC interpretations listed below permit early adoption, the Company has elected not to apply them in the preparation of these financial statements.
The full impact of these IFRSs and IFRIC Interpretations is currently being assessed by the company, but none of these pronouncements are expected to result in any material adjustments to the financial statements.

**Effective for the financial year commencing 1 January 2019**

- IFRS 16 - Leases
- Amendments to IFRS 9: Prepayment Features with Negative Compensation
- Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures
- Interpretation 23: Uncertainty over Income Tax Treatments
- Annual Improvements to IFRS Standards 2015-2017 Cycle
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

**Effective for the financial year commencing 1 January 2020**

- Amendments to References to Conceptual Framework in IFRS Standards

**Effective for the financial year commencing 1 January 2021**

- IFRS 17 - Insurance Contracts

## 2.1 Accounting standards and interpretations issued and effective

All standards and interpretations will be adopted at their effective date and their implications on the Company are stated below:

| Standard/Interpretation effective as at 31 December 2018 | | Date issued by IASB | Effective date periods beginning on or after | Summary of the requirements and assessment of impact |
|---|---|---|---|---|
| IFRS 9 | Financial instruments | 24 July 2014 | 1 January 2018 Early adoption is permitted | The IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.This standard will have a significant impact on the Company, which include changes in the measurement bases of the Company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debtsrecognised in the Company.The amendments apply retrospectively. The Company will adopt the amendments for the year ending 31 December 2018. |
| IFRS 2 | Classification and Measurement of share-based Payment Transactions | 20 June 2016 | 1 January 2018 Early adoption is permitted | This clarifies the standard in relation to the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. |
| IFRS 15 | Revenue from contract with customers | 28 May 2014 | 1 January 2018 Early adoption is permitted | This standard replaces IAS 11 construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving advertising Services.<br><br>The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five –step analysis of transactions to determine whether, how much and when revenue is recognised.<br><br>This new standard will most likely have a significant impact on the Company, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognized.The Company will adopt the amendments for the year ending 31 December 2018. |

2.1 Accounting standards and interpretations issued and effective (continued)

| Standard/Interpretation effective as at 31 December 2018 | | Date issued by IASB | Effective date periods beginning on or after | Summary of the requirements and assessment of impact |
|---|---|---|---|---|
| IFRS 4 | Insurance Contracts- Applying IFRS 9 Financial Instruments with IFRS 4 | 12 September 2016 | 1 January 2018 | In September 2016, the IASB published an amendment to IFRS 4 which addresses the concerns of insurance companies about the different effective dates of IFRS 9 Financial instruments and the forthcoming new insurance contracts standard. The amendment provides two different solutions for insurance companies: a temporary exemption from IFRS 9 for entities that meet specific requirements (applied at the reporting entity level), and the 'overlay approach'.Both approaches are optional.<br>IFRS 4 (including the amendments) will be superseded by the forthcoming new insurance contracts standard. Accordingly, both the temporary exemption and the 'overlay approach' are expected to cease to be applicable when the new insurance standards becomes effective. |
| IAS 40 | Transfers of Investment Property - (Amendments to IAS 40) | 8 December 2016 | 1 January 2018 | The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.<br>The list of evidence for a change of use in the standard was re-characterised as a non-exhaustive list of examples to help illustrate the principle.<br>The Board provided two option for transition:<br>- Prospectively, with any impact from the reclassification recognised as adjustment to opening retained earnings as at the date of initial recognition, or<br>- Retrospectively - only permitted without the useof hindsight.<br>Additional disclosures are required if an entity adopts the requirements prospectively. |

2.1 Accounting standards and interpretations issued and effective (continued)

| Standard/Interpretation effective as at 31 December 2018 | | Date issued by IASB | Effective date periods beginning on or after | Summary of the requirements and assessment of impact |
|---|---|---|---|---|
| IFRS 10 and IAS 28 | Sale or contribution of assets between an investor and its associate or joint venture - (Amendments to IFRS 10 and IAS 28) | | 1 January 2018 | The IASB has made limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures.<br>The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's investors in the associate or joint venture. The amendments apply prospectively. |
| IFRS 17 | Insurance Contracts | May 2017 | 1 January 2018 | IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of:<br>- Discounted probability-weighted cash flows<br>- An explicit risk adjustment, and<br>- A contractual service margin ("CSM") representing the unearned profit of the contract which is recognised as revenue over the coverage period.<br>The standard allows a choice between recognising changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.<br>An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts,<br>which are often written by non-life insurers. |
| | | | | There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach the entity's share of the fair value changes of the underlying items is included in the contractual service margin. The results of insurers using this model are therefore likely to be less volatile than under the general model.<br>The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts<br>with discretionary participation features. |

## 2.2 Accounting standards and interpretations issued but not yet effective

| Standard/Interpretation not yet effective as at 31 December 2018 | | Date issued by IASB | Effective date periods beginning on or after | Summary of the requirements and assessment of impact |
|---|---|---|---|---|
| IFRS 16 | Leases | 13 January 2016 | 1 January 2019 | Under IFRS 16, the distinction made up to now between operating leases and finance leases will no longer apply with respect to the lessee. For all leases, the lessee recognizes a right of use to an asset and a lease liability. The right of use is amortized over the contractual term in line with the rules for intangible assets. The lease liability is recognized in accordance with the rule for financial instruments pursuant to IAS 39 (or IFRS 9 in future). Write-downs on the asset and interest on the liability are presented separately in the income statement. There are exemptions when accounting for short-term leases and low-value leased assets.<br>The disclosures in the notes to the financial statements will be extended and should provide a basis for users to assess the amount, timing as well as uncertainties in relation to leases.<br>For lessors, however, the rules in the new standard are similar to the previous rules in IAS 17. They will continue to classify leases either as a finance lease or an operating lease.<br>The directors of the Company do not anticipate that the application of these amendments to IFRS 16 will have any impact on the Company's financial statements. |
| Amendments to IFRS 9 | Prepayment Features with Negative Compensation | December 2017 | 1 January 2019 | The narrow-scope amendments made to AASB 9 Financial Instruments in December 2017 enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model. The directors do not anticipate that the application of the amendments in the future will have an impact on the financial statements. |
| Amendments to IFRS 28 | Long-term Interests in Associates and Joints Ventures | December 2017 | 1 January 2019 | The amendments clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under AASB 9 Financial Instruments before applying the loss allocation and impairment requirements in AASB 128 Investments in Associates and Joint Ventures. The directors do not anticipate that the application of the amendments in the future will have an impact on the financial statements. |

Conoil

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

| Standard/Interpretation not yet effective as at 31 December 2018 | | Date issued by IASB | Effective date periods beginning on or after | Summary of the requirements and assessment of impact |
|---|---|---|---|---|
| Interpretation 23 | Uncertainty Over Income Tax Treatments | 1 January 2017 | 1 January 2018 | The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:<br>- how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty<br>- that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e that detection risk should be ignored<br>- that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment<br>- that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty, and that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements. |
| | | | | While there are no new disclosure requirements, entities are reminded of the general requirement to provide information about judgements and estimates made in preparing the financial statements. The directors do not anticipate that the application of the amendments in the future will have an impact on the financial statements. |

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

| Standard/Interpretation not yet effective as at 31 December 2018 | Date issued by IASB | Effective date periods beginning on or after | Summary of the requirements and assessment of impact |
|---|---|---|---|
| Annual Improvements to IFRS Standards 2015-2017 cycle | December 2017 | 1 January 2018 | The following improvements were finalised in December 2017:<br>- IFRS 3 - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages.<br>- IFRS 11 - clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.<br>- IAS 12 - clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.<br>IAS 23 - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings. |
| Amendments to IAS 19 — Plan Amendment, Curtailment or Settlement | December 2017 | 1 January 2019 | The amendments to IAS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must:<br>- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change<br>- any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling<br>- separately recognise any changes in the asset ceiling through other comprehensive income.<br>The directors do not anticipate that the application of the amendments in the future will have an impact on the financial statements. |

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

| Standard/Interpretation not yet effective as at 31 December 2018 | | Date issued by IASB | Effective date periods beginning on or after | Summary of the requirements and assessment of impact |
|---|---|---|---|---|
| Amendments to References to Conceptual Framework in IFRS Standards | | December 2017 | 1 January 2020 | The main changes to the Framework's principles have implications for how and when assets and liabilities are recognised and derecognised in the financial statements.<br>Under the new framework, a company would book as an asset a right to use the asset, rather than the asset itself. A liability will be recognised if a company has no practical ability to avoid it. This may bring some liabilities on the balance sheet earlier than at present. A company will take an asset off balance sheet when it loses control over all or part of it – i.e. the focus is no longer on the transfer of risks and rewards.<br>Some of the concepts in the revised Framework are entirely new<br>- such as the 'practical ability' approach to liabilities. As they have not been tested as part of any recent standard-setting process, it is unclear what challenges the Board will encounter when using them to develop standards in the future. It is also unclear what challenges preparers of financial statements will face after those future standards become effective. |
| IFRS 17 | Insurance Contracts | May 2017 | 1 January 2021 | IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of:<br>- Discounted probability-weighted cash flows<br>- An explicit risk adjustment, and<br>- A contractual service margin ("CSM") representing the unearned profit of the contract which is recognised as revenue over the coverage period.<br>The standard allows a choice between recognising changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how<br>insurers account for their financial assets under IFRS 9. |
| | | | | An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach the entity's share of the fair value changes of the underlying items is included in the contractual service margin. The results of insurers using this model are therefore likely to be less volatile than under the general model.<br>The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features. The directors do not anticipate that the application of the Standard in the future will have an impact on the financial statements. |

## 3. Significant accounting policies

### 3.1 Statement of compliance

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

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

### 3.2 Accounting principles and policies

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

### 3.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes (where applicable) as provided in the contract with the customers.
Exchanges of petroleum products within normal trading activities do not generate any income and therefore these flows are shown at their net value in both the statement of profit or loss and other comprehensive income and the statement of financial position.

### 3.3.1 Sale of goods

Revenue is measured based on the consideration stated in the contract with a customer while it recognises revenue when control over the good or service is transferred to a customer.
The timing of the satisfaction of performance obligation in contract with a customer, including significant payment terms and related revenue policies are met when:

- the good or service is delivered to a customer or its premises in line with the contract term.
- the customer accepts the good or service.
- obtain full control of the good or service delivered.
- at a point in time, invoices are generated and revenue is recognised in the books.

### 3.3.2 Interest revenue

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

### 3.3.3 Service income

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

### 3.4 Foreign currency translation

The financial statements of the Company are prepared in Nigerian Naira which is its functional currency and presentation currency.
In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items
that are measured in terms of historical cost in a foreign currency are not retranslated.

## 3. Significant accounting policies (Continued)

### 3.5 Pensions and other post-employment benefits

The Company operates a defined contribution pension plan for its employees and pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years.
In addition, payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.
The Company also operated a gratuity scheme for its qualified employees prior to 2008 which it has discontinued.

### 3.6 Taxation

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

#### 3.6.1Current tax

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

#### 3.6.2Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.
The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the reporting date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### 3.7 Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at cost less accumulated depreciation and accumulated impairment losses.
The initial cost of the property plant and equipment comprise of its purchase price or construction cost, any directly attributable cost to bringing the asset into operation, the initial estimate of dismantling obligation (where applicable) and any borrowing cost.

## 3. Significant accounting policies (Continued)

### 3.7 Property, plant and equipment (Continued)

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

| | range | Rate |
|---|---|---|
| Freehold land and Buildings | 20 - 50 Years | 5% |
| Leasehold land and buildings | 20 - 50 Years | Over the period of the lease |
| Plant and machinery | 5 - 10 Years | 15% |
| Motor vehicles | 2 - 5 Years | 25% |
| Furniture, fittings and equipment: | | |
| - Office furniture | 3 - 12 Years | 15% |
| - Office equipment | 5 - 15 Years | 15% |
| - Computer equipment | 2 - 10 Years | 33.33% |
| Intangible Assets - Software | 5 - 10 Years | 10% |

Freehold land and Assets under construction are not depreciated.

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

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

### 3.8 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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

| | | |
|---|---|---|
| Software | **10 Years** | **10%** |

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset is measured as difference between the net disposal proceeds and the carrying amount of the asset are recognised as profit or loss when the asset is derecognised.

### 3.9Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). The initial cost of the investment property comprise of its purchase price or construction cost, any cost directly attributable to bringing the asset into operation, the initial estimating of dismantling obligation(where applicable) and any borrowing cost.

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

| | | |
|---|---|---|
| Leasehold land and buildings | **20 Years** | **5%** |

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year in which the property is derecognised.

**3. Significant accounting policies (Continued)**

**3.10 Impairment of long lived assets**

The recoverable amounts of intangible assets and property, plant and equipment are tested for impairment as soon as any indication of impairment exists. This test is performed at least annually. The recoverable amount is the higher of the fair value (less costs to sell) or its value in use.

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount in which case the reversal of the impairment loss is treated as a revaluation increase.

**3.11 Non-current assets held for sale**

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

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

**3.12 Inventories**

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

**3.13 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions and highly liquid short term investments that are convertible into known amounts of cash and are subject to insignificant risks of changes in value. Investments with maturity greater than three months or less than twelve months are shown under current assets.

**3.14 Provisions**

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

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

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

**3. Significant accounting policies (Continued)**

**3.14 Provisions**

**I.** Onerous contracts

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

**ii. Restructuring**

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

**3.15 Financial instruments**

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**3.15.1 Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

**a. Amortised cost and effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost. Interest income is recognised in profit or loss and is included in the "investment income" line item.

**b. Classification of financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.
All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

**3. Significant accounting policies (Continued)**
**b. Classification of financial assets (Continued)**

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. By default, all other financial assets are measured subsequently

Trade and other receivables
Trade and other receivables are initially recognised at fair value, and are subsequently classified as loans and receivables and measured at amortised cost using the effective interest rate method. The provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due in accordance with the original terms of the credit given and includes an assessment of recoverability based on historical trend analyses and events that exist at reporting date. The amount of the provision is the difference between the carrying value and the present value ofestimated future cash flows, discounted at the effective interest rate computed at initial recognition.

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:
- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts are not offset against positive bank balances unless a legally enforceable right of offset exists, and there is an intention to settle the overdraft and realise the net cash simultaneously, or to settle on a net basis. All short term cash investments are invested with major financial institutions in order to manage credit risk.

**c. Foreign exchange gains and losses**
The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. The foreign exchange component forms part of its fair value gain or loss. Therefore, for financial assets that are classified as at FVTPL, the foreign exchange component is recognised in profit or loss.

For foreign currency denominated debt instruments measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the financial assets and are recognised in the 'other gains and losses' line item in the Profit or loss.

**d. Impairment of financial assets**
Financial assets that are measured at amortised cost are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the asset have been affected.

The Company recognises loss allowances for Expected Credit Losses (ECLs) on:
- Financial assets measured at amortised cost;
- Debt investments measured at FVOCI; and
- Contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:
- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

**3. Significant accounting policies (Continued)**
**d. Impairment of financial assets (Continued)**

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.
The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Objective evidence of impairment could include:
-significant financial difficulty of the issuer or counterparty or
-breach of contract, such as a default or delinquency in interest or principal payments or
-it becoming probable that the borrower will enter bankruptcy or financial reorganisation or
-the disappearance of an active market for that financial asset because of financial difficulties

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows reflecting the amount of collateral and guarantee, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written-off against the allowance account.

Subsequent recoveries of amounts previously written-off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

**e. Derecognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a financial asset that is classified as fair-value-through-other-comprehensive-income (FVTOCI), the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is reclassified to retained earnings.

**3. Significant accounting policies (Continued)**

**3.15 Financial instruments**

**3.15.2 Financial liabilities and equity**

**a.Classification as debt or equity**

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**b. Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

**c. Financial liabilities**

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. The Company does not have financial liabilities classified as financial liabilities 'at FVTPL'.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**d. Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the 'other gains and losses' line item (note 8) in the profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

**e. De-recognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

**3.16 Creditors and accruals**

Creditors and accruals are the financial obligations due to third parties and are falling due within one year. The outstanding balances are not interest bearing and are stated at their nominal value.

**3.17 Asset retirement obligations**

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

**3. Significant accounting policies (Continued)**
**3.18 Changes in accounting policies.**

**3.18.1 IFRS 9 - Financial instruments**

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

As a result of the adoption of IFRS 9, the Company has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statement of profit or loss and OCI. Previously, the Company's approach was to include the impairment of trade receivables in other expenses. Additionally, the Company has adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to disclosures about 2018 but have not been generally applied to comparative information. Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities and derivative financial instruments (for derivatives that are used as hedging instruments.

Impairment of financial assets
IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Company has applied IFRS 9's impairment requirements as at 1 January 2018.

**3.18.2 IFRS 15 - Revenue from contracts with customers**

IFRS 15 contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five –step analysis of transactions to determine whether, how much and when revenue is recognised.

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving advertising Services.

The Company has applied IFRS 15 using the cumulative effect method – i.e. by recognising the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at 1 January 2018. Therefore, the comparative information has not been restated and continues to be reported under IAS 18 and IAS 11.

Based on management's assessment, IFRS 15 did not have a material impact on the Company's accounting policies and retained earnings because over the years, the Company recognised revenue at a point in time (i.e at the point of sale) based on its existing business model.

## 4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### 4.1 Critical judgments in applying the accounting policies

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

the amounts recognised in financial statements.

#### 4.1.1 Revenue recognition

Revenue is measured based on the consideration stated in the contract with a customer. While the Company recognises revenue when it transfers control over the good or service to a customer. The timing of the satisfaction of performance obligation in contract with a customer, including significant payment terms and related revenue policies are met when:

- the good or service is delivered to a customer or its premises in line with the contract term
- and the customer accepts the good or service
- and obtain full control of the good or service delivered
- at that point in time, invoices are generated and revenue is recognised in the books.

#### 4.1.2 Contingent liabilities

During the evaluation of whether certain liabilities represent contingent liabilities or provisions, management is required to exercise significant judgment. Based on the current status, facts and circumstances, management concluded that the dispute with one of its former suppliers (as disclosed in Note 35) should be classified as a contingent liability rather than a provision.

### 4.2 Key sources of estimation uncertainty

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

#### 4.2.1 Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the useful lives of property, plant and equipment remained constant.

#### 4.2.2 Decommissioning liabilities

Estimates regarding cash flows, discount rate and weighted average expected timing of cashflows were made in arriving at the future liability relating to decommission costs.

#### 4.2.3 Impairment losses on receivables

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

#### 4.2.4 Allowance for obsolete inventory

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

## 4. Critical accounting judgements and key sources of estimation uncertainty (Continued)

4.2.5 Valuation of financial liabilities

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

4.2.6 Impairment on non-current assets

Determining whether non-current assets are impaired requires an estimation of the value in use of the cash generating units to which assets have been allocated. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The assets were tested for impairment and there was no indication of impairment observed after testing. Therefore, no impairment loss was recognised during the year.

## 5. Revenue

The following is the analysis of the Company's revenue for the year from continuing operations (excluding investment income).

| | 2018<br>N'000 | 2017<br>N'000 |
|---|---|---|
| Revenue from sale of petroleum products | 122,213,014 | 115,513,246 |

5.1 All the sales were made within Nigeria.

## 6 Segment information

The reportable segments of Conoil Plc are strategic business units that offer different products. The report of each segment is reviewed by management for resource allocation and performance assessment. Operating segments were identified on the basis of differences in products. The Company has identified three operating and reportable segments: White products, Lubricants and Liquefied Petroleum Gas (LPG). The White products segment is involved in the sale of Premium Motor Spirit (PMS), Aviation Turbine Kerosene (ATK), Dual Purpose Kerosene (DPK), Low-pour Fuel Oil (LPFO) and Automotive Gasoline/grease Oil (AGO). The products under the lubricants segment are Lubricants transport, Lubricants industrial, Greases, Process Oil and Bitumen. Products traded under LPG segment are Liquefied Petroleum Gas - Bulk, Liquefied Petroleum Gas - Packed, cylinders and valves.

**6. Segment information (Continued)**

The segment results for the year ended 31 December 2018 are as follows:

| | White Products N'000 | % | Lubricants N'000 | % | LPG N'000 | % | Total N'000 | % |
|---|---|---|---|---|---|---|---|---|
| Revenue | 116,525,641 | 95 | 5,687,373 | 5 | - | - | 122,213,014 | 100 |
| Cost of sales | (105,303,684) | 96 | (4,138,261) | 4 | (167) | 0 | (109,442,111) | 100 |
| **Gross profit** | **11,221,958** | | **1,549,112** | | **(167)** | | **12,770,902** | |

The segment results for the year ended 31 December 2017 are as follows:

| | White Products N'000 | % | Lubricants N'000 | % | LPG N'000 | % | Total N'000 | % |
|---|---|---|---|---|---|---|---|---|
| Revenue | 110.434,307 | 96 | 5,078,939 | 4 | - | - | 115,513,246 | 100 |
| Cost of sales | (99,282,313) | 97 | (3,18,561) | 3 | - | - | (102,463,874) | 100 |
| **Gross profit** | **11,151,994** | | **1,897,378** | | **-** | | **13,049,372** | |

2018 segment cost of sales - Analysis

| | White Products N'000 | Lubricants N'000 | LPG N'000 | Total N'000 |
|---|---|---|---|---|
| Stock at 1 January | 3,808,715 | 1,848,436 | 4,003 | 5,661,155 |
| Purchases | 108,855,828 | 4,066,728 | - | 112,922,556 |
| **Stock at 31 December** | (7,360,859) | (1,776,904) | (3,836) | (9,141,599) |
| | **105,303,684** | **4,138,261** | **(167)** | **109,442,112** |

2017 segment cost of sales - Analysis

| | White Products N'000 | Lubricants N'000 | LPG N'000 | Total N'000 |
|---|---|---|---|---|
| Stock at 1 January | 3,225,740 | 2,025,853 | 4,003 | 5,255,595 |
| Purchases | 99,865,288 | 3,004,144 | - | 102,869,432 |
| **Stock at 31 December** | (3,808,715) | (1,848,436) | (4,003) | (5,661,154) |
| | **99,282,312** | **3,181,561** | **(0)** | **102,463,873** |

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

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

6.3 The stock value in this segment analysis does not include provision for stock loss.

| | 2018 | 2017 |
|---|---|---|
| | N'000 | N'000 |
| **7. Other operating income** | | |
| **Rental income:** | | |
| Rental income | 20,477 | 30,475 |
| Service income | 24,142 | 184,030 |
| **Interest income:** | 34,392 | 12,806 |
| Interest from bank deposits | | |
| **Provisions no longer required:** | | |
| Provision for litigation claim no longer required | - | 2,295,454 |
| | **79,012** | **2,522,765** |
| **8. Other gains or losses** | | |
| Exchange gain | 34,699 | 2,060,169 |
| | **34,699** | **2,060,169** |
| **9. Distribution expenses** | | |
| Freight costs | 2,384,861 | 1,896,709 |
| Marketing expenses | 186,399 | 98,795 |
| | **2,571,260** | **1,995,504** |

## 10. Administration expenses

| | 2018<br>N'000 | 2017<br>N'000 |
|---|---|---|
| Litigation claims (Note 35.1) | 1,417,200 | 6,515,679 |
| Staff cost | 1,802,838 | 1,800,375 |
| Depreciation of property, plant and equipment | 947,632 | 722,492 |
| Rent and rates | 567,965 | 712,464 |
| Insurance | 215,629 | 215,342 |
| Repairs and maintenance | 264,743 | 203,293 |
| Pension fund - employer's contribution | 121,761 | 120,001 |
| Own used oil | 103,451 | 90,214 |
| Throughput others | 80,001 | 83,961 |
| Security services | 75,278 | 82,230 |
| Postages, telephone and telex | 95,660 | 82,219 |
| Directors' remuneration | 40,469 | 69,813 |
| Travelling | 118,678 | 61,284 |
| Consumables, small tools and equipment | 48,802 | 55,119 |
| Legal and professional charges | 6,236 | 54,955 |
| Depreciation of investment property | 49,650 | 49,650 |
| Subscriptions | 34,829 | 42,192 |
| Annual General Meeting | 44,608 | 39,630 |
| Water and electricity | 26,468 | 31,332 |
| Health safety and environmental expenses | 25,542 | 29,141 |
| Audit fee | 23,510 | 26,000 |
| Staff training and welfare | 35,898 | 24,975 |
| Vehicle, plant and equipment running | 24,642 | 16,632 |
| Amortisation of intangible asset | 11,433 | 10,614 |
| Printing and stationery | 10,834 | 8,822 |
| Bank charges | 4,625 | 7,130 |
| Entertainment and hotels | 10,186 | 5,696 |
| Medical | 5,289 | 4,358 |
| Other expenses | 24,666 | 29,392 |
| | 6,238,524 | 11,195,005 |

## 11. Finance cost

| | 2018<br>N'000 | 2017<br>N'000 |
|---|---|---|
| Interest on bank overdraft | 1,505,150 | 2,134,695 |
| Accretion expense (Note 28) | 2,914 | 2,475 |
| | **1,508,064** | **2,137,170** |

Bank overdrafts are repayable on demand. The average effective interest rate on bank overdrafts approximates 23.5% (2017: 25%) per annum and are determined based on NIBOR plus lender's mark-up.The overdraft was necessitated by delay in payment of outstanding subsidy claims from the Federal Government on importation/purchase of products for resale in line with the provision of Petroleum Support Fund Act for regulated petroleum products.

## 12. Profit before tax

| This is stated after charging/(crediting) the following: | 2018 N'000 | 2017 N'000 |
|---|---|---|
| Depreciation of property, plant and equipment | 947,632 | 722,492 |
| Depreciation of investment property | 49,650 | 49,650 |
| Director's emoluments | 40,469 | 69,813 |
| Auditors remuneration | 23,510 | 26,000 |
| Amortisation of intangible asset | 11,433 | 10,614 |
| Exchange gain | **(34,699)** | **(2,060,169)** |

## 13. Taxation

### 13.1 Income tax recognised in profit or loss

| | 2018 N'000 | 2017 N'000 |
|---|---|---|
| Current tax | | |
| Income tax | 664,722 | 416,685 |
| Education tax | 71,339 | 35,092 |
| Deferred tax | | |
| Deferred tax (credited)/charged in the current year | 34,662 | 274,343 |
| Total income tax expense recognised in the current year | 770,723 | 726,120 |
| At 1 January | 2,293,116 | 4,034,453 |
| Payment during the year | (1,219,590) | (2,144,990) |
| Withholding tax utilised during the year | - | (48,124) |
| Transfer to deferred tax (Note 13.1) | (34,662) | (274,343) |
| **Per statement of financial position** | **1,809,587** | **2,293,116** |
| Balance above is made up of : | 1,649,459 | 2,105,383 |
| Company income tax | 159,848 | 187,453 |
| Education tax | 280 | 280 |
| Capital gains tax | **1,809,587** | **2,293,116** |

**The income tax expense for the year can be reconciled to the accounting profit as follows:**

| | 2018 N'000 | 2017 N'000 |
|---|---|---|
| Profit before tax from operations | **2,566,765** | **3,448,398** |
| Expected income tax expense calculated at 30% (2017: 30%) | 770,029 | 691,388 |
| Education tax expense calculated at 2% (2017: 2%) of assessable profit | 71,339 | 35,092 |
| Effect of expenses that are not deductible in determining taxable profit | 300,059 | 217,491 |
| Effect of income that is exempted from taxation | - | (382,500) |
| Investment allowance | (11,389) | (361) |
| Effect of capital allowance on assessable profit | (393,977) | (109,333) |
| Timing difference recognised as deferred tax asset | 34,662 | 274,343 |
| **Income tax expense recognised in profit or loss** | **770,723** | **726,120** |
| Adjustments recognised in the current year in relation to the tax ofprior years | - | - |
| | **770,723** | **726,120** |

The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act CAP C21 LFN 2004 as amended to date, tertiary education tax charge is based on the Tertiary Education Trust Fund Act, 2011 and Capital Gains Tax Act CAP C1 LFN 2004.

## 13. Taxation (continued)
### 13.2 Deferred tax

| | 2018 | 2017 |
|---|---|---|
| Deferred tax assets and liabilities are attributable to the following: | N'000 | N'000 |
| Deferred tax assets | 2,412,680 | 2,412,680 |
| Deferred tax liabilities | (400,435) | (365,773) |
| Deterred tax assets (net) | 2,012,245 | 2,046,907 |

| **Deferred tax assets** | **Property plant and equipment** | **Provision and others** | **Total** |
|---|---|---|---|
| | **N'000** | **N'000** | **N'000** |
| Balance at 1 January | - | (2,412,680) | (2,412,680) |
| Charged to profit or loss | - | | |
| **Balance at 31 December 2018** | - | (2,412,680) | (2,412,680) |

| **Deferred tax liabilities** | **Property plant and equipment** | **Provisions and others** | **Total** |
|---|---|---|---|
| | **N'000** | **N'000** | **N'000** |
| Balance at 1 January 2018 | 365,773 | - | 365,773 |
| Charged to profit or loss | 34,662 | - | 34,662 |
| **Balance at 31 December 2018** | 400,435 | - | 400,435 |

Deferred tax as at 31 December 2018 is mainly attributed to the result of differences between the rates of depreciation adopted for accounting purposes and the rates of capital allowances granted for tax purposes. Provision for bad and doubtful debt as well as provision for litigation claims also contributed to the deferred tax asset balance.

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

| | 2018 | 2017 |
|---|---|---|
| **Earnings** | **N'000** | **N'000** |
| Earnings for the purposes of basic earnings per share being net profit attributable to equity holders of the Company | 1,796,042 | 1,578,507 |
| **Number of shares** | Number | Number |
| Weighted average number of ordinary shares for the purposes of basic earnings per share | **693,952,117** | **693,952,117** |
| | **2018 Kobo per share** | **2017 Kobo per share** |
| **Basic earnings per 50k share** | | |
| From continuing operations | 259 | 227 |
| **Diluted earnings per 50k share** | | |
| From continuing operations | 259 | 227 |

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

| 15. Property, plant and equipment | Freehold Land | Freehold buildings | Plant & machinery | Furniture & fittings | Motor vehicles | Computer equipment | Total |
|---|---|---|---|---|---|---|---|
| **Cost:** | **N'000** | **N'000** | **N'000** | **N'000** | **N'000** | **N'000** | **N'000** |
| As at 1 January 2017 | 147,766 | 5,675,581 | 11,611,036 | 4,209,352 | 1,388,628 | 1,006,644 | 24,039,007 |
| Additions | - | 640,578 | 1,568 | 5,425 | 145,950 | 10,445 | 803,966 |
| At 31 December 2017 | 147,766 | 6,316,159 | 11,612,604 | 4,214,777 | 1,534,578 | 1,017,089 | 24,842,973 |
| Additions | - | 415,595 | 347,422 | 42,461 | 674,600 | 32,214 | 1,512,292 |
| **At 31 December 2018** | **147,766** | **6,731,754** | **11,960,026** | **4,257,238** | **2,209,178** | **1,049,303** | **26,355,265** |
| **Accumulated depreciation and impairment loss:** | | | | | | | |
| As at 1 January 2017 | - | 3,915,720 | 11,166,709 | 4,170,514 | 1,388,628 | 958,969 | 21,600,540 |
| Charge for the year | - | 315,808 | 326,080 | 18,504 | 54,350 | 7,750 | 722,492 |
| At 31 December 2017 | - | 4,231,528 | 11,492,789 | 4,189,018 | 1,442,978 | 966,719 | 22,323,032 |
| Charge for the year | - | 336,588 | 367,588 | 22,530 | 205,138 | 15,788 | 947,632 |
| **At 31 December 2018** | **-** | **4,568,116** | **11,860,377** | **4,211,548** | **1,648,116** | **982,507** | **23,270,644** |
| **Carrying amount** | | | | | | | |
| **At 31 December 2018** | **147,766** | **2,163,639** | **99,649** | **45,690** | **561,063** | **66,796** | **3,084,601** |
| **At 31 December 2017** | **147,766** | **2,084,631** | **119,815** | **25,759** | **91,600** | **50,370** | **2,519,941** |

**15.1 Impairment assessment**

Impairment assessment of assets in the year under review disclosed no material impairment loss on any of the Company's assets.

**15.2 Contractual commitment for capital expenditure**

There were no capital commitments for the purchase of property, plant and equipment in the year.

**15.3 Assets pledged as security**

No asset was pledged as security as at 31 December 2018 (2017: nil)

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| | 2018 N'000 | 2017 N'000 |
|---|---|---|
| **16. Intangible assets** | | |
| **Computer software:** | | |
| **Cost:** | | |
| As at 1 January | 106,136 | 106,136 |
| Additions during the year | 8,208 | - |
| **At 31 December** | **114,344** | **106,136** |
| Accumulated amortisation: | | |
| As at 1 January | 53,070 | 42,456 |
| Charge for the year | 11,433 | 10,614 |
| At 31 December | **64,503** | **53,070** |
| Carrying amount | | |
| At 31 December | **49,841** | **53,066** |
| **17. Investment property** | | |
| **Building:** | | |
| **Cost:** | | |
| As at 1 January | 993,000 | 993,000 |
| Additions during the year | - | - |
| **At 31 December** | **993,000** | **993,000** |
| **Accumulated depreciation:** | | |
| As at 1 January | 695,100 | 645,450 |
| Charge for the year | 49,650 | 49,650 |
| **At 31 December** | **744,750** | **695,100** |
| **Carrying amount** | **248,250** | **297,900** |
| **At 31 December** | | |

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

| | 2018 N'000 | 2017 N'000 |
|---|---|---|
| **18. Other financial assets** | | |
| **Investment in Nigerian Yeast and Alcohol Manufacturing Plc** | | |
| Cost | 1,846 | 1,846 |
| Impairment | (1,836) | (1,836) |
| | 10 | 10 |

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

| | 2018 N'000 | 2017 N'000 |
|---|---|---|
| **19. Prepayments** | | |
| Current | 118,900 | 69,230 |
| Prepaid rent and insurance | **118,900** | **69,230** |
| **Non-current** | 193,412 | 199,485 |
| Prepaid rent | **193,412** | **199,485** |

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

| **20. Inventories** | **2018 N'000** | **2017 N'000** |
|---|---|---|
| White products (Note 20.1) | 7,360,859 | 3,808,715 |
| Lubricants | 1,776,904 | 1,848,437 |
| LPG | 3,836 | 4,003 |
| | **9,141,599** | **5,661,155** |

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

| **21. Trade and other receivables** | **2018 N'000** | **2017 N'000** |
|---|---|---|
| Trade debtors | 19,484,715 | 19,490,199 |
| Allowance for bad and doubtful debts | (5,256,548) | (5,256,548) |
| | 14,228,166 | 14,233,651 |
| Bridging claims receivable (Note 21.3) | 1,214,546 | 1,604,440 |
| Advance to related company (Note 33) | 1,510,434 | 3,335,788 |
| Advance for product supplies | 4,975,678 | 2,222,159 |
| Deposit for litigation claims (Note 35.2) | 4,347,126 | 4,347,126 |
| Withholding tax recoverable (Note 21.4) | 64,884 | 51,017 |
| Receivables from PPPRA | 3,824,478 | - |
| Other debtors (Note 21.1) | 129,784 | 72,679 |
| | **30,295,096** | **25,866,860** |

| **21.1 Other debtors balance includes :** | | |
|---|---|---|
| Advance deposits | 379,577 | 360,513 |
| Insurance claims receivables | 29,835 | 29,835 |
| Employee advances | 57,316 | 19,275 |
| Provision for doubtful advance deposits | (336,944) | (336,944) |
| | **129,784** | **72,679** |

**21.2** Third party trade receivables above are non-interest bearing, and include amounts which are past due at the reporting date but against which the Company has not received settlement. Amounts due from related parties are also unsecured, non-interest bearing, and are repayable upon demand. The Company has a payment cycle of between 30 and 60 days for credit sales. Specific provisions are made for trade debts on occurrence of any situation judged by management to impede full recovery of the trade debt. The Company does not hold any collateral over these balances.

| **Ageing of trade debtors** | **2018 N'000** | **2017 N'000** |
|---|---|---|
| Current | 15,349,829 | 11,101,906 |
| Less than 90 days | 395,384 | 3,108,720 |
| 91 - 180 days | 18,986 | 34,399 |
| 181 - 360 days | 2 | 2,898 |
| Above 360 days | 5,256,548 | 5,242,276 |
| **Total** | **21,020,749** | **19,490,199** |

Based on credit risks and historical payments pattern analysis of customers, the Directors are of the opinion that the unimpaired amounts that are past due by more than 90 days are still collectible in full.

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| 21. Trade and other receivables (Continued) | 2018 N'000 | 2017 N'000 |
|---|---|---|
| Ageing of allowance for bad and doubtful debts | | |
| Less than 90 days | - | - |
| 91 - 180 days | - | - |
| 181 - 360 days | - | - |
| Above 360 days | 5,256,548 | 5,256,548 |
| **Total** | **5,256,548** | **5,256,548** |

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

| **Allowance for bad and doubtful debts** | 2018 N'000 | 2017 N'000 |
|---|---|---|
| As at 1 January | 5,256,548 | 5,256,548 |
| Provision for the year | 0 | - |
| **As at 31 December** | **5,256,548** | **5,256,548** |

**21.3 Bridging claims receivable**

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

| **21.4 Withholding tax recoverable** | 2018 N'000 | 2017 N'000 |
|---|---|---|
| As at 1 January | 51,017 | 48,129 |
| Addition during the year | 13,867 | 51,015 |
| Amount utilised during the year | - | (48,127) |
| **As at 31 December** | **64,884** | **51,017** |

| **22. Cash and cash equivalents** | | |
|---|---|---|
| Cash and bank | 15,352,855 | 25,774,757 |
| Bank overdraft | (4,766,240) | (5,178,802) |
| **Cash and cash equivalents** | **10,586,615** | **20,595,955** |

The Company did not have any restricted cash at the reporting date (2017: nil).

| **23. Share capital** | 2018 N'000 | 2017 N'000 |
|---|---|---|
| **Authorised** | 350,000 | 350,000 |
| 700,000,000 ordinary shares of 50k each | | |
| **Issued and fully paid** | | |
| 693,952,117 ordinary shares of 50k each | **346,976** | **346,976** |
| **Share premium account** | | |
| At 31 December | **3,824,770** | **3,824,770** |

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| 24. Retained earnings | 2018 N'000 | 2017 N'000 |
|---|---|---|
| At 1 January | 13,721,190 | 14,293,935 |
| Dividend declared and paid | (1,387,904) | (2,151,252) |
| Profit for the year | 1,796,042 | 1,578,507 |
| **At 31 December** | **14,129,327** | **13,721,190** |

At the Annual General Meeting held on 13 July 2018 the shareholders approved that dividend of 200 kobo per share be paid to shareholders (total value N1.39 billion) for the year ended 31 December 2017. In respect of the current year, the Directors proposed that a dividend of 200 kobo per ordinary share be paid to shareholders. The dividend is subject to approval by shareholders at the Annual General Meeting and deduction of withholding tax at the appropriate rate. Consequently, it has not been included as a liability in these financial statements.

| 24.1 Dividend | 2018 N'000 | 2017 N'000 |
|---|---|---|
| **Summary** | | |
| As at 1 January | 8,927 | 8,927 |
| Dividend declared | 1,387,904 | 2,151,252 |
| Dividend - Sterling Registrars | - | - |
| | 1,396,831 | 2,160,179 |
| Payments - Meristem Registrars | (1,387,904) | (2,151,252) |
| **As at 31 December** | **8,927** | **8,927** |

**24.2** Unclaimed dividends are the amounts payable to Nigerian shareholders in respect of dividends previously declared by the Company which have been outstanding for more than 15 months after the initial payment.

| | Year | No. of Shareholders | 2018 N |
|---|---|---|---|
| Dividend No. 15 | 2005 | 87,944 | 100,006,370 |
| Dividend No. 16 | 2006 | 96,068 | 135,481,335 |
| Dividend No. 17 | 2007 | 107,268 | 188,474,109 |
| Dividend No. 18 | 2008 | 103,158 | 163,617,713 |
| Dividend No. 19 | 2009 | 101,329 | 63,295,188 |
| Dividend No. 20 | 2010 | 111,261 | 126,983,125 |
| Dividend No. 21 | 2011 | 111,689 | 172,000,986 |
| Dividend No. 22 | 2012 | 113,278 | 207,584,308 |
| Dividend No. 23 | 2013 | 101,536 | 82,244,711 |
| Dividend No. 24 | 2014 | 101,543 | 295,558,859 |
| Dividend No. 25 | 2015 | 107,887 | 73,722,523 |
| Dividend No. 26 | 2016 | 112,252 | 240,332,251 |
| Dividend No. 27 | 2017 | 115,683 | 261,510,185 |
| | | | **2,110,811,663** |

**24.3** Dividend per share is based on the issued and fully paid up shares as at 31 December 2018.

**25. Borrowings**

| | 2018 N'000 | 2017 N'000. |
|---|---|---|
| **Unsecured borrowing at amortised cost** | | |
| Bank overdraft | 4,766,240 | 5,178,802 |

Bank overdrafts are repayable on demand. The average effective interest rate on bank overdrafts approximates 23.5% (2017: 25%) per annum and is determined based on NIBOR plus lender's mark-up.There is no security or pledge on the Company's assets with respect to the borrowings.

**26. Trade and other payables**

| | 2018 N'000 | 2017 N'000 |
|---|---|---|
| Trade creditors - Local | 9,215,771 | 7,356,583 |
| Bridging contribution (Note 26.2) | 2,817,762 | 2,320,428 |
| Trade creditors - Imported | 9,493,476 | 4,725,440 |
| Due to related parties (Note 32) | 14,966 | 38,983 |
| Value added tax payable | 123,721 | 297,532 |
| Withholding tax payable | 104,315 | 182,750 |
| PAYE payable | 249,583 | 219,377 |
| Staff Pension and similar obligations (Note 26.3) | 1,609 | 6,354 |
| Unclaimed dividend (Note 24.1) | 8,927 | 8,927 |
| Other creditors and accruals (Note 26.1) | 13,035,741 | 21,416,857 |
| | **35,065,872** | **36,573,231** |

**26.1 Other creditors and accruals**

| | 2018 N'000 | 2017 N'000 |
|---|---|---|
| Non-trade creditors (Note 26.4) | 8,172,155 | 6,985,939 |
| Litigation claims | 2,992,200 | 12,806,357 |
| Rent | 980,271 | 872,408 |
| Insurance premium | 659,498 | 539,872 |
| Employees payables | 96,499 | 97,782 |
| Lube incentives | 36,665 | 1,869 |
| Surcharges | 74,943 | 86,630 |
| Audit fees | 23,510 | 26,000 |
| | **13,035,741** | **21,416,857** |

**26.2Bridging contributions**

Bridging contributions are mandatory contributions per litre of all white products lifted to assist the Federal Government defray the Bridging claims.

**26.3 Staff pension**

| | 2018 N'000 | 2017 N'000 |
|---|---|---|
| At 1 January | 6,354 | 18,009 |
| Contributions during the year | 209,717 | 209,717 |
| Remittance in the year | (214,462) | (221,372) |
| At 31 December | **1,609** | **6,354** |

**26.4** Non-trade creditors represent sundry creditors balances for various supplies and contracts carried out but unpaid for as at 31 December 2018.

**27. Distributors' deposit**

| | 2018<br>N'000 | 2017<br>N'000 |
|---|---|---|
| At 1 January | 496,610 | 502,859 |
| New deposits | 5,000 | 1,000 |
| Refunds | (4,576) | (7,249) |
| At 31 December | **497,034** | **496,610** |

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

**28. Decommissioning liability**

The following table presents the reconciliation of the carrying amount of the obligation associated with the decommissioning of the Company's signages and fuel pumps:

| | 2018<br>N'000 | 2017<br>N'000 |
|---|---|---|
| At 1 January | 54,616 | 52,141 |
| Addition | - | - |
| Asset decommissioned | (525) | |
| Accretion | 2,914 | 2,475 |
| **Balance at 31 December** | 57,004 | 54,616 |

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

## 29. Financial instrument

### 29.1 Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in the accounting policies in Note 3 to the financial statements.

### 29.2 Significant accounting policies

| **Financial asset** | **2018 N'000** | **2017 N'000** |
|---|---|---|
| Cash and bank balance | 15,352,855 | 25,774,757 |
| Loans and receivables | 30,165,312 | 25,794,181 |
| | **45,518,167** | **51,568,938** |
| | | |
| **Financial liabilities** | | |
| Financial liabilities at amortized cost: | | |
| Trade and other payables | 34,588,252 | 35,873,572 |
| Borrowings | 4,766,240 | 5,178,802 |
| | **39,354,492** | **41,052,374** |

### 29.3 Fair value of financial instruments

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values.

## 30. Financial risk management

Risk management roles and responsibilities are assigned to stake holders in the Company at three levels: The Board, Executive Committee and Line Managers.
The Board oversight is performed by the Board of Directors through the Board Risk and Management Committee.
The second level is performed by the Executive Management Committee (EXCOM).
The third level is performed by all line managers under EXCOM and their direct reports. They are required to comply with all risk policies and procedures and to manage risk exposures that arise from daily operations.
The Internal Audit Department provides an independent assurance of the risk frame work. They assess compliance with established controls and recommendations for improvement in processes are escalated to relevant management, Audit Committee and Board of Directors.

### 30.1 Financial risk management objectives

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

### 30.2 Interest rate risk management

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

**Interest rate risk**

**Sensitivity Analysis**

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

| | Average rate | 2018 N'000 | 2018 N'000 |
|---|---|---|---|
| Variable rate instrument | | | |
| Financial assets | 0 | - | - |
| Bank overdrafts | 23.5% | 4,766,240 | 5,178,802 |
| | | **4,766,240** | **5,178,802** |

**Sensitivity Analysis of variable rate instruments**

A change of 200 basis points (2%) in interest rates at the reporting date would have increased/(decreased) equity and profit and loss after tax by the amounts shown below:

| | Interest charged | | Effect of Increase/ Decrease in Exchange Rate |
|---|---|---|---|
| 31 December 2018 | 1,505,150 | +/-2 | 158,422 |
| 31 December 2017 | 2,134,695 | +/-2 | 224,684 |

## 30. Financial risk management (Continued)

### 30.3 Foreign currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts.

The carrying amounts of the Company's foreign denominated monetary assets and monetary liabilities as at 31 December 2018 are as follows:

| **Assets** | **2018 N'000** | **2017 N'000** |
|---|---|---|
| | 13,768,710 | 24,846,355 |
| Cash and bank balance | **13,768,710** | **24,846,355** |
| **Liabilities** | | |
| Financial liabilities at amortized cost: | | |
| Trade and other payables | 9,493,476 | 4,725,440 |
| | **9,493,476** | **4,725,440** |

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

| **Effect in thousands of Naira 31 December 2018** | **Foreign Currency USS'000** | **Naira Balance N'000** | **Exchange Rate** | **Effect of Increase/ Decrease in Exchange Rate N'000** |
|---|---|---|---|---|
| USD | 38,280 | 13,768,710 | 359.2 | 257,103.02 |

| **Effect in thousands of Naira 31 December 2017** | **Foreign Currency USS'000** | **Naira Balance N'000** | **Exchange Rate** | **Effect of Increase/ Decrease in Exchange Rate N'000** |
|---|---|---|---|---|
| USD | 81,518 | 24,846,355 | 305.5 | 555,406.92 |

The weakening of the naira against the above currencies at 31 December would have had an equal but opposite effect on the above currencies to the amount shown above where other variables remain constant.

### 30.3 Credit risk management

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

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

## 30. Financial risk management (Continued)

### 30.5 Liquidity risk management

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

**Financing facilities**

Unsecured bank loans and overdrafts payable at call and reviewed annually.

| | 2018<br>N'000 | 2017<br>N'000 |
|---|---|---|
| Amount used | 4,766,240 | 5,178,802 |
| Amount unused | 35,653,760 | 35,241,198 |
| | **40,420,000** | **40,420,000** |

**Liquidity and interest risk tables**

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

| 31 December 2018 | Weighted Average Effective Interest rate<br>% | 0 - 3 Months<br>N'000 | 3 month - 1 year<br>N'000 | Total<br>N'000 |
|---|---|---|---|---|
| Trade and other payables | - | 35,065,872 | - | 35,065,872 |
| Borrowings | 23.50 | 4,766,240 | - | 4,766,240 |
| | | **39,832,112** | - | **39,832,112** |

| 31 December 2017 | Weighted Average Effective Interest rate<br>% | 0 - 3 Months<br>N'000 | 3 month - 1 year<br>N'000 | Total<br>N'000 |
|---|---|---|---|---|
| Trade and other payables | - | 37,358,765 | - | 37,358,765 |
| Borrowings | 25.00 | 8,990,872 | - | 8,990,872 |
| | | **46,349,637** | - | **46,349,637** |

## 31. Gearing ratio and capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing returns to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from prior year.

The capital structure of the Company consists of debt, which includes the borrowings disclosed in, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in relevant notes in the financial statements.The Company is not subject to any externally imposed capital requirements. The gearing ratio at the year end is as follows:

| | 2018<br>N'000 | 2017<br>N'000 |
|---|---|---|
| Debt | 4,766,240 | 5,178,802 |
| Equity | 18,301,074 | 17,892,936 |
| **Net debt to equity ratio** | **0.26** | **0.29** |

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

## 30. Related party transactions

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

| **31 December 2018** | **Sales of Goods N'000** | **Purchase of Goods N'000** | **Balance due (to)/from N'000** | **Deposits/ (Payable) N'000** | **Overdraft and Term Loan N'000** |
|---|---|---|---|---|---|
| Sterling Bank Plc | - | - | - | - | 354,734 |
| Glo Mobile Limited | 1,082,095 | - | 1,010,307 | - | - |
| Conoil Producing Limited | 673,623 | - | 273,306 | - | - |
| Southern Air Limited | 100,861 | - | 226,428 | - | - |
| Proline (WA) Limited | - | (187,695) | (14,966) | - | - |
| SETA Investment Limited | 393 | - | 393 | - | - |
| | 1,856,972 | 187,695 | 1,495,468 | - | 354,734 |

| **31 December 2017** | **Sales of Goods N'000** | **Purchase of Goods N'000** | **Balance due (to)/from N'000** | **Deposits/ N'000** | **Overdraft and Term Loan N'000** |
|---|---|---|---|---|---|
| Sterling Bank Plc | - | - | - | - | 4,660,222 |
| Glo Mobile Limited | - | (59,467) | (24,560) | - | - |
| Conoil Producing Limited | 1,077,079 | - | - | - | - |
| Southern Air Limited | 84,514 | - | 125,539 | - | - |
| Proline (WA) Limited | - | (159,084) | (14,423) | - | - |
| | 1,161,593 | (218,552) | 86,556 | - | 4,660,222 |

**32. Related party transactions (Continued)**

The Chairman of the Company, Dr Mike Adenuga (Jr.) GCON, has significant interests in Glo Mobile Limited, Principal Enterprises, Southern Air Limited, Sterling Bank Plc (formerly Equitorial Trust Bank), Conoil Producing Limited (formerly Consolidated Oil Limited) and Synopsis Enterprises Limited.

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

The Company also purchased goods from Glo Mobile Limited and utilizes the service of Proline (WA) Limited to manage its stations. As at 31 December 2018, N1.01 billion was due from Glo Mobile Limited (2017: N24.6 million was due to Glo Mobile Limited), N273.3 million was due from Conoil Producing Limited (2017: Nil), N226.4 million (2017: N125.5 million) from Southern Air Limited, N0.392 billion (2017: N3.2 billion) from Seta Investment Limited and N14.9 million (2017: N14.4million) to Proline (WA) Limited.

The Company also maintains an overdraft facility with Sterling Bank Plc, to augment working capital requirements specifically for the purchase of petroleum products from its various suppliers. As at 31 December 2018, the Company had N354.7 million (2017: N4.7 billion) outstanding to Sterling Bank Plc. Interest paid as at 31 December 2018 was N1.5 billion (2017: N1.9 billion).

**33. Capital commitment**

There were no capital commitments as at 31 December 2018 (2017: nil).

**34. Financial commitment**

As at 31 December 2018, the Company had outstanding letters of credit to tune of N3.1billion . (2017: Nil).

**35. Contingent liabilities**

The Company is also in litigation with Nimex Petrochemical Nigeria Limited (Nimex), one of its former suppliers of products. In 2007, Nimex sued the company for US$3,316,702.71 and US$127,060.62 being demurrage and interest incurred for various supplies of petroleum products. The Federal High Court gave judgment in favour of Nimex in the sum of US$13,756,728 which included the amount claimed and interest at 21% till judgment was delivered and also granted a stay of execution with a condition that the judgment sum be paid into the court. The court also granted a garnishee order against First Bank of Nigeria Limited to pay the Company's money with the bank into the court. Conoil Plc has appealed against the judgment to the Court of Appeal in Abuja. The appeal is pending and the Directors, on the advice of the external solicitors, are of the opinion that the judgement of the Federal High Court will be upturned. The current value of the judgment sum is N4.3 billion. However, a provision of N2.8 billion has been made in these financial statements to mitigate any possible future loss.

**36. Post balance sheet events**

There are no other post balance sheet events that could have had any material effect on the state of affairs of the Company at 31 December 2018 and on the total comprehensive income for the year ended on that date that have not been taken into account in these financial statements.

Conoil

## 37. Information on Directors and employees

### 37.1 Employment costs:

| | 2018 N'000 | 2017 N'000 |
|---|---|---|
| Employment cost including Directors' salaries and wages, staff training and benefit scheme | 2,006,255 | 2,019,522 |

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

| | 2018 Number | 2017 Number |
|---|---|---|
| Up to 1,000,000 | 11 | 12 |
| N1,000,001 - N2,000,000 | 37 | 21 |
| N2,000,001 - N3,000,000 | 28 | 29 |
| N3,000,001 - N4,000,000 | 28 | 27 |
| N4,000,001 - N5,000,000 | 23 | 19 |
| N5,000,001 - Above | 88 | 67 |
| | **215** | **175** |

**37.3** Average number of employees during the year:

| | | |
|---|---|---|
| Managerial staff | 15 | 10 |
| Senior staff | 186 | 150 |
| Junior staff | 14 | 15 |
| | **215** | **175** |

| | 2018 N'000 | 2017 N'000 |
|---|---|---|
| **37.4 Directors' emoluments:** | | |
| Emoluments of the chairman | - | - |
| Directors' fees | 1,000 | 1,000 |
| Emoluments of executives | 39,469 | 68,813 |
| | **40,469** | **69,813** |

**37.5** The emoluments of the highest paid Director were N24.9 million (2017: N60 million)

| | 2018 Number | 2017 Number |
|---|---|---|
| **37.6** Directors receiving no emolument | 8 | 8 |

**37.7** Number of Directors in receipt of emoluments within the following ranges:

| | | |
|---|---|---|
| Below N15,000,000 | - | 1 |
| N15,000,001 - N20,000,000 | 1 | 1 |
| N20,000,001 - N25,000,000 | 1 | 1 |
| Above N25,000,000 | - | - |
| | **2** | **3** |

## STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2018

Conoil

| | 2018 N'000 | % | 2017 N'000 | % |
|---|---|---|---|---|
| Revenue | 122,213,014 | | 115,513,246 | |
| Other operating income | 79,012 | | 2,522,765 | |
| Other gains and losses | 34,699 | | 2,060,169 | |
| | 122,326,725 | | 120,096,181 | |
| Bought in materials and services: | | | | |
| Imported | (13,728,710) | | (24,846,355) | |
| Local | (101,433,533) | | (87,731,07) | |
| **Value added** | **7,124,461** | **100** | **7,518,419** | **100** |
| **Applied as follows:** | | | | |
| **To pay employees' salaries, wages, and social benefits:** | | | | |
| Employment cost including Directors salaries and wages, staff training and benefit scheme | 2,006,255 | 28 | 2,019,522 | 27 |
| **To pay providers of capital:** | | | | |
| Interest payable and similar charges | 1,508,064 | 21 | 2,137,170 | 28 |
| **To pay government:** | | | | |
| Taxation | 770,723 | 11 | 726,120 | 10 |
| **To provide for maintenance and development** | | | | |
| Depreciation | 1,008,715 | 14 | 782,756 | 10 |
| Deferred tax | 34,662 | 0 | 274,343 | 4 |
| Retained earnings | 1,796,042 | 24 | 1,578,507 | 20 |
| **Value added** | **7,124,461** | **100** | **7,518,419** | **100** |

Value added represents the additional wealth which the Company has been able to create by its employees' efforts. This statement shows the allocation of that wealth between employees, shareholders, government, providers of finance and that retained for the future creation of more wealth.

Conoil

**Statement of financial position**

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|
| **Assets** | **N'000** | **N'000** | **N'000** | **N'000** | **N'000** |
| Property, plant and equipment | 3,084,601 | 2,519,941 | 2,438,466 | 3,169,460 | 3,927,386 |
| Other non-current assets | 491,504 | 550,451 | 574,275 | 568,598 | 632,117 |
| Other financial assets | 10 | 10 | 10 | 10 | 10 |
| Total current assets | 54,908,451 | 57,372,002 | 64,070,771 | 63,654,309 | 81,368,139 |
| Deferred tax assets | 2,412,680 | 2,412,680 | 2,749,942 | 1,994,988 | 665,805 |
| **Total assets** | **60,897,246** | **62,855,084** | **69,833,464** | **69,387,365** | **86,593,457** |
| **Liabilities** | | | | | |
| Total current liabilities | 41,641,699 | 44,045,149 | 50,384,090 | 50,444,300 | 69,966,552 |
| Non-current liabilities | 554,038 | 551,226 | 555,000 | 539,897 | 530,858 |
| Deferred tax liabilities | 400,435 | 365,773 | 428,693 | 693,515 | - |
| Total liabilities | **42,596,172** | **44,962,148** | **51,367,783** | **51,677,712** | **70,497,410** |
| **Equity** | | | | | |
| Share capital | 346,976 | 346,976 | 346,976 | 346,976 | 346,976 |
| Share premium | 3,824,770 | 3,824,770 | 3,824,770 | 3,824,770 | 3,824,770 |
| Retained earnings | 14,129,328 | 13,721,190 | 14,293,934 | 13,537,907 | 11,924,301 |
| **Total equity** | **18,301,074** | **17,892,936** | **18,465,680** | **17,709,653** | **16.096,047** |
| **Equity and liabilities** | **60,897,246** | **62,855,084** | **69,833,464** | **69,387,365** | **86,593,457** |
| **Revenue and profit** | | | | | |
| Revenue | 122,213,014 | 115,513,245 | 85,023,546 | 82,919,220 | 128,352,674 |
| Profit before taxation | 2,566,765 | 2,304,627 | 4,280,549 | 3,448,398 | 1,532,174 |
| Taxation | (770,023) | (726,120) | (1,442,665) | (1,140,840) | (697,753) |
| Profit after taxation | 1,796,042 | 1,578,507 | 2,837,884 | 2,307,558 | 834,421 |
| **Profit for the year retained** | **1,796,042** | **1,578,507** | **2,837,884** | **2,307,558** | **834,421** |
| Earnings per share (Kobo) | 259 | 227 | 409 | 333 | 120 |
| Dividend per share (Kobo) | 200 | 200 | 310 | 300 | 100 |
| Net Asset per share (Kobo) | 2,637 | 2,578 | 2,661 | 2,552 | 2,319 |

**Note:**
Earnings per share are based on profit after tax and the number of ordinary shares in issue at 31 December of every year. Net assets per share are based on the net asset and number of ordinary shares in issue at 31 December of every year. Dividend per share is based on the dividend proposed for the year which is subject to approval at the Annual General Meeting divided by the number of ordinary shares of 50k in issue at the end of the financial year.

## *PROXY FORM*

Conoil

Annual General Meeting to be held at 11:00.am on Friday, 16th August 2019 at Ibom and Golf Resort, Uyo, Akwa-Ibom State.

I/We ................................................................................................

Being a member/members of CONOIL PLC hereby Appoint ............................of ......................................................................

Or failing him, the Chairman of the meeting as my/our proxy to act and vote for me/us and on my/our behalf at the AnnualGeneral Meeting of the Company to be held on Friday, 16th August 2019 and my adjournment thereof

Dated this............................................................................................ day of ........................................................................................................2019.

Signature................................................................................................

**NUMBER OF SHARES HELD**

| RESOLUTIONS | FOR | AGAINST |
|---|---|---|
| To Receive Directors Report and Accounts | | |
| To Declare a Dividend | | |
| To re-elect Mr. Joshua Ariyo | | |
| To re-elect Mr, Ademola Idowu | | |
| To re-elect Arch. Harcourt Adukah | | |
| To fix Directors remuneration | | |
| To authorize the Directors to fix the remuneration of the Auditors | | |
| To elect members of the Audit committee | | |

Please indicate with "X' in the appropriate space how you wish your votes to be cast on the resolution set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his direction

NOTE

1.Please sign this form and send it to reach the Registrars at the Address shown below not later than 11.a.m on Wednesday, 14th August 2019. If executed by a corporation, the form should be sealed with its common seal. Shareholders' name to be inserted in BLOCK CAPITALS, please. In case of joint shareholders, any of such may complete this form, but the names of all joint holders must be inserted. Vote at any meeting of shareholders must bear appropriate Stamp Duty, not adhesive postage stamps

## TO BE VALID, THIS PROXY FORM MUST BE DULY STAMPED

Before posting the above form please tear off this part and retain it for admission to the meeting

### CONOIL PLC
### GENERAL MEETING

| Number of shares held |
|---|
| |

| Admission Form |
|---|
| |

PLEASE ADMIT THE SHAREHOLDER NAMED ON THIS FORM OR HIS DULY APPOINTED PROXY TO THE ANNUAL GENERAL MEETING TO BE HELD AT THE IBOM AND GOLF RESORT, UYO, AKWA-IBOM STATE AT 11.00AM ON FRIDAY 16TH AUGUST 2019.

Name of shareholder................................................................................................

Signature of person attending..................................................................

NOTE: you are requested to sign this form at the entrance in the presence of the Registrars on the date of the Annual General Meeting

The Registrar/ CEO
Meristem Registrars Limited
213, Herbert Macaulay Way,
Adekunle, Yaba,
Lagos.

Please
Affix stamp here

To
The Registrars/CEO
Meristem Registrars Limited
213, Herbert Macaulay Way,
Adekunle, Yaba,
Lagos.

# MANDATE FOR DIVIDEND PAYMENT TO BANKS (E-DIVIDEND)

MERISTEM
REGISTRARS AND PROBATE SERVICES LIMITED

Affix Current Passport
(To be stamped by Bankers)
Write your name at the back of your passport photograph

## E-DIVIDEND MANDATE ACTIVATION FORM

**Instruction**

Only Clearing Banks are acceptable

Please complete all sections of this form to make it eligible for processing and return to the address below

**The Registrar**
Meristem Registrars And Probate Services Limited
213, Herbert Macaulay Way
Adekunle-Yaba
Lagos State

I\We hereby request that henceforth, all my\our Dividend Payment(s) due to me\us from my\our holdings in all the companies ticked at the right hand column be credited directly to my \ our bank account detailed below:

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

**Shareholder Account Information**

Surname/Company's Name First Name Other Names

Address:

City State Country

Previous Address (If address has changed)

CHN CSCS A/c No

Name of Stockbroker

Mobile Telephone 1 Mobile Telephone 2

Email Address

Signature(s) Company Seal (If applicable)

Joint\Company's Signatories

| TICK | NAME OF COMPANY | SHARE A/C NO |
|---|---|---|
| | ACAP INCOME FUND | |
| | AFRINVEST EQUITY FUND | |
| | BERGER PAINTS NIG PLC | |
| | CEAT FIXED INCOME FUND | |
| | CHELLARAMS BOND | |
| | CONOIL PLC | |
| | CONSOLIDATED HALLMARK INS. PLC | |
| | CUSTODIAN & ALLIED PLC | |
| | COVENANT SALT NIGERIA LIMITED | |
| | EMPLOYEE ENERGY LIMITED | |
| | ENERGY COMPANY OF NIGERIA PLC [ENCON] | |
| | eTRANZACT INTERNATIONAL PLC | |
| | FIDSON HEALTHCARE PLC | |
| | FOOD CONCEPTS PLC | |
| | FREE RANGE FARMS PLC | |
| | FTN COCOA PROCESSORS PLC | |
| | GEO-FLUIDS PLC | |
| | INTERNATIONAL ENERGY INSURANCE PLC | |
| | JUBILEE LIFE MORTGAGE BANK LTD | |
| | MAMA CASS RESTAURANTS LIMITED | |
| | MCN DIOCESE OF REMO | |
| | MCN LAGOS CENTRAL | |
| | MCN TAILORING FACTORY [NIGERIA] LIMITED | |
| | MULTI-TREX INTEGRATED FOODS PLC | |
| | MUTUAL BENEFITS ASSURANCE PLC | |
| | NASSARAWA STATE GOVT BOND | |
| | NASCON ALLIED INDUSTRIES PLC | |
| | NEIMETH INT'L PHARMS PLC | |
| | NEWREST ASL NIGERIA PLC | |
| | NIGER INSURANCE PLC | |
| | NIGERIA MORTGAGE REFINANCE COMPANY [NMRC] PLC | |
| | NIGERIA MORTGAGE REFINANCE COMPANY PLC [NMRC] BOND | |
| | ONWARD PAPER MILLS PLC | |
| | PACAM BALANCED FUND | |
| | PAINTS & COATINGS MANUFACTURERS NIG PLC | |
| | PROPERTYGATE DEVT. & INVEST. PLC | |
| | R.T. BRISCOE NIGERIA PLC | |
| | REGENCY ALLIANCE INSURANCE PLC | |
| | SMART PRODUCTS NIGERIA PLC | |
| | SOVEREIGN TRUST INSURANCE PLC | |
| | TANTALIZERS PLC | |
| | THOMAS WYATT PLC | |
| | VITAFOAM NIGERIA PLC | |
| | ZENITH EQUITY FUND | |
| | ZENITH ETHICAL FUND | |
| | ZENITH INCOME FUND | |

Help Desk Telephone No/Contact Centre Information for issue resolution or clarification: 01-2809250-4

MERISTEM
Meristem Registrars And Probate Services Limited
Web: www.meristemregistrars.com; email: info@meristemregistrars.com

To
The Registrars/CEO
Meristem Registrars Limited
213, Herbert Macaulay Way,
Adekunle, Yaba,
Lagos.

**REGISTERED OFFICE**
Bull Plaza,
38/39, Marina,
PMB 12915, Lagos

**OPERATIONS OFFICE**
Conoil/Ap Road, near Naval Base,
P.O. Box 45, Apapa, Lagos
Tel: 07058054711
Email:info@conoilplc.com

**REGIONAL OFFICES**

Conoil Aviation
Opposite Aero Contractor Terminal,
Local Airport, Ikeja.

**Congas**
37, Mobolaji Johnson Way,
Oregun Industrial Estate
Ikeja, Lagos

**Abuja**
Conoil Service Station,
Herbert Macaulay Way, opp. NNPC,
Central Business District, Abuja.

**Kano**
H.W. Romain Road, Kano.

**Ibadan**
Along Magazine Road,
Jericho, Ibadan.

**Port Harcourt**
1, Reclamation Road, Port Harcourt.
Warri
Edewor Shopping Complex,
50, Effurun/Warri Road, Warri

**Enugu**
1, Upper Ogui Road, Enugu

**Jos**
13, Jengere Road, Oppo. Leventis Motors, Jos.

**Maiduguri**
Opposite Flour Mills, Off Baga Road, Maiduguri.

**Ilorin**
Olorunsogo Road, Adewole, Ilorin

**Business Information Enquiries**

**Retail**
E-mail: retail@conoilplc.com

**Aviation**
E-mail:aviation@conoilplc.com

**Lubricants**
E-mail: lubricants@conoilplc.com

**Commercial and Industrial Sales**
E-mail: commercialsales@conoilplc.com

**Congas**
congas@conoilplc.com

**Supply and Distribution (Transport)**
E-mail:supply@conoilplc.com

**Investor Relations**
E-mail:investors@conoilplc.com

**Corporate Communications**
E-mail:communications@conoilplc.com

**Legal Services**
E-mail: legal@conoilplc.com


Ever ready to meet your fuel needs,
wherever and whenever.
With depots and resources located across the country,
we have the technology and capacity to distribute products across Nigeria.
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