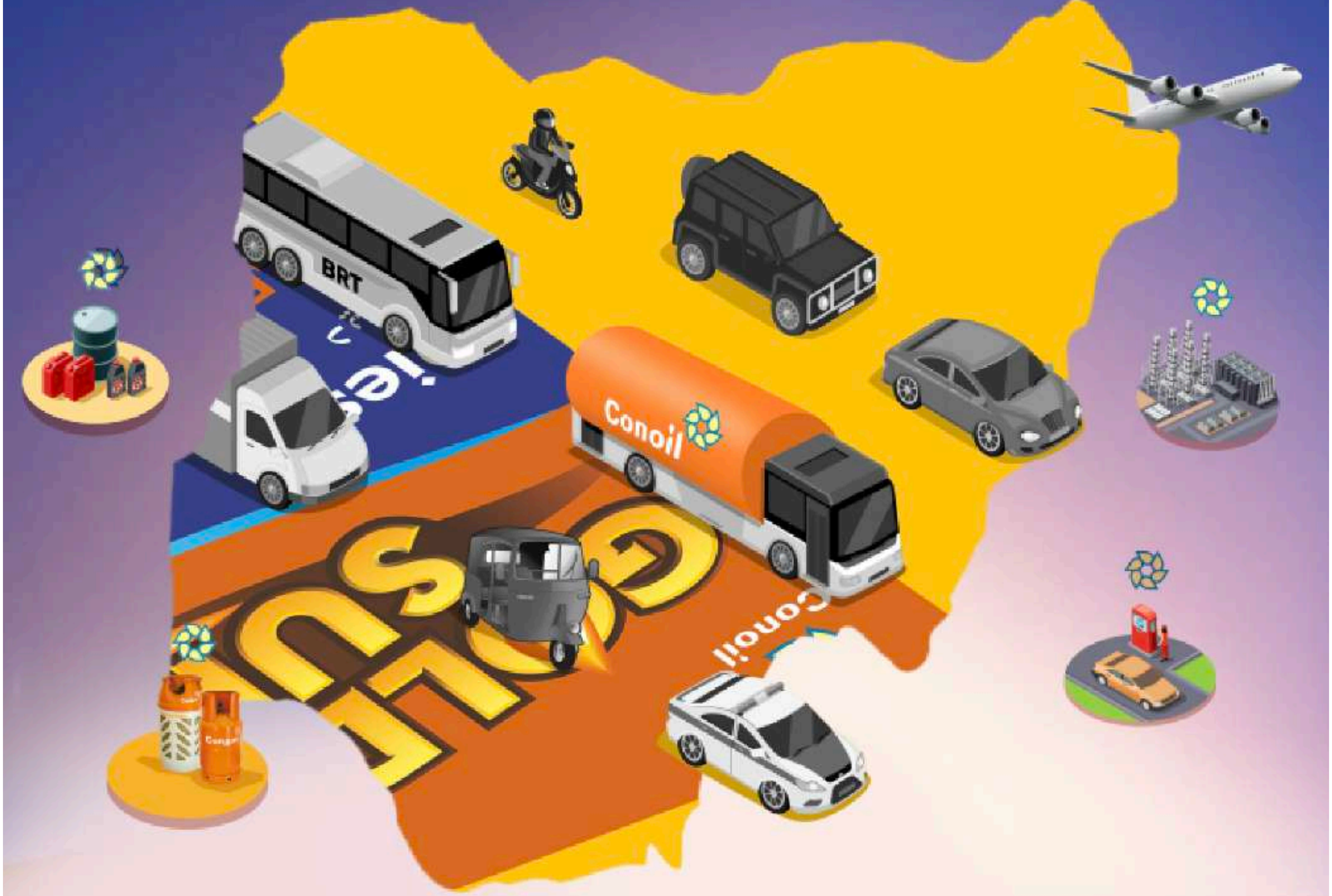
Conoil

...we go the extra mile

ANNUAL REPORT AND ACCOUNTS

2019



MASTERS IN THE ART OF ENERGY TRADE

When it comes to meeting the energy needs of Nigerians, **Conoil Plc** is the master in the trade, providing kerosene and liquefied petroleum gas for homes, automotive lubricants for engines, industrial lubricants for industries and premium motor spirit (petrol) for automobiles through our numerous fuel stations across the country. Our unparalleled leverage in the storage of petroleum products in Apapa (Lagos) and Port Harcourt makes us the nation's marketer of choice.

...we go the extra mile Conoil

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CORPORATE PROFILE

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 share of the company through the Nigerian National Petroleum Corporations (NNPC) and the company become known as National Oil 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 rights issue made by the company in 2002, Conpetro now holds 74.4 percent of the issued capital; while the Nigerian public holds the remaining 25.6 percent.

THE Conoil BRAND

The Company's name and logo were adopted in December 2000, as part of efforts to rebrand the 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 wreaths like logo, made of oil droplets, represents prosperity, flexibility, development and growth, while also alluding to environmental factors of which we remain conscious. It indicate dynamism and represents a brand with a positive attitude as well as a fresh and energetic approach to innovation. It reflects the solidarity 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 African and world-class. It is uniquely **Conoil**.

MISSION & VISION

As a marketer of first choice, **Conoil** is focused on attaining the greatest height in the downstream sector for the benefit of individual stakeholder and the society in general.

Vision: To be Africa's leading petroleum marketing company

Mission: To remain the industry's flagship, offering world-class product and services.

What we do

The core business of **Conoil Plc** is marketing of redefined 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.

OUR BUSINESS

FUELS & SERVICES

Fueling the nation's advancement

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

With the spread, and propelled by its value of innovation, care and reliability, **Conoil** touches the lives of a board spectrum of the populace by providing kerosene for domestic use, automotive fuels an lubricant for vehicles, fuels and solvents for industrial consumption and well-stocked convenience store 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** station, the customer is king, thus Company always goes the extra mile to offer excellent services to its teeming customers, in 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 station across the nation. This is in addition to its ongoing project of having at least of mega station in every state of federation, to ensure that customers get product and services no matter their location.

CONGAS

Providing safe cooking to homes

Congas is **Conoil**'s brand of liquefied petroleum gas (LGP), popularly called cooking gas. It adds more flavor to family lives, guaranteeing safety, quality, quantity, reliability and convenience to millions of homes across the country.

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 distributor 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 standards are maintained for the benefit of customers and the environment. Against this background, its cylinders are protected against corrosion and subjected to strict safety check 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.

CONGAS HOME SAFETY TIPS:

Before Use

- Always keep the cylinder in upright position at ground level in a well-ventilated place.
- Always keep the gas stove on a platform above the cylinder level.
- Do not keep the cylinder in a cabinet or in a pit below floor level.

After Use

- Empty cylinder must be stored in a cool and well-ventilated place.
- Remember to turn off the stove knob and then the regulator knob every night before you go to sleep.
- Always keep the regulator knob in 'off position' when the cylinder is not in use.

AVIATION

Linking Nigerian skies with the world

Day after day, **Conoil** Aviation provides fuel for hundreds of aircrafts in the various airports across the country in stringent compliance with international regulations. It's 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

Ensuring improved performance and efficiency

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 Quarto Gerol to Golden Super Motor Oil to Golden Super Multigrade, **Conoil**'s automotive lubricants meet and exceed the latest standards of the oil industry and vehicle manufacturers. **Conoil** lubricants continuously keep millions of vehicles and machines performing at their best.

DEPOTS

Strategic Storage for Safe Delivery

Conoil's state of the art facilities at its depots in Lagos and Port Harcourt give it unparalleled leverage in storage and blending of products, in conformity with the world's best industry practices. The depots ensure 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 product from Lagos to these areas. Similarly, a new full-fledged depot in Calabar is on the drawing board, which would have storage tanks for Aviation Turbine Fuel, Automotive Gas Oil and Premium Motor Spirit. The depot would also have hi-tech loading gantries with allied facilities of international standard.

SPECIALIZED PRODUCTS

Energizing industries for buoyant economy

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, cosmetic 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, product security and world-class services delivery. Already, it is breaking new grounds across the country and the efforts are yielding positive results.

RESULTS AT A GLANCE

	2019 N'000	2018 N'000	% Change
Revenue	139,758,285	122,213,014	14.4
Profit before taxation	2,832,469	2,566,765	10.4
Taxation	(860,147)	(770,723)	11.6
Profit for the year	1,972,322	1,796,042	9.8
Retained earnings	15,295,992	14,129,328	8.3
Share capital	346,976	346,976	–
Shareholders' funds	19,467,738	18,301,074	6.4
Per share data			
Earnings per share (kobo)	284	259	9.8
Dividend per share (kobo)	200	200	–
Net assets per share (kobo)	2,805	2,637	6.4
Stock Exchange quotation at December 31 (Naira)	18.50	23.25	20.4

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 50th Annual General Meeting of the members of CONOIL PLC will be held at BWC Hotels, Victoria Island, Lagos on Friday, 23 October, 2020 at 11.00 am to transact the following business:

ORDINARY BUSINESS

1. To receive the Report of the Directors and the Statement of Financial position as at 31 December, 2019 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 Statutory 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 External Auditors for the ensuing year.
5. To elect/re-elect the members of the Statutory Audit Committee.

SPECIAL BUSINESS

6. To fix the remuneration of the Directors.

NOTES: Relevant documents in connection with the Meeting are available to all shareholders from the date of this notice on the Company's website www.conoilplc.com

1. PROXY

In view of the safety challenges posed by the COVID-19 pandemic, public safety, the Government directive on the restriction of large gathering and social distancing, the Company has under the guidelines issued by the Corporate Affairs Commission (CAC), obtained the approval of CAC to hold the Annual General Meeting by proxy. Members are hereby informed that the Annual General Meeting shall only be held by proxy in line with the said guidelines.

Members of the Company, entitled to attend and vote, are entitled to appoint proxies to attend and vote in their stead. A proxy need not also be a member of the Company. A Proxy Form is provided with the Annual Report and Financial Statement.

The proceedings of the meeting shall also be streamed live.

2. NOMINATED PROXIES

In view of the above, Members entitled to vote are advised to appoint any of the under listed proxies to attend and vote in their stead:

I. Dr. Moses Ebi Omatsola
II. Mr. Joshua Ariyo
III. Mr. Ismail Salam
IV. Sir Sunny Nwosu
V. Chief Timothy Adesiyan
VI. Mr. Eric Akinduro
VII. Mr. Godwin Ede
VIII. Mrs. Esther Augustine
IX. Mrs. Adebisi Bakare
X. Mr. Oladepo Adesina (to represent the Statutory Audit Committee)

Each Member is to appoint a Proxy by ticking the relevant box in the Proxy Form to indicate how his/her vote is to be cast for each proposed resolution on the agenda.

For the appointment to be valid, a completed and duly stamped proxy form by the Commissioner of Stamp Duties must be deposited at the office of the Registrar, Meristem Registrars Limited, 213 Herbert Macaulay Way, Adekunle, Yaba, Lagos, or submitted via their email address: info@meristemregistrars.com not less than 48 hours before the time fixed for the meeting.

3. DIVIDEND

The Board recommends a dividend of N2.00 per ordinary share of 50 kobo each.

If the dividend recommended by the Directors is approved at the Annual General Meeting, the dividend warrants will be posted on **Friday, 30th October 2020** to members whose names appear in the Register of Members at the close of business on Monday, 13 July, 2020. Shareholders who have completed the e-mandate Activation Forms will receive a direct credit of the dividend into their bank accounts on the payment date.

4. APPOINTMENT OF MEMBERS OF THE STATUTORY AUDIT COMMITTEE

The Statutory Audit Committee consists of 3 shareholders and 3 Directors in accordance with the Companies and Allied Matters Act. 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. Nominees to the Statutory Audit Committee must be compliant with the laws, rules and regulations guiding listed companies in Nigeria. Accordingly, we would therefore, request that the nominations be accompanied by a copy of the nominees' curriculum vitae.

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 9 October, 2020.

6. UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES

Shareholders are hereby informed that some dividend warrants have been returned to the Registrars as unclaimed while some have neither been presented to the Banks for payment nor to the Registrars for revalidation. A list of such unclaimed dividends will be circulated with the Annual Reports and Financial Statements for the year ended 31 December, 2019.

Those who are affected are advised to write to the Company's Registrars - Meristem Registrars Limited, P.O. Box 51585, Falomo, Ikoyi, Lagos or visit the Registrar's office at 213 Herbert Macaulay Way, Adekunle, Yaba, Lagos.

7. CLOSURE OF REGISTER

The Register of Members and the Transfer Books of the Company will be closed from **Tuesday, 14th** to **Friday, 17th July, 2020** both days inclusive, to enable the preparation and payment of dividends.

8. E-DIVIDEND MANDATE

Pursuant to the directive of the Securities and Exchange Commission, 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 is attached to the Annual Report and also available at the office of the Registrars to enable all shareholders furnish the 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. Forms can also be downloaded from the Registrar's website – www.meristemregistrars.com

9. e-REPORT

The Company's Annual Report and Accounts are available online for viewing and downloading from our website at **www.conoilplc.com**.

10. VIEWING OF THE PROCEEDINGS OF THE MEETING

The Annual General Meeting will be streamed live online to enable Shareholders and other Stakeholders who will not be attending physically to follow the proceedings. The link for the live streaming of the meeting will be communicated to Shareholders and other Stakeholders; and will be made available on the Company's website at **www.conoilplc.com**.

BY ORDER OF THE BOARD

Conrad Eberemu
Company Secretary / Legal Adviser.
FRC/2017/NBA/00000016701
29 September 2020.

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

CORPORATE INFORMATION

Directors:	Dr. Mike Adenuga (Jr), GCON	-	Chairman
	Mr. Kheterpal Hardeep Singh	-	Managing Director
	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	-	Independent Director *(Resigned wef 31 December 2019)*
	Miss Abimbola Michael - Adenuga	-	Executive Director
	Mr. Salam Ismail Ajani	-	Executive Director

Company Secretary: Mr. Conrad Eberemu

RC Number: 7288

Address:

Registered Office:
Bull Plaza
38/39 Marina
Lagos

Operational Office:
1, Conoil / Forte Oil Road,
Off Naval Dockyard Road,
Apapa, Lagos.
www.conoilplc.com

Auditors:
Nexia Agbo Abel & Co
43 Anthony Enahoro Street
Utako
FCT Abuja.

Lagos Office:
16, Ola Ayinde Street,
Opposite Customs Training College,
Ikeja, Lagos.
www.nexianigeria.com

Registrars:
Meristem Registrars Limited
213 Herbert Macaulay Way
Adekunle
Yaba
Lagos
www.meristemregistrars.com

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

DR. MIKE ADENUGA (Jr.), GCON, CSG, CLH
CHAIRMAN

CHAIRMAN'S STATEMENT

STRENGTHENING THE FOUNDATIONS FOR GROWTH

Distinguished Shareholders, Ladies and Gentlemen, it gives me great pleasure to welcome you to the 50th Annual General Meeting of our company, Conoil Plc. This year, Conoil Plc celebrates the 50th anniversary of its founding, its 50th Annual General Meeting and over 20 years as a publicly listed Company on the Nigerian Stock Exchange. These remarkable milestones have engendered a deeper sense of responsibility in the Board Members as they are always mindful of the courage and passion of those who paved the way and laid the groundwork for our great Company to be a leading brand in the production, marketing and distribution of petroleum products.

Since its listing, Conoil has created excellent value for shareholders. Its share price has been on the rise and the number of shareholders increased to over 142,000 shareholders and still counting.

The challenge today is to explore new directions, spot opportunities and take calculated risks to reach strategic goals. The unprecedented speed and magnitude of change today demands no less. We are convinced that we can accomplish great aspirations against the odds, and continuingly improve the way the business is run, by continuously striving for excellence, doing more with less and being better than yesterday.

ECONOMIC LANDSCAPE

Nigeria's economic growth has remained muted since 2015. Real GDP growth was estimated at 2.3% in 2019, marginally higher than 1.9% in 2018. Growth was mainly in transport, an improved oil sector, and information and communications technology. Agriculture was hurt by sporadic flooding and by conflicts between herdsmen and local farmers. Manufacturing continued to suffer from a lack of financing. Final household consumption was the key driver of growth in 2019, reinforcing its 1.1% contribution to real GDP growth in 2018. An increase in the value-added tax from 5% to 7.5% to shore up domestic non-oil revenues was introduced, however this VAT rate only became effective in February, 2020.

Oil price volatility continued to influence Nigeria's growth performance. Nigeria's oil exports was affected by developments in the Middle East. The Nigerian National Petroleum Corporation became a major player and competitor in the production, marketing and distribution of petroleum products while remaining a government and regulatory agency, thus garnering a major portion of the market through its monopoly.

GROWTH PLAN

At the start of the 2019 financial year, an ambitious growth strategy for the next 5 years was introduced which could only be achievable through organic growth. This organic growth is driven by innovation and market penetration and is expected to outstrip average market growth while the Company's strategic acquisitions will further accelerate its full line product offering and market penetration. Thus far, significant investments have been made in strengthening the Company's Retail Network and important progress recorded on all fronts for the benefit of all other stakeholders.

"We are proud of the attainments of the Management team in 2019. It was a challenging year with impressive financial results. In comparison to the 2018 financial year, the company recorded growth in several areas as seen through varied performance indicators in dices compared to the year 2018"

FINANCIAL RESULTS

We are proud of the attainments of the Management team in 2019. It was a challenging year with impressive financial results. In comparison to the 2018 financial year, the company recorded growth in several areas as seen through varied performance indicators:

- The Gross Revenue grew by 14.4% from N122.2 billion in 2018 to N139.8 billion in 2019
- Profit Before Tax grew by 10.4% from N2.57 billion in 2018 to N2.83 billion in 2019
- Profit After Tax grew by 9.8% from N1.8 billion in 2018 to N1.97 billion in 2019
- Total Assets grew by 4.4% from N60.9 billion in 2018 to N63.6 billion in 2019
- Interest Expense dropped by 26% from N1.5 billion in 2018 to N1.1 billion in 2019.
- There has been a consistent drop in interest expense since 2017 which we hope to sustain.

- Non Fuel Retail business experienced a jump of about 155% growth in comparison to the 2018 performance. We are focusing on revamping our NFR structures across the country and we expect more growth going forward.

DIVIDEND

In continuing the long standing tradition of giving back to the Company's stakeholders, the board of Directors will propose to the 2019 Annual General Meeting that the sum of N1.387 Billion be approved as dividend payable to all shareholders from the net profits for 2019. This translates to a dividend of 200 kobo for every 50 kobo share held. This proposal is predicated on the existing realities in the industry. It was first important to ensure an improvement in the overall performance of the Company, which we believed would translate to meet the expectation of all our stakeholders. We are hopeful to improve in this regard in the coming years.

CORPORATE SOCIAL RESPONSIBILITY & CORPORATE GOVERNANCE

The Board of Conoil Plc is committed to good corporate governance, ethical business practices, and the promotion of the long-term interests of shareholders. Calls for rethinking the role of businesses in society grow ever louder during the year. Companies are continuously being pressured to play a more prominent role in addressing social challenges. The combined forces of public, private and civil actors are necessary to achieve the required scale and impact.

In 2019, Conoil supported developmental initiatives that impacted positively on the communities and the people in the areas of its operation. The company is guided by the objective of remaining a good corporate citizen, and a responsible and responsive member of the society. We emphasize corporate social responsibility not just because we are convinced it is good business. A good reputation, responsible use of resources, taking care of the environment and having employees who take pride in their work is good business.

"In line with our vision, we are set to achieve the continued delivery of excellent services to our customers and ultimately ensuring that our shareholders are rewarded. We acknowledge the challenges that may be posed by the rapidly changing geopolitical and social economic dynamics hence, we will concentrate on the strategies that have given us the greatest dividend."

Regular engagement, dialogue with and feedback from Conoil's material internal and external stakeholders are important to our success and a core element of our business model. Understanding stakeholders' views informs and assists our strategy and decision-making processes in the attainment of our goals and objectives.

To guide the organization on responsible conduct, Conoil Plc is committed to the principles and tenets of the Nigerian Code of Corporate Governance 2018. We are proud of the advancements made in corporate social responsibility reporting during the year and will continue on that journey in 2020. Conoil will continue to manage and grow its business in a responsible and sustainable manner.

HUMAN CAPITAL

People are a key pillar for growth. Only with strong and capable talent will we be able to propel the Company forward.

To this end, Conoil Plc's is focused on cultivating a workforce that is fully engaged and aligned with the Company's aspirations. Alongside this, the Company's strategy allows for the injection of new talent as it moves forward to expand its pool of highly skilled employees.

FUTURE PROSPECTS

Our business is about creating economic value and to essentially make a positive contribution to society. The task before us can only be attained through improved technology, innovation and changes in behavior. We simply must find ways to do more with less.

The prospects for the rebound of both the national and global economy in 2020 look bleak in the light of the global downturn from the COVID -19 pandemic. The pandemic is expected to have a major impact on the global economy, particularly on worldwide supply chains.

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.

In 2020, we plan to consolidate on the progress made in the previous years to deliver a strong and sustainable performance that enhances returns to our shareholders. We are marching forward in the

year with confidence and optimism, as we strategically and continuingly position our business to take advantage of key opportunities in the execution of our growth strategy.

In line with our vision, we are set to achieve the continued delivery of excellent services to our customers and ultimately ensuring that our shareholders are rewarded. We acknowledge the challenges that may be posed by the rapidly changing geopolitical and social economic dynamics

hence, we will concentrate on the strategies that have given us the greatest dividend.

"Conoil Plc is committed to the principles and tenets of the Nigerian Code of Corporate Governance 2018. We are proud of the advancements made in corporate social responsibility reporting during the year and will continue on that journey in 2020. Conoil will continue to manage and grow its business in a responsible and sustainable manner."

CONCLUSION

I congratulate the Conoil team on their impressive results and achievements in the 2019 financial year. We express our recognition of their diligence, professionalism, tenacity and sacrifice towards ensuring that organizational goals and objectives were achieved.

We fully appreciate the continuing commitment and support of our shareholders through the years. 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. The Board remains committed to the delivery of improved performance and further commits itself to exceed the expectations of shareholders in 2020.

DR. MIKE ADENUGA (Jr.), GCON, CSG, CLH
CHAIRMAN


UNLEASH YOUR ENGINE'S
TRUE POTENTIAL
Quatro
Ultra
GOLDEN SUPER
SAE 40
GOLDEN SUPER
...we go the extra mile
Conoil

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors hereby submit to the members, their Annual Report together with the Audited Financial Statements for the year ending 31 December 2019.

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. Results for the year

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

	2019 N'000	2018 N'000	% Change
Revenue	139,758,285	122,213,014	14.4
Profit before tax	2,832,469	2,566,765	10.4
Profit after tax	1,972,322	1,796,042	9.8
Proposed dividend	1,387,904	1,387,904	-
Share capital	346,976	346,976	-
Shareholders fund	19,467,738	18,301,074	6.4

4. Dividends

The Directors recommend the payment of a dividend of 200 Kobo per share on the results for year 2019.

5. Changes on the Board of Directors

The names of the Directors that served during the year are as listed on page 17

i. ARCHITECT HARCOURT ADUKEH resigned from his appointment as (Independent) Non-Executive Director of the Company with effect from December 31, 2019.

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 2019 Number	Total 2018 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

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 2019, 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	126,144	88.43	126,144	52,166,309	7.52	52,166,309
1,001 - 5,000	14,218	9.97	140,362	25,682,037	3.70	77,848,346
5,001 - 10,000	1,060	0.74	141,422	7,607,916	1.10	85,456,262
10,001 - 50,000	972	0.68	142,394	19,711,031	2.84	105,167,293
50,001 - 100,000	124	0.09	142,518	8,924,528	1.29	114,091,821
100,001 - 500,000	103	0.07	142,621	20,315,420	2.93	134,407,241
500,001 - 1,000,000	10	0.01	142,631	7,078,890	1.02	141,486,131
1,000,001 – 5,000,000	5	0.00	142,636	9,821,062	1.42	151,307,193
5,000,0001 – 10,000,000	4	0.00	142,640	26,346,321	3.80	177,653,514
10,000,001 - and above	1	0.00	142,641	516,298,603	74.40	693,952,117
	142,641	**100.00**		**693,952,117**	**100.00**	

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 2019.

The shares of the Company were held as follows:

	2019 Number of Shares	%	2018 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 later converted to a public limited company with an authorized share capital of ₦14 Million divided into ordinary shares of ₦2.00 each, all of which were fully issued and paid up. The shares were sub-divided into ordinary shares of 50 Kobo each in 1991. The authorized share capital of the Company was increased to ₦350 Million divided into 700 Million ordinary shares of 50 Kobo each, out of which ₦171.5 Million made up of 343 Million ordinary shares of 50 Kobo each were issued and paid up.

Year	Authorised share capital Increase N	Issued & fully paid Cumulative N	Number of Increase N	Cumulative N	shares	Consideration
1975	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	Cash
1983	42,000,000	56,000,000	28,000,000	42,000,000	42,000,000	Bonus (2:1)
1991	19,000,000	75,000,000	-	42,000,000	-	-
1991	-	75,000,000	14,000,000	56,000,000	56,000,000	Cash
1995	125,000,000	200,000,000	28,000,000	84,000,000	168,000,000	Bonus (1:2)
1996	-	200,000,000	42,000,000	126,000,000	252,000,000	Bonus (1:2)
1997	-	200,000,000	21,000,000	147,000,000	294,000,000	Bonus (1:6)
1998	-	200,000,000	24,500,000	171,500,000	343,000,000	Bonus (1:6)
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 (1:5)

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	13/07/2018	2.00	1,387,904,234.0	1,252,452,464.8
29	Final	31/12/2018	16/08/2019	2.00	1,387,904,234.0	1,251,217,929.0

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 Pipeline and Products Marketing Company (PPMC), Maron Oil & Gas Limited, Tulcan Energy Resources Limited, Leighton Petroleum Energy Limited and Chemlube S.A.

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. Magret Uyokpeyi**	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. Kennedy Izuagbe**	Toll Gate Mega Station	Along Lagos - Ibadan Expressway, near old Toll gate, Alausa, Lagos.
11.	**Mrs C. O. Okonede**	Western Avenue Service Station	Western Avenue, Barracks Bus Stop, Surulere, Lagos.
12.	**Mr. Adewale Adeleye**	G.R.A Mega Station	Oba Akinjobi Road, by GRA Roundabout, Ikeja, Lagos.
13.	**Mr Tunde Thani**	Lasu Service Station	KM 13, Lagos Badagry Express Way LASU
14.	**Mr Abimbola Olawale**	Ikate - Lekki Mega Station	Ikate Elegushi/Lekki, Lekki - Epe Expressway, Lagos.
15.	**Mr Kadiri Yunusa**	Durumi Mega Station, Abuja	B5, Cadastral Zone, Durumi District, Area 1, Durumi, FCT, Abuja.
16.	**Mr Samuel Okorho**	Lugbe Extension Mega Station	Plot 199 Cadastral Zone, Airport Road, Lugbe District, Abuja, F.C.T.
17.	**Golddust Ventures**	Utako Mega Station	Utako Cadastral Zone B5, Utako District, Abuja, F.C.T.
18.	**Mr Chinedu Iroegbu**	Obio Mega Station	Port Harcourt – Aba Express Way, Market Junction, Port Harcourt City, Rivers State.

S/No.	Dealer	Station	Location of station
19.	**A.M and Sons**	Kaita Road, Service Station	Kaita Road, Katsina.
20.	**A. Likoro**	Sokoto Road, Service Station	Sokoto Road, Zaria.
21.	**Ubolo Okpanachi**	Garki Service Station	42 Festival Road, Area 10, Garki, Abuja, F.C.T.
22.	**Mr Akinyemi Omoyeni**	Chevron Mega Station	Lekki – Epe, Express Way, Chevron Roundabout.
23.	**Mr Adebambo Bashorun**	Ajah Mega Station	Lekki – Epe Express Way, Ajah
24.	**Mr Olubusuyi Oladele**	Kilometer 2 Service Station	FAAN Local Airport, Km. 2, Ikeja.
25.	**Dr. Desmond Amegbeboh**	Oregun Service Station	Kudirat Abiola way, Oregun Ikeja.
26.	**Mrs Tola Aworh**	Poly South Service Station	South Gate, The Polytechnic, Ibadan.
27.	**Mr.Paul Nwokobia**	Mile 2 Mega Station	109 Ikwerre Road, by Ikoku Junction, Port Harcourt.
28.	**Hon. Andrew Momodu**	Airport Road Service Station	Along Air Port Road Benin City
29.	**Prince Simeon Ajibola**	Ikere Filling Station Ikere Ekiti	Along Ado/Ikere Road Ikere Ekiti
30.	**Alhaji Mohammed Okeji**	Millenium Estate Service Station	Plot 3283 Sabon Lugbe Extension, Airport Road, Lugbe, Abuja.

15. Post balance sheet events

The following are post balance sheet events that could have had material effect on the state of affairs of the Company at 31 December 2019 and on the total comprehensive income for the year ended on that date that have not been taken into account in these financial statements:

i. Coronavirus Disease (COVID-19) Pandemic

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Company, COVID- 19 may impact various parts of its 2020 operations and financial results, including receivables and provisions. Management is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

ii. Reduction in pump price of Premium Motor Spirit by the Federal Government

The Federal Government on 17 March 2020 announced the reduction of the pump price of Premium Motor Spirit (PMS) from ₦145 per litre to ₦125 per litre. This reduction will impact the industry at large.

iii. Central Bank of Nigeria Foreign Currency Exchange Rate Adjustment

The Central Bank of Nigeria adjusted the country's foreign exchange rates and pegged the naira to ₦380 per dollar. This adjustment could affect the payable and realisable amounts for payables and receivables in foreign currency as at the statement of financial position date. However, the balance in foreign currencies have been reported using the closing rate in line with IAS 21.

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 31st December 2019, there were 3 (three) disabled persons 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 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 the Code of Best Practices on Corporate Governance in Nigeria and is currently adjusting its structures to comply with the requirements of the current Nigerian Code of Corporate Governance. 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.

18.1 The Board

The Board during the period of year 2019 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 Tuesday, February 5th, 2019; Friday, June 21st, 2019; Wednesday, September 11th, 2019; and Wednesday, November 27th, 2019. Attendance at the meetings was excellent.

Names of Directors	5th February 2019	21st June 2019	11th September 2019	27th November 2019
Dr Mike Adenuga (Jr), GCON	P	P	P	P
Mr. Hardeep Kherterpal (Managing Director)	P	P	P	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. Ismail Salam (Exec. Director, Finance)	P	P	P	P
Mr Joshua Ariyo	P	P	P	P
Mr Ademola Idowu	P	P	P	P

Attendance keys: P=Present; A= Absent with apology.

18.2 Board committees:

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

i. The Executive Board Committee

The Executive Board Committee, led by the 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, 14th January 2019; Tuesday, 9th April 2019; Wednesday, July 4th 2019, Friday, 6th September, 2019; and Tuesday, 3rd December 2019.

Names	14th January 2019	9th April 2019	4th July 2019	6th September 2019	3rd December 2019
Mr. Hardeep Kherterpal	P	P	P	P	P
Miss Abimbola Michael - Adenuga	P	P	P	P	P
Mr. Ismail Salam	P	P	P	P	P

Attendance keys: P=Present

ii. Operation Review Committee

Members of this Committee are one Executive Director and two non-executive Directors 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, 21st March 2019; Tuesday, 16th July 2019; and Friday, 25th October, 2019. The meetings were well attended.

Names	21st March 2019	16th July 2019	25th October 2019
Miss Abimbola Michael-Adenuga	P	P	P
Mr. Mike Jituboh	P	P	P
Mr. Joshua Ariyo	P	P	P

Attendance key: P=Present

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 Friday, 25th January 2019, Friday, 28th June 2019 and Thursday, 21st November 2019. The meetings were well attended.

Names	25th January 2019	28th June 2019	21st November 2019
Dr. M. E. Omatsola	P	P	P
Mr. Ike Oraekwuotu	P	P	P
Mr. Ismail Salam	P	P	P

Attendance keys: P=Present

iv. Remuneration Committee

The Committee acts on behalf of the Board on all matters related to the workforce. The Committee held two (2) meetings within the year on Wednesday, 10th April, 2019 and Tuesday, 3rd September 2019. The meetings were well attended.

Names	10th April 2019	3rd September 2019
Mr. Mike Jituboh	P	P
Mr. Ademola Idowu	P	P
Arch. Harcourt Adukeh	P	P

Attendance key: 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, 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 & Plan, the Time Table of the Company for the year, the Audited Accounts & unaudited trading results of the Company, 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 December 31, 2019. The meetings were held on Monday, February 4th, 2019; Monday, June 3rd, 2019; Thursday, September 26th, 2019; and Monday, November 25th, 2019. All meetings were well attended.

Names	Designation	February 4th, 2019	June 3rd, 2019	September 26th, 2019	November 25th, 2019
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
Arch. Harcourt Adukeh	Non-Executive Director	P	P	P	P

Attendance keys: P=Present; A=Absent with apology.

18.4 Board Supervised 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
Financial Controller	-	Member
Head, Retail Business	-	Member
Deputy Head, Retail	-	Member
Head of Business, Aviation	-	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
Head, Credit Control	-	Member
Treasurer	-	Member
Company Secretary/Legal Adviser	-	Member
Head, Human Resources	-	Member

ii. Tender Committee

The Committee holds its meetings every Tuesday and Thursday to conduct negotiation to determine the most technically and commercially competitive bids/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
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

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 expenditure 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:

Managing Director	-	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 and also on the Board ensures that the shareholders are kept abreast of developments in the Company.

18.6 Corporate Social Responsibilities

The Company made several donations during the year under review, it also championed several initiatives to provide aid and relief in some host communities which include

S/N	Project	Cost Estimate
1	Naval Dockyard Road Reconstruction, Apapa, Lagos.	N3,700,000
2	Community Development Projects in Magcobar Community, Port Harcourt in collaboration with OVH Energy Marketing Limited	N5,000,000
3	De-silting the drainage along Harbour Road, Apapa, Lagos.	N500,000
4	Construction of Jetty in Magcobar Community, Port Harcourt, Rivers State (in collaboration with OVH Energy Marketing Limited)	Up to N60,000,000 (2019 – 2020)
5	Contribution to the families of 5 indigent persons	N1,000,000
6	Donation to the Nigerian Navy Association	N250,000
	Total	**Up to N70,450,000**

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

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 complied with all relevant laws and regulations within the year ended December 31, 2019.

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.

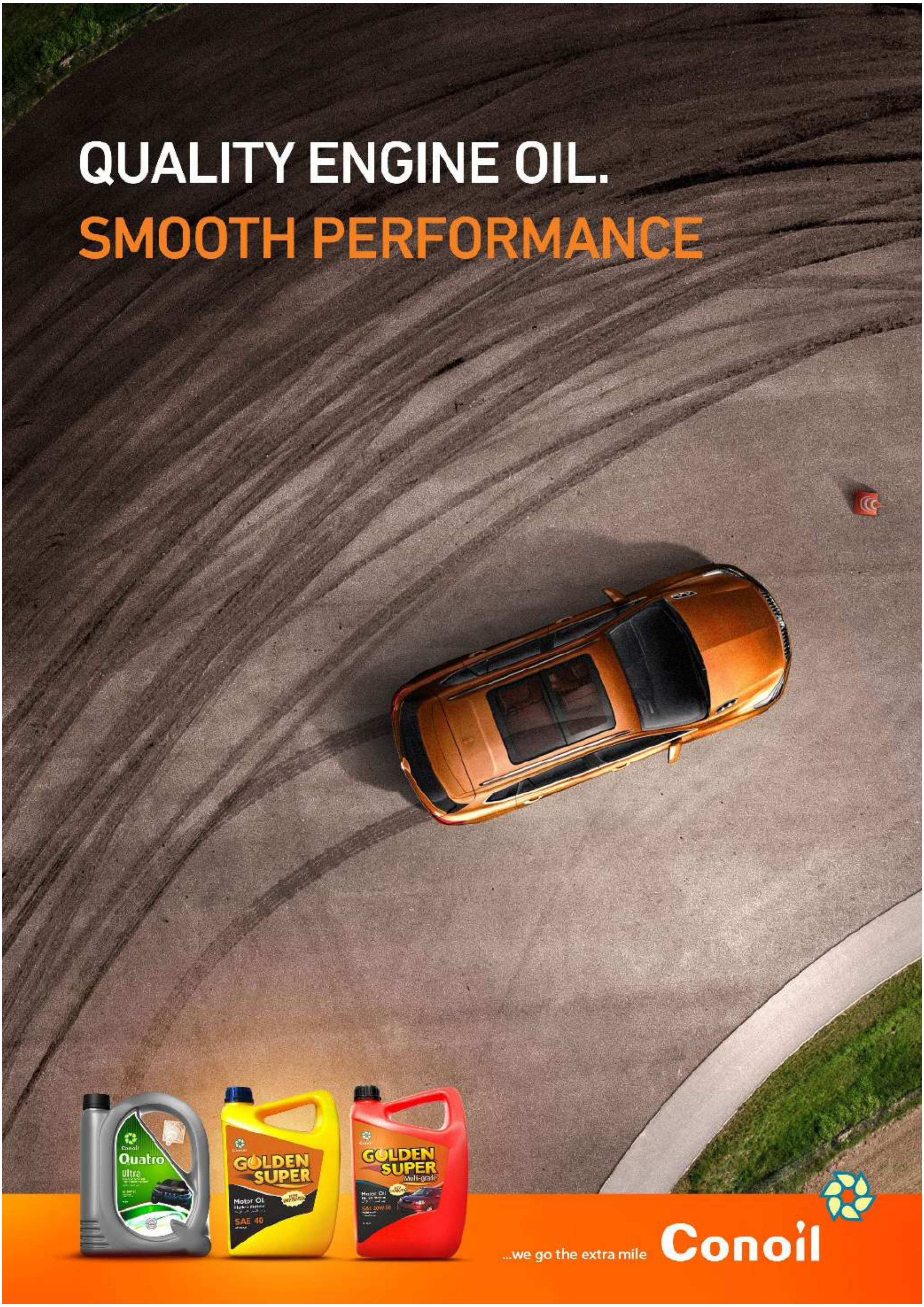
20. Auditors

The Auditors, Messrs. Nexia Agbo Abel & Co have in accordance with Section 357 (2) of the Companies and Allied Matters Act CAP C20 LFN 2004 indicated their willingness to continue in office as the Auditors of the Company

By order of the Board

Conrad Eberemu
Company Secretary / Legal Adviser
FRC/2017/NBA/00000016701
5 June 2020

Conoil Plc
Bull Plaza
38/39, Marina
Lagos


QUALITY ENGINE OIL.
SMOOTH PERFORMANCE
Quatro
Ultra
GOLDEN SUPER
Motor Oil
SAE 40
GOLDEN SUPER
Multi-grade
...we go the extra mile
Conoil

THE ACCOUNTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019, 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.

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 in sufficient 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 an d other irregularities.

Going Concern

The Directors have made an assess men t 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 2019 were approved by the Directors on 5 June 2020.

On behalf of the Directors of the Company

Mr. Salam Ismail Ajani	**Dr. M. Ebietsuwa Omatsola**	**Mr. Kheterpal Hardeep Singh**
Finance Director	Director	Managing Director
FRC/201/ICA/00000018798	FRC/2013/COMEG/0000003735	FRC/2018/NIM/00000018841

STATEMENT OF DIRECTORS' CERTIFICATION
FOR THE YEAR ENDED 31 DECEMBER 2019

CERTIFICATION IN PURSUANT TO S. 60(2) OF THE INVESTMENT & SECURITIES ACT NO. 29 OF 2007

We, the undersigned, hereby certify the following with regards to Audited Financial Statements for the period ended 31 December, 2019 that:

a. We have reviewed the reports;
b. To the best of our knowledge, the report does not contain:
   i. Any untrue statement of a material fact, or
   ii. Omit to state a material fact, which would make the statements misleading in the light of the circumstance under which such statement was made.

c. To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operations of the Company as of, and for the periods presented in the reports.

d. We:
   i. Are responsible for establishing and maintaining internal controls;
   ii. Have designed such internal controls to ensure that material information relating to the company and its consolidated subsidiary is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
   iii. Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date.
   iv. Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date.

e. We have disclosed to the Auditors of the Company and Audit Committee:
   i. All significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's Auditors any material weakness in internal controls; and
   ii. Any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls.

f. We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weakness.

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

Mr. Kheterpal Hardeep Singh
Managing Director
FRC/2018/NIM/00000018841

STATEMENT OF SECURITIES TRADING POLICY
FOR THE YEAR ENDED 31 DECEMBER 2019

CERTIFICATION IN COMPLIANCE WITH RULE 17.15 DISCLOSURE OF DEALINGS IN ISSUER'S SHARES

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) **Conoil Plc** maintains effective Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares.

The Policy is regularly reviewed and updated by the Board. The Company has made specific inquiries of all the directors and other insiders and is not aware of any infringement.

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

Mr. Kheterpal Hardeep Singh
Managing Director
FRC/2018/NIM/00000018841

43, Anthony Enahoro Street
Utako District
Abuja - Nigeria

T: +234 (0) 809. 238. 4074
E: info@nexianigeria.com

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 2019, 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 44 to 84.

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Conoil Plc** as at 31 December 2019 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

See note 3.3 and note 5 to the financial statements.

Key audit matter	How our audit addressed the matter
Revenue is a significant measure of the performance of the Company. 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.	• 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. • We obtained and reviewed sales documents to ensure revenue were recognised in line with IFRS 15. • We performed substantive analytical procedures and investigated differences in excess of the threshold. • We reviewed basis of valuation of foreign denominated contracts. • We performed cut-off tests to ensure that revenue were not under/over stated.

Contingent 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 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. • 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. • We corroborated the discussion held with management with confirmations from solicitors. • We recomputed the provisions for significant provisions.

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 regard.

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;

iii) the statements of financial position and comprehensive income are in agreement with the books of account and returns.

Abel Onyeke - FRC/2012/ICAN/00000000119
for: **Nexia Agbo Abel & Co**
Chartered Accountants
Abuja, Nigeria
5 June 2020

REPORT OF THE AUDIT COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019 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 2019 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 2019 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
5 June 2020

Members of the Audit Committee
- Chief Joshua Oluwole Oginni
- Comrade S.B. Aderenle
- Mr. Mike Jituboh
- Mr. Ike Oraekwuotu
- Arch. Harcourt Adukeh

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 N'000	2018 N'000
Revenue	5	139,758,285	122,213,014
Cost of sales	6	(126,319,031)	(109,442,111)
Gross profit		**13,439,254**	**12,770,903**
Other operating income	7	116,502	79,011
Other gains or losses	8	67,772	34,699
Distribution expenses	9	(3,074,330)	(2,571,260)
Administrative expenses	10	(6,603,406)	(6,238,524)
Finance cost	11	(1,113,323)	(1,508,064)
Profit before tax	12	**2,832,469**	**2,566,765**
Income tax expense	13	(860,147)	(770,723)
Profit for the year		**1,972,322**	**1,796,042**
Other comprehensive income for the year net taxes		-	-
Total comprehensive income		**1,972,322**	**1,796,042**
Earnings per share			
Basic earnings per share (kobo)	14	284	259
Diluted earnings per share (kobo)	14	284	259

The notes on pages 48 to 84 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

Assets	Note	2019 N'000	2018 N'000
Non-current assets			
Property, plant and equipment	15	3,072,094	3,084,602
Intangible assets	16	49,684	49,841
Investment property	17	198,600	248,250
Other financial assets	18	10	10
Prepayments	19	59,559	193,412
Deferred tax assets	13	2,677,565	2,412,680
Total non-current assets		**6,057,512**	**5,988,795**
Current assets			
Inventories	20	9,823,798	9,141,599
Trade and other receivables	21	40,441,201	30,295,097
Prepayments	19	181,906	118,900
Cash and bank balances	22	7,080,449	15,352,855
Total current assets		57,527,354	54,908,451
Total assets		**63,584,866**	**60,897,246**
Equity and liabilities			
Equity			
Share capital	23	346,976	346,976
Share premium	23	3,824,770	3,824,770
Retained earnings	24	15,295,992	14,129,328
Total equity		**19,467,738**	**18,301,074**
Non - Current liabilities			
Distributors' deposits	27	499,033	497,034
Deferred tax liabilities	13	734,179	400,435
Decommissioning liability	28	60,435	57,005
Total non-current liabilities		**1,293,647**	**954,474**
Current liabilities			
Borrowings	25	9,150,541	4,766,240
Trade and other payables	26	31,578,330	35,065,871
Current tax payable	13	2,094,610	1,809,587
Total current liabilities		**42,823,481**	**41,641,698**
Total liabilities		**44,117,128**	**42,596,172**
Total equity and liabilities		**63,584,866**	**60,897,246**

These financial statements were approved by the Board of Directors on 5 June 2020 and signed on its behalf by:

Mr. Salam Ismail Ajani	**Dr. M. Ebietsuwa Omatsola**	**Mr. Kheterpal Hardeep Singh**
Finance Director	Director	Ag. Managing Director
FRC/2018/ICAN/00000018798	FRC/2013/COMEG/00000003735	FRC/2018/NIM/00000018841

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2019

	Share capital N'000	Share premium N'000	Retained earnings N'000	Total equity N'000
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**
Balance at 1 January 2019	**346,976**	**3,824,770**	**14,129,328**	**18,301,074**
Profit for the year	-	-	1,972,322	1,972,322
Prior year adjustments	-	-	582,246	582,246
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income	**-**	**-**	**2,554,568**	**2,554,568**
Dividends to shareholders	-	-	(1,387,904)	(1,387,904)
Balance at 31 December 2019	**346,976**	**3,824,770**	**15,295,992**	**19,467,738**

The notes on pages 48 to 84 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 N'000	2018 N'000
Profit before tax		2,832,469	2,566,765
Adjustments to reconcile profit before tax to net cash provided:			
Interest from bank deposits	7	(2,949)	(34,392)
Interest on bank overdraft	11	1,109,892	1,505,150
Accretion expense	11	3,431	2,914
Depreciation of property, plant and equipment	15	964,062	947,632
Amortisation of intangible assets	16	16,134	11,433
Depreciation of investment property	17	49,650	49,650
Withholding tax credit	13	(238,067)	-
Changes in working capital:			
Increase in inventories		(682,199)	(3,480,444)
Increase in trade and other receivables		(10,075,257)	(4,471,835)
Decrease in trade and other payables		(3,336,164)	(1,143,504)
Increase in distributors' deposits		1,999	424
Cash (used) in operations		(9,357,001)	(4,046,207)
Tax paid		(268,198)	(1,219,590)
Value added tax paid		(147,945)	(361,467)
Net cash (used) in operating activities		**(9,773,144)**	**(5,627,264)**
Cashflows from investing activities			
Purchase of property, plant and equipment	15	(369,308)	(1,512,292)
Purchase of intangible assets	16	(15,977)	(8,208)
Interest received	7	2,949	34,392
Net cash used in investing activities		**(382,336)**	**(1,486,108)**
Cashflows from financing activities			
Interest paid	11	(1,113,323)	(1,508,064)
Dividends paid	24	(1,387,904)	(1,387,904)
Net cash used in financing activities		**(2,501,227)**	**(2,895,968)**
Net decrease in cash and cash equivalents		**(12,656,707)**	**(10,009,340)**
Cash and cash equivalents at 1 January		**10,586,615**	**20,595,955**
Cash and cash equivalents at 31 December	22	**(2,070,092)**	**10,586,615**

The notes on pages 48 to 84 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019 to 31 December 2019 with comparative figures for the financial year from 1 January 2018 to 31 December 2018.

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 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

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 2020

- Amendments to References to Conceptual Framework in IFRS Standards
- Amendments to IAS 1 and IAS 8 Definition of Material
- Amendments to IFRS 3 – Definition of a Business
- Revised Conceptual Framework for Financial Reporting
- Amendments to IFRS 10 and IAS 28 – Sale or contribution of assets between an investor and its associate or joint venture

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 2019		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. 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. 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. 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.

2.1 Accounting standards and interpretations issued and effective (continued)

Standard/Interpretation effective as at 31 December 2019		Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
Amendments to IAS 28	Long-term Interests in Associates and Joint 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.
Interpretation 23	Uncertainty over Income Tax Treatments	January 2017	1 January 2019	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: • 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 • 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 • 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 • 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.

2.1 Accounting standards and interpretations issued and effective (continued)

Standard/Interpretation effective as at 31 December 2019		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 2019	The following improvements were finalised in December 2017: • IFRS 3 - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. • 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. • 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. • 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: • 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 • 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 • separately recognise any changes in the asset ceiling through other comprehensive income. 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

Standard/Interpretation not yet effective as at 31 December 2019	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	March 2018	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. 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. Some of the concepts in the revised Framework are entirely new – 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.
Amendments to IAS 1 and IAS 8 - Definition of Material	October 2018	1 January 2020	The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information. In particular, the amendments clarify: • that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and • the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

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

Standard/Interpretation not yet effective as at 31 December 2019	Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
Amendments to IFRS 3 - Definition of a Business	October 2018	1 January 2020	The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions.
Revised Conceptual Framework for Financial Reporting	March 2018	1 January 2020	The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include: • increasing the prominence of stewardship in the objective of financial reporting • reinstating prudence as a component of neutrality • defining a reporting entity, which may be a legal entity, or a portion of an entity • revising the definitions of an asset and a liability • removing the probability threshold for recognition and adding guidance on derecognition • adding guidance on different measurement basis, and • stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements. No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 January 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised Framework.

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

Standard/Interpretation not yet effective as at 31 December 2019	Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture	December 2015	N/A	The IASB has made limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in Associates and Joint Ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and 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 investments in the associate or joint venture. The amendments apply prospectively. **In December 2015, the IASB decided to differ the application date of this amendment until such time as the IASB has finalised its research project on the equity method. The directors do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

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

Standard/Interpretation not yet effective as at 31 December 2019		Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
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: Discounted probability-weighted cash flows An explicit risk adjustment, and A contractual service margin ("CSM") representing the unearned profit of the contract which is recognised as revenue over the coverage period. 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. 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. 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 Reporting Council 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. Significant accounting policies (continued)

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.

3.5 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. Significant accounting policies (continued)

3.6 Taxation

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

3.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

3.6.2 Deferred tax

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

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

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.

3. Significant accounting policies (continued)

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.

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.

3.9 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

3. Significant accounting policies (continued)

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.

3.10 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. Significant accounting policies (continued)

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.

3.14 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

3. Significant accounting policies (continued)

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.

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 of estimated 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.

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

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.

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.

3. Significant accounting policies (continued)

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.

3.15 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.

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. Critical accounting judgements and key sources of estimation uncertainty (continued)

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.

4.2.5 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).

	2019 N'000	2018 N'000
Revenue from sale of petroleum products	139,758,285	122,213,014

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.

The segment results for the year ended 31 December 2019 are as follows:

	White Products N'000	%	Lubricants N'000	%	LPG N'000	%	Total N'000	%
Revenue	132,576,015	95	7,182,270	5	-	-	139,758,285	100
Cost of sales	(121,941,477)	97	(4,377,554)	3	-	-	(126,319,031)	100
Gross profit	**10,634,538**		**2,804,716**	**-**			**13,439,254**	

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	(4,138,260)	4	(167)	0	(109,442,111)	100
Gross profit	**11,221,957**		**1,549,113**		**(167)**		**12,770,903**	

2019 segment cost of sales - Analysis

	White Products N'000	Lubricants N'000	LPG N'000	Total N'000
Stock at 1 January	7,360,859	1,776,904	3,836	9,141,599
Purchases	122,402,156	4,599,074	-	127,001,230
Stock at 31 December	(7,821,538)	(1,998,424)	(3,836)	(9,823,798)
	121,941,477	**4,377,554**	**-**	**126,319,031**

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	5,661,154
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	**4,138,260**	**167**	**109,442,111**

6. Segment information (continued)

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.

7. Other operating income

Rental income:	**2019 N'000**	**2018 N'000**
Rental income	10,995	20,477
Service income	102,558	24,142
Interest income:		
Interest from bank deposits	2,949	34,392
	116,502	**79,011**

8. Other gains or losses

Exchange gain	67,772	34,699
	67,772	**34,699**

9. Distribution expenses

Freight costs	2,879,811	2,384,861
Marketing expenses	194,519	186,399
	3,074,330	**2,571,260**

10. Administration expenses	2019 N'000	2018 N'000
Staff cost	2,087,792	1,802,838
Litigation claims (Note 35.1)	1,208,340	1,417,200
Depreciation of property, plant and equipment	964,062	947,632
Rent and rates	661,796	567,965
Provision for bad and doubtful debts	357,778	-
Repairs and maintenance	282,628	264,743
Insurance	168,816	215,629
Pension fund - employer's contribution	132,229	121,761
Own used oil	99,793	103,451
Travelling	77,517	118,678
Security services	72,153	75,278
Throughput others	71,241	80,001
Postages, telephone and telex	52,538	95,660
Depreciation of investment property	49,650	49,650
Annual General Meeting	45,000	44,608
Staff training and welfare	32,461	35,898
Directors' remuneration	29,850	40,469
Other expenses	29,539	24,666
Consumables, small tools and equipment	28,430	48,802
Water and electricity	26,595	26,468
Audit fee	25,191	23,510
Health safety and environmental expenses	20,029	25,542
Subscriptions	18,530	34,829
Vehicle, plant and equipment running	17,180	24,642
Amortisation of intangible asset	16,134	11,433
Legal and professional charges	10,275	6,236
Medical	5,134	5,289
Entertainment and hotels	5,051	10,186
Printing and stationery	4,260	10,834
Bank charges	3,414	4,625
	6,603,406	**6,238,524**

11. Finance cost		
Interest on bank overdraft	1,109,892	1,505,150
Accretion expense (Note 28)	3,431	2,914
	1,113,323	**1,508,064**

Bank overdrafts are repayable on demand. The average effective interest rate on bank overdrafts approximates 18.5% (2018: 23.5%) 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:	2019 N'000	2018 N'000
Depreciation of property, plant and equipment	964,062	947,632
Depreciation of investment property	32,461	35,898
Director's emoluments	71,241	80,001
Auditors remuneration	25,191	23,510
Amortisation of intangible asset	17,180	24,642
Exchange gain	(67,772)	(34,699)

13. Taxation

13.1 Income tax recognised in profit or loss

Current tax		
Income tax	715,289	664,722
Education tax	75,999	71,339
Deferred tax		
Deferred tax (credited)/charged in the current year	68,859	34,662
Total income tax expense recognised in the current year	860,147	770,723
At 1 January	1,809,587	2,293,116
Payment during the year	(268,198)	(1,219,590)
Withholding tax utilised during the year	(238,067)	-
Transfer to deferred tax (Note 13.1)	(68,859)	(34,662)
Per statement of financial position	**2,094,610**	**1,809,587**
Balance above is made up of :		
Company income tax	1,906,042	1,649,459
Education tax	188,288	159,848
Capital gains tax	280	280
	2,094,610	**1,809,587**
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax from operations	**2,832,469**	**3,448,398**
Expected income tax expense calculated at 30% (2018: 30%)	849,741	770,029
Education tax expense calculated at 2% (2018: 2%) of assessable profit	75,999	71,339
Effect of expenses that are not deductible in determining taxable profit	290,248	300,059
Effect of income that is exempted from taxation	-	-
Investment allowance	(6,764)	(11,389)
Effect of capital allowance on assessable profit	(417,936)	(393,977)
Timing difference recognised as deferred tax asset	68,859	34,662
Income tax expense recognised in profit or loss	**860,146**	**770,723**
Adjustments recognised in the current year in relation to the tax of prior years	-	-
	860,146	**770,723**

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.

13.2 Deferred tax

Deferred tax assets and liabilities are attributable to the following;	2019 N'000	2018 N'000
Deferred tax assets	2,677,565	2,412,680
Deferred tax liabilities	(734,179)	(400,435)
Deferred tax assets (net)	1,943,386	2,012,245

Deferred tax assets	Property, plant and equipment N'000	Provisions and others N'000	Total N'000
Balance at 1 January 2019	-	(2,412,680)	(2,412,680)
Charged to profit or loss	-	(264,885)	(264,885)
Balance at 31 December 2019	**-**	**(2,677,565)**	**(2,677,565)**

Deferred tax liabilities	Property, plant and equipment N'000	Provisions and others N'000	Total N'000
Balance at 1 January 2019	400,435	-	400,435
Charged to profit or loss	333,744	-	333,744
Balance at 31 December 2019	**734,179**	**-**	**734,179**

Deferred tax as at 31 December 2019 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.

Earnings	2019 N'000	2018 N'000
Earnings for the purposes of basic earnings per share being net profit attributable to equity holders of the Company	1,972,322	1,796,042
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
	2019 Kobo per share	2018 Kobo per share
Basic earnings per 50k share		
From continuing operations	284	259
Diluted earnings per 50k share		
From continuing operations	284	259

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

1.5 Property, plant and equipment Cost:

	Freehold land N'000	Freehold buildings N'000	Plant & machinery N'000	Furniture & fittings N'000	Motor Vehicle N'000	Computer equipment N'000	Total N'000
As at 1 January 2018	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	2,209,173	1,049,303	26,355,265
Additions	-	112,600	106,483	122,201	-	28,024	369,308
At 31 December 2019	**147,766**	**6,844,354**	**12,066,509**	**4,379,439**	**2,209,178**	**1,077,327**	**26,724.573**
Accumulated depreciation and impairment loss:							
As at 1 January 2018	-	4,231,528	11,492,789	4,189,017	1,442,978	966,719	22,323,031
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**	**4,211,547**	**1,648,116**	**982,507**	**23,270,663**
Adjustment	-	-	(559,325)	(22,921)	-	-	(582,246)
Charge for the year	-	342,218	370,043	21,534	205,138	25,129	964,062
At 31 December 2019	**-**	**4,910,334**	**11,671,095**	**4,210,160**	**1,853,254**	**1,007,636**	**23,652,479**
Carrying amount							
At 31 December 2019	**147,766**	**1,934,020**	**395,414**	**169,279**	**355,924**	**69,691**	**3,072,094**
At 31 December 2018	**147,766**	**2,163,638**	**99,649**	**45,691**	**561,062**	**66,796**	**3,084,602**

15. Property, plant and equipment Cost (continued)

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 2019 (2018: nil)

16. Intangible assets

Computer software:	2019 N'000	2018 N'000
Cost:		
As at 1 January	114,344	106,136
Additions during the year	15,977	8,208
At 31 December	**130,321**	**114,344**
Accumulated amortisation:		
As at 1 January	64,503	53,070
Charge for the year	16,134	11,433
At 31 December	**80,637**	**64,503**
Carrying amount		
At 31 December	**49,684**	**49,841**

17. Investment property

	2019 N'000	2018 N'000
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	744,750	695,100
Charge for the year	49,650	49,650
At 31 December	**794,400**	**744,750**
Carrying amount		
At 31 December	**198,600**	**248,250**

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

18. Other financial assets

	2019 N'000	2018 N'000
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.

19. Prepayments

	2019 N'000	2018 N'000
Current		
Prepaid rent and insurance	181,906	118,900
	181,906	**118,900**
Non-current		
Prepaid rent	59,559	193,412
	59,559	**193,412**

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

	2019 N'000	2018 N'000
White products (Note 20.1)	7,821,538	7,360,859
Lubricants	1,998,424	1,776,904
LPG	3,836	3,836
	9,823,798	**9,141,599**

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

	2019 N'000	2018 N'000
Trade debtors	21,499,342	19,484,715
Allowance for bad and doubtful debts	(5,614,326)	(5,256,548)
	15,885,016	14,228,167
Bridging claims receivable (Note 21.3)	1,165,399	1,214,546
Advance to related company (Note 33)	14,774	1,510,434
Advance for product supplies	12,731,417	4,975,678
Deposit for litigation claims (Note 35.2)	4,347,126	4,347,126
Withholding tax recoverable (Note 21.4)	-	64,884
Receivables from PPPRA	6,061,168	3,824,478
Other debtors (Note 21.1)	236,301	129,784
	40,441,201	**30,295,097**

21.1 Other debtors balance includes :

	2019 N'000	2018 N'000
Advance deposits	486,216	379,577
Insurance claims receivables	29,835	29,835
Employee advances	57,194	57,316
Provision for doubtful advance deposits	(336,944)	(336,944)
	236,301	**129,784**

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	2019 N'000	2018 N'000
Current	14,816,706	15,349,829
Less than 90 days	1,073,047	395,384
91 - 180 days	5,471	18,986
181 - 360 days	1,051	2
Above 360 days	5,614,326	5,256,548
Total	**21,510,601**	**21,020,749**

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.

21. Trade and other receivables (Continued)

Ageing of allowance for bad and doubtful debts	2019 N'000	2018 N'000
Less than 90 days	-	-
91 - 180 days	-	-
181 - 360 days	-	-
Above 360 days	5,614,326	5,256,548
Total	**5,614,326**	**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	2019 N'000	2018 N'000
As at 1 January	5,256,548	5,256,548
Provision for the year	357,778	-
As at 31 December	**5,614,326**	**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

	2019 N'000	2018 N'000
As at 1 January	64,884	51,017
Addition during the year	173,184	13,867
Amount utilised during the year	(238,068)	-
As at 31 December	**-**	**64,884**

22. Cash and cash equivalents

Cash and bank	7,080,449	15,352,855
Bank overdraft	(9,150,541)	(4,766,240)
Cash and cash equivalents	**(2,070,092)**	**10,586,615**

The Company did not have any restricted cash at the reporting date (2018: nil).

23. Share capital

Authorised	2019 N'000	2018 N'000
700,000,000 ordinary shares of 50k each	350,000	350,000
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

24. Retained earnings

	2019 N'000	2018 N'000
At 1 January	14,129,328	13,721,190
Dividend declared and paid	(1,387,904)	(1,387,904)
Prior year adjustments	582,246	-
Profit for the year	1,972,322	1,796,042
At 31 December	**15,295,992**	**14,129,328**

At the Annual General Meeting held on 16 August 2019 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 2018. 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

	2019 N'000	2018 N'000
Summary		
As at 1 January	8,927	8,927
Dividend declared	1,387,904	1,387,904
Dividend - Sterling Registrars	132,502	-
	1,529,333	1,396,831
Payments - Meristem Registrars	(1,387,904)	(1,387,904)
As at 31 December	**141,429**	**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	2019 N
Dividend No. 15	2005	84,678	96,704,118
Dividend No. 16	2006	92,078	129,651,096
Dividend No. 17	2007	101,602	175,789,166
Dividend No. 18	2008	98,854	155,953,368
Dividend No. 19	2009	97,128	60,051,838
Dividend No. 20	2010	105,918	117,335,900
Dividend No. 21	2011	106,339	159,632,278
Dividend No. 22	2012	107,944	186,618,512
Dividend No. 23	2013	97,516	75,999,695
Dividend No. 24	2014	97,618	265,140,714
Dividend No. 25	2015	103,594	65,389,328
Dividend No. 26	2016	107,525	213,490,548
Dividend No. 27	2017	110,679	226,378,430
Dividend No. 28	2018	115,673	162,508,651
Dividend No. 29	2019	115,919	160,194,278
			2,250,837,920

24.3 Dividend per share is based on the issued and fully paid up shares as at 31 December 2019.

25. **Borrowings**	2019 N'000	2018 N'000
Unsecured borrowing at amortised cost		
Bank overdraft	9,150,541	4,766,240

Bank overdrafts are repayable on demand. The average effective interest rate on bank overdrafts approximates 18.5% (2018: 23.5%) 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**	2019 N'000	2018 N'000
Trade creditors - Local	10,172,032	9,215,771
Bridging contribution (Note 26.2)	4,426,881	2,817,762
Trade creditors - Imported	1,673,923	9,493,476
Due to related parties (Note 32)	546,126	14,966
Value added tax payable	168,789	123,721
Withholding tax payable	328,472	104,315
PAYE payable	155,069	249,583
Payables to PPPRA	140,809	-
Staff Pension and similar obligations (Note 26.3)	-	1,609
Unclaimed dividend (Note 24.1)	141,429	8,927
Other creditors and accruals (Note 26.1)	13,824,800	13,035,741
	31,578,330	**35,065,871**

26.1 Other creditors and accruals

Non-trade creditors (Note 26.4)	7,646,321	8,172,155
Litigation claims	3,975,000	2,992,200
Rent	1,142,890	980,271
Insurance premium	751,721	659,498
Employees payables	126,108	96,499
Lube incentives	34,796	36,665
Surcharges	122,773	74,943
Audit fees	25,191	23,510
	13,824,800	**13,035,741**

26.2 Bridging 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	2019 N'000	2018 N'000
At 1 January	1,609	6,354
Contributions during the year	238,130	209,717
Remittance in the year	(239,739)	(214,462)
At 31 December	**-**	**1,609**

26.4 Non-trade creditors represent sundry creditors balances for various supplies and contracts carried out but unpaid for as at 31 December 2019.

27. Distributors' deposit

	2019 N'000	2018 N'000
At 1 January	497,034	496,610
New deposits	3,500	5,000
Refunds	(1,501)	(4,576)
At 31 December	**499,033**	**497,034**

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:

	2019 N'000	2018 N'000
At 1 January	57,005	54,616
Addition	-	-
Asset decommissioned	-	(525)
Accretion	3,430	2,914
Balance at 31 December	**60,435**	**57,005**

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	**2019 N'000**	**2018 N'000**
Cash and bank balance	7,080,449	15,352,855
Loans and receivables	40,204,900	30,165,313
	47,285,349	**45,518,168**
Financial liabilities		
Financial liabilities at amortized cost:		
Trade and other payables	30,926,000	34,588,252
Borrowings	9,150,541	4,766,240
	40,076,541	**39,354,492**

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:

Variable rate instruments:	Average rate	2019 N'000	2018 N'000
Financial assets	0	-	-
Bank overdrafts	18.5 (2018: 23.5%)	9,150,541	4,766,240
		9,150,541	**4,766,240**

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 2019	1,109,892	+/-2	116,820
31 December 2018	1,505,150	+/-2	158,422

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 2019 are as follows:

Assets	2019 N'000	2018 N'000
Cash and bank balance	5,714,452	13,768,710
	5,714,452	**13,768,710**
Liabilities		
Financial liabilities at amortized cost: Trade and other payables	1,673,923	9,493,476
	1,673,923	**9,493,476**

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 2019	Foreign Currency US$'000	Naira Balance N'000	Exchange Rate	Effect of Increase/ Decrease in Exchange Rate N'000
USD	15,676	5,714,452	361.4	63,328.20

Effect in thousands of Naira

Effect of 31 December 2018	Foreign Currency US$'000	Naira Balance N'000	Exchange Rate	Increase/ Decrease in Exchange Rate N'000
USD	38,280	13,768,710	359.2	257,103.00

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.

30.4 Credit risk management

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

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

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.

	2019 N'000	2018 N'000
Amount used Amount unused	9,150,541	4,766,240
Liquidity and interest risk tables	31,269,459	35,653,760
	40,420,000	**40,420,000**

Liquidity and interest rate 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 2019				
Trade and other payables	-	31,578,330	-	31,578,330
Borrowings	18.50	9,150,541	-	9,150,541
		40,728,872	**-**	**40,728,872**

31 December 2018	Weighted Average Effective Interest rate %	0 - 3 Months year N'000	3 month -1 N'000	Total 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. 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:

	2019 N'000	2018 N'000
Debt	9,150,541	4,766,240
Equity	19,467,738	18,301,074
Net debt to equity ratio	**0.47**	**0.26**

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

32. Related party transactions

During the year, the Company traded with the underlisted companies with which it shares common ownership. All transactions with related parties are on arm's length and are based on terms similar to those entered into with third parties:

31 December 2019	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	-	-	-	-	2,165,176
Glo Mobile Limited	8,564	(45,973)	(8,727)	-	-
Conoil Producing Limited	671,982	-	-	-	-
Southern Air Limited	107,696	-	11,259	-	-
Proline (WA) Limited	-	(161,878)	(37,399)	-	-
SETA Investment Limited	-	-	-	3,515	-
Conpetro Limited	---	-	-	500,000	-
	788,242	**(207,851)**	**(34,867)**	**503,515**	**2,165,176**

31 December 2018	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	-	-	-	-	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**

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), Synopsis Enterprises Limited and Conpetro 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.

Limited), N11.3 million (2018: N226.4 million) from Southern Air Limited, N3.5 million (2018: N0.392 billion) from Seta Investment Limited, N37.4 million (2018: N14.9 million) to Proline (WA) Limited and N500 million (2018: nil) to Conpetro 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 2019, the Company had N2.2 billion (2018: N354.7 million) outstanding to Sterling Bank Plc. Interest paid as at 31 December 2019 was N1.1 billion (2018: N1.5 billion).

33. Capital commitment

There were no capital commitments as at 31 December 2019 (2018: nil).

34. Financial commitment

As at 31 December 2019, the Company had outstanding letters of credit to tune of N5.7billion. (2018: N3.1billion).

35. Contingent liabilities

The Company is 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 N4.0billion has been made in these financial statements to mitigate any possible future loss.

36. Post balance sheet events

The following are post balance sheet events that could have had material effect on the state of affairs of the Company at 31 December 2019 and on the total comprehensive income for the year ended on that date that have not been taken into account in these financial statements:

i. Coronavirus Disease (COVID-19) Pandemic
Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Company, COVID-19 may impact various parts of its 2020 operations and financial results, including receivables and provisions. Management is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

ii. Reduction in pump price of Premium Motor Spirit by the Federal Government
The Federal Government on 17 March 2020 announced the reduction of the pump price of Premium Motor Spirit (PMS) from N145 per litre to N125 per litre. This reduction will impact the industry at large.

iii. Central Bank of Nigeria Foreign Currency Exchange Rate Adjustment
The Central Bank of Nigeria adjusted the country's foreign exchange rates and pegged the naira to N380 per dollar. This adjustment could affect the payable and realisable amounts for payables and receivables in foreign currency as at the statement of financial position date. However, the balance in foreign currencies have been reported using the closing rate in line with IAS 21.

37. Information on Directors and employees

37.1 Employment costs:

	2019 N'000	2018 N'000
Employment cost including Directors' salaries and wages, staff training and benefit scheme	2,287,466	2,006,255

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

	2019 Number	2018 Number
Up to 1,000,000	10	11
N1,000,001 - N2,000,000	34	37
N2,000,001 - N3,000,000	25	28
N3,000,001 - N4,000,000	27	28
N4,000,001 - N5,000,000	21	23
N5,000,001 - Above	84	88
	201	**215**

37.3 Average number of employees during the year:

Managerial staff	20	15
Senior staff	169	186
Junior staff	12	14
	201	**215**

37.4 Directors' emoluments:

	2019 N'000	2018 N'000
Emoluments of the chairman	-	-
Directors' fees	1,500	1,000
Emoluments of executives	28,350	39,469
	29,850	**40,469**

37. Information on Directors and employees (continued)

37.5 The emoluments of the highest paid Director were N29.9 million (2018: N24.9 million)

		2019 Number	2018 Number
37.6	Directors receiving no emolument, fee and sitting allowance	7	8

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

Below N15,000,000	3	-
N15,000,001 - N20,000,000	-	1
N20,000,001 - N25,000,000	-	1
Above N25,000,000	1	-
	4	**2**

STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 N'000	%	2018 N'000	%
Revenue	139,758,285		122,213,014	
Other operating income	116,502		79,012	
Other gains and losses	67,772		34,699	
	139,942,559		122,326,725	
Bought in materials and services:				
Imported	(5,714,452)		(13,768,710)	
Local	126,912,288		(101,433,553)	
Value added	**7,315,819**	**100**	**7,124,462**	**100**
Applied as follows:				
To pay employees' salaries, wages, and social benefits:				
Employment cost including Directors salaries and wages, staff training and benefit scheme	2,287,466	31	2,006,255	28
To pay providers of capital:				
Interest payable and similar charges	1,113,323	15	1,508,064	21
To pay government:				
Taxation	860,147	12	770,723	11
To provide for maintenance and development				
Depreciation	1,013,702	14	1,008,715	14
Deferred tax	68,859	1	34,662	1
Retained earnings	1,972,322	27	1,796,042	25
Value added	**6,501,831**	**100**	**7,124,462**	**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.

FIVE YEAR FINANCIAL SUMMARY
Statement of financial position

	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
Assets					
Property, plant and equipment	3,072,094	3,084,601	2,519,941	2,438,466	3,169,460
Other non-current assets	307,842	491,504	550,451	574,275	568,598
Other financial assets	10	10	10	10	10
Total current assets	57,527,354	54,908,451	57,372,002	64,070,771	63,654,309
Deferred tax assets	2,677,565	2,412,680	2,412,680	2,749,942	1,994,988
Total assets	**63,584,866**	**60,897,246**	**62,855,084**	**69,833,464**	**69,387,365**
Liabilities					
Total current liabilities	42,823,481	41,641,699	44,045,149	50,384,090	50,444,300
Non-current liabilities	559,468	554,038	551,226	555,001	539,897
Deferred tax liabilities	734,179	400,435	365,773	428,693	693,515
Total liabilities	**44,117,128**	**42,596,172**	**44,962,148**	**51,367,784**	**51,677,712**
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	15,295,992	14,129,328	13,721,190	14,293,934	13,537,907
Total equity	19,467,738	18,301,074	17,892,936	18,465,680	17,709,653
Equity and liabilities	**63,584,866**	**60,897,246**	**62,855,084**	**69,833,464**	**69,387,365**
Revenue and profit					
Revenue	139,758,285	122,213,014	115,513,246	85,023,546	82,919,220
Profit before taxation	2,832,469	2,566,765	2,304,627	4,280,549	3,448,398
Taxation	(860,147)	(770,723)	(726,120)	(1,442,665)	(1,140,840)
Profit after taxation	1,972,322	1,796,042	1,578,507	2,837,884	2,307,558
Profit for the year retained	**1,972,322**	**1,796,042**	**1,578,507**	**2,837,884**	**2,307,558**
Earnings per share (Kobo)	284	259	227	409	333
Dividend per share (Kobo)	200	200	200	310	300
Net Asset per share (Kobo)	2,805	2,637	2,578	2,661	2,552

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

The 50th Annual General Meeting of Conoil Plc will be held at BWC Hotels, Victoria Island, Lagos on Friday, October 23, 2020 at 11am.

I / We ______________________________
of ______________________________

____

Being a member / members of Conoil Plc hereby appoint the following individual as my/our proxy:

S/N	Name	Designation	Proxy Choice
1	Dr. Moses Ebi Omatsola	Director	
2	Mr. Joshua Ariyo	Director	
3	Mr. Ismail Salam	Director	
4	Sir Sunny Nwosu	Shareholders Representative	
5	Chief Timothy Adesiyan	Shareholders Representative	
6	Mr. Eric Akinduro	Shareholders Representative	
7	Mr. Godwin Ede	Shareholders Representative	
8	Mrs. Esther Augustine	Shareholders Representative	
9	Mrs. Adebisi Bakare	Shareholders Representative	
10	Mr. Oladepo Adesina	Statutory Audit Committee	

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of ______________________________ or failing Dr. Moses Ebi Omatsola as my / our proxy to act and vote for me / us on my/ our behalf at the Annual General Meeting of the Company to be held on October 23rd 2020 and any adjournment thereof.

Dated this __________ day of ____________________ 2020

Shareholder's Signature ______________________________

	ORDINARY BUSINESS	FOR	AGAINST
1	To receive the Report of the Directors and the Statement of Financial Position as at 31 December, 2019 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 Statutory Audit Committee thereon.		
2	To declare a dividend		
3	To re-elect retiring Directors.		
i.	Name of Director – Dr. Mike Adenuga Jnr.		
ii.	Name of Director – Mr. Mike Jituboh		
iii.	Name of Director – Mr. Ike Oraekwuotu		
4	To authorize the Directors to determine the remuneration of the External Auditors for the ensuing year.		
5	To elect/re-elect the members of the Statutory Audit Committee		
	SPECIAL BUSINESS		
a.	To approve the remuneration of the Directors.		
b.	Resolutions		
	Resolutions		

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

NOTE

(i) A Member (shareholder) entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy instead of him. All proxy forms should be deposited at the office of the Registrars, Meristem Registrars Limited, 213 Herbert Macaulay Way, Yaba, Lagos not later than 48 hours before the time of holding the meeting.

(ii) In the case of joint Shareholders, any of such may complete the form, but names of all joint Shareholders must be stated.

(iii) If the Shareholder is a corporation, this form must be under its common seal or under the hand of an officer or attorney duly authorized.

(iv) The proxy must produce the Admission Slip with the notice of Meeting to obtain entrance to the meeting.

ADMISSION SLIP

Please admit ______________________________ to the Annual General Meeting of Conoil Plc.
Admission Slip must be produced by the shareholder or his proxy in order to obtain entrance to the Annual General Meeting.

Name & Address of Shareholders ______________________________

Number of Shares held ______________________________

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

Affix Current Passport

(To be stamped by Bankers)

Write your name at the back of your passport photograph

This service costs ₦150.00 per approved Mandate per Company.

MERISTEM
REGISTRARS AND PROBATE SERVICES LIMITED

E-DIVIDEND MANDATE ACTIVATION FORM

Only Clearing Banks are acceptable

Instruction

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	
	CITITRUST HOLDINGS PLC	
	CONOIL PLC	
	CONSOLIDATED HALLMARK INS. PLC	
	CUSTODIAN INVESTMENT 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	
	NEWRESTASL 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	
	PAINTCOM INVESTMENT 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

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

CORPORATE DIRECTORY

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


DRIVING OUR ECONOMY
SINCE 1927
With our fast, efficient and reliable delivery of bulk petroleum products, we foster the growth of industries and drive the economy forward. This remains a competitive advantage and we remain committed to it.
Conoil
...we go the extra mile
Conoil

Conoil

...we go the extra mile