Conoil

Annual Report & Accounts 2021

Quatro Ultra Oil for top engine performance

CONTENTS

COMPANY 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 xthe 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 subcontinent, 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

	2021 N'000	2020 N'000	% Change N'000
Revenue	126,726,356	117,470,576	7.9
Profit before taxation	3,831,758	2,145,493	78.6
Taxation	(749,068)	(705,308)	6.2
Profit for the year	3,082,690	1,440,185	114.0
Retained earnings	17,617,623	15,348,274	14.8
Share capital	346,976	346,976	-
Shareholders' funds	21,789,368	19,520,019	11.6
Per share data			
Earnings per share (kobo)	444	208	114.0
Dividend per share (kobo)	250	150	66.4
Net assets per share (kobo)	3,140	2,813	11.6
Stock exchange quotation at 31 December (naira)	22.0	18.7	17.6


YOUR RECIPE FOR
SAFE COOKING
Congas
Conoil
...we go the extra mile.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 52nd Annual General Meeting of the members of **CONOIL** PLC will be held at BWC Hotels, Victoria Island, Lagos on Friday, 28th October, 2022 at 11.00 am to transact the following business:

ORDINARY BUSINESS

1. To lay before the members, the Report of the Directors and the Statement of Financial position as at 31 December, 2021 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 disclose the remuneration of Managers of the company in compliance with Section 257 of CAMA 2020
5. To authorize the Directors to fix the remuneration of the External Auditors for the ensuing year.
6. To elect/re-elect the members of the Statutory Audit Committee.

SPECIAL BUSINESS

7. To fix the remuneration of the Directors.

NOTES:

Relevant documents in the 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

Due to 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. To be valid for the purpose of the meeting, the form must be completed and deposited at the office of the Registrars, Meristem Registrars Limited, not later than 48 hours before the time appointed to hold the meeting.

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. Ike Oraekwuotu
V. Olu Omojola
VI. Moses Ogundeji
VII. Imran Adesina
VIII. Ajani Musa
IX. Kolawole Ibiyemi
X. Blaize Rotimi
XI. Onifade Taiwo
XII. Williams Bayo
XIII. Gbadero Kayode
XIV. Mr. Olalekan 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. The cost of stamping the proxy forms shall be borne by the Company.

3. DIVIDEND

The Board recommends a dividend of N2.50 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, 4th November, 2022 to members whose names appear in the Register of Members at the close of business on Monday, 30th May 2022. 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 2 Directors in accordance with the Companies and Allied Matters Act 2020. 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 Friday, 21st of October, 2022.

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, 2020. 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, 31st May, 2022 - Friday, 3rd June 2022 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 or via this link https://forms.meristemng.com/wp-content/uploads/2022/09/Standardized-e-Dividend-Mandate-Form-for-Meristem-Registrars-Probate-Services-Ltd.pdf.

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
11th October 2022.

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

DIRECTORS AND PROFESSIONAL ADVISERS

Directors:

Dr. Mike Adenuga (Jr), GCON	-	Chairman
Mr. Kheterpal Hardeep Singh	-	Managing Director
Dr. Moses Ebietsuwa Omatsola	-	Director
Mr. Mike Jituboh	-	Director
Mr. Ike Oraekwuotu	-	Director
Engr Babatunde Okuyemi	-	Director
Mr. Joshua Ariyo	-	Director
Mr. Ademola Idowu	-	Director
Miss Abimbola Michael - Adenuga	-	Executive Director
Mr. Salam Ajani Ismail	-	Executive Director

Company Secretary:
Mr. Conrad Eberemu

RC Number:
7288

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

Auditors:

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

Registrars:

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
United Bank for Africa Plc

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

CHAIRMAN'S STATEMENT

Distinguished Shareholders, Ladies and Gentlemen, it gives me great pleasure to welcome you to the 52nd Annual General Meeting of our company, **Conoil** Plc and the presentation of our Annual Report and Accounts for the year ended 31st December 2021.

This is the beginning of another strategic cycle, and **Conoil** Plc is better positioned and committed to creating long-term value for all stakeholders. **Conoil** Plc has remained in the forefront of our industry while continually evolving its strategy to stay best placed to meet its consumer and customer demands. This year, in the face of continuing challenging headwinds, the Company has delivered commendable results while continuing to position for the future. The Company was faced with the implications of the Ukrainian; the combination of COVID and the war caused significant disruption in global supply chains, with implications for availability and cost of purchased goods. In the face of this turbulence, one might have expected considerations of strategy to have been put on hold; however, the Company has continued to refine its strategy and drive through its implementation.

I would like to thank the Management of **Conoil** Plc for their outstanding leadership, for their dedication and commitment to a customer focused business strategy, and for their continued success even in a very challenging environment. I am equally proud of the tremendous efforts of our talented and motivated workforce who have demonstrated resilience and commitment to the business in the last year. I would also thank specially, our shareholders and stakeholders for their unwavering support in the last financial year.

It is important at juncture, to give an overview of the macroeconomic environment and outline the progress made by **Conoil** Plc on our strategic objectives.

ECONOMIC LANDSCAPE

In 2021, the economy sustained its recovery momentum as the real Gross Domestic Product (GDP) expanded by an average of 3.2 percent in the first three quarters of the year. Reaping from the high growth in output, the inflation rate, after peaking at 18.2 percent in March 2021, moderated for most of the year and averaged at 17.0 percent in 2021. The exchange rate faced intense pressure, and the Central Bank of Nigeria (CBN) adopted the Investors' and Exporters' FX window to strengthen the stability of the local currency. On the social aspect, unemployment and poverty worsened as economic growth remained non-inclusive.

Nigeria's economic growth recovered from the pandemic induced recession in 2020 but macroeconomic stability weakened. Amidst global commodity shocks, a depreciating currency, trade restrictions, and monetization of the deficit, inflation surged and since 2021, Nigeria has been unable to benefit from the surging global oil prices, as oil production fell to historic lows and petrol subsidy continued to consume a larger share of the gross oil revenues.

Private-sector operating conditions improved at a fractionally slower pace in April–May, while credit growth was also broadly stable in April however, inflation rose markedly in the same period. Sectarian violence spread to the country's relatively safe south-western region.

In 2022, economic growth cooled in the first quarter of the year due to a further deterioration in the key oil sector. Second-quarter data paints a mixed picture. Private-sector operating conditions improved at a fractionally slower pace in April–May, while credit growth was also broadly stable in April however, inflation rose markedly in the same period. Sectarian violence spread to the country's relatively safe south-western region. Social tensions and violence could increase going forward, as religious and regional divides are heightening the stakes of the February 2023 presidential elections. With Nigeria's population growth continuing to outpace poverty reduction, the number of Nigerians living in extreme poverty will be on the rise. While the economy is projected to grow at an average of 3.2% in 2022-2024, the growth outlook is subject to downside risks including further declines in oil production and heightened insecurity. Meanwhile, continued scarcity of foreign exchange and tighter liquidity could affect the economic activity in the non-oil sector and undermine the overall macroeconomic stability. The uncertainty is also expected to be accompanied by high inflation and continued fiscal and debt pressures.

DEVELOPMENT CHALLENGES

Nigeria continues to face massive developmental challenges, including the need to reduce the dependency on oil and diversify the economy, address insufficient infrastructure, build strong and effective institutions, as well as address governance issues and public financial management systems.

Inequality, in terms of income and opportunities persist and adversely affects poverty reduction. The lack of job opportunities is at the core of the high poverty levels, regional inequality, and social and political unrest. High inflation has also taken a toll on household's welfare and high prices in 2022 are likely to have pushed millions of Nigerians into poverty.

ECONOMIC GROWTH AND OUTLOOK

The economy will grow at a softer pace this year. Inflation will remain elevated, eating into consumers' pockets. Power supply issues will further jeopardize activity. Moreover, social rifts and violence ahead of the February 2023 elections could undermine momentum. The government's investment push should support activity, however. Experts see GDP growth coming in at 3.0% in 2022 and 3.0% in 2023.

For 2022 – 2023, a deceleration in the Growth rate is expected, averaging 3.2% during 2022– 23, due to persistent low oil production and rising insecurity. Inflation is projected to remain elevated at 16.9% in 2022 and to stay above pre-pandemic levels in 2023, fueled mainly by rising food, diesel, and gas prices and persistent supply disruptions amplified by the Russia– Ukraine conflict. Capital inflows are projected to recovery, while oil exports are projected to increase slightly. The benefit of a forecast positive oil price shock on exports may, however, be partly offset by a weak output effect due to lower oil production, stoked by infrastructure deficiencies and rising insecurity. The projected marginal current account surplus of 0.1% of GDP in 2022 could turn into deficit of 0.2% in 2023. Improved revenue collection will help narrow the fiscal deficit to an average of 4.5% of GDP. Public debt targeted to reach 40% of GDP by 2024 on fresh borrowing. The headwinds to the outlook may be exacerbated by rising insecurity and policy uncertainty underpinned by reversal of initially planned removal of subsidies on premium motor spirit a year before the 2023 elections.

The Revenue increased by 7.9% from ₦117.47 billion in 2020 to ₦126.73 billion in 2021. This is in spite of the supply disruption experienced in the year.

FINANCIAL RESULTS

We are proud of the achievements of the Management team in 2021. In comparison to the 2020 financial year, the company improved in several areas as seen through varied performance indicators, it was a commendable effort from our dedicated team members:

- The Revenue increased by 7.9% from N117.47 billion in 2020 to N126.73 billion in 2021. This is in spite of the supply disruption experienced in the year.
- The Gross Profit also increased by 13.7% from N9.82 billion in 2020 to N11.16 billion in 2021.
- A substantial growth in Profit After Tax of 114% was recorded. It moved from N1.44 billion in 2020 to N3.08 billion in 2021
- Total borrowing went up substantially from N189.73million in 2020 to N7.36 billion in 2021. This was basically due to increase in activities and rise in cost of products. Our bank overdraft facilities were used more in 2021 than it was in 2020.
- Interest Expense increased by 7.5% from N0.705 billion in 2020 to N0.757 billion in 2021. The increase in interest expense aligned with the rise in funding requirement which was effectively managed to achieve the substantial growth in our performance

DIVIDEND

The Board recognizes the importance of dividends and the need to generate returns for shareholders' investment. It is in this regard, and the continued confidence of the prospects of our business supported by the reliable 2021 Financial Year results and in continuing the long standing excellent and unbroken tradition of annual dividend payment to the Company's shareholders, the board of Directors will propose to the 2021 Annual General Meeting that the sum of N1,734,880,292.50 (One Billion, Seven Hundred and Thirty-four Million, Eight Hundred and Eighty Thousand, Two Hundred and Ninety-two Naira, Fifty Kobo) be approved as dividend payable to all shareholders from the net profits for 2021. This translates to a dividend of 250 kobo for every 50 kobo share held.

GROWTH PLAN

Strides in the Company's 5 year growth strategy have been achievable through organic growth. This organic growth was designed to be driven by innovation and market penetration with the expectation to outstrip average market growth while the Company's strategic acquisitions would further accelerate its full line product offering and market penetration. Much ground was covered and major strides taken in 2021 as further 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.

BUSINESS OBJECTIVES

Conoil Plc plans to consolidate on the progress made in the previous years to deliver a strong and sustainable performance that enhances returns to our shareholders. Regardless of the odds, the Company is marching forward in the year with confidence and optimism, as it strategically and continuingly positions its business to take advantage of key opportunities in the execution the growth strategy. Our overriding goal is to ensure 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. The Company will grow its earnings, improve profitability and asset quality and deliver competitive returns to its esteemed shareholders.

Our focus is to deliver value to partners, customers, employees, community, and the planet in the coming years. We will leverage on our positive culture, our technology, and our processes to further grow our market share, top-line and bottom-line while doubling down on our cost reduction and process simplification efforts.

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 have grown much louder. 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 2021, **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.

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. **Conoil** will continue to manage and grow its business in a responsible and sustainable manner.

HUMAN CAPITAL

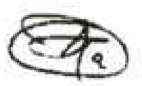
People are a key pillar for growth. Only with strong and capable talent will we be able to propel the Company forward. Maintaining an extremely talented and highly driven workforce has been one of the fundamental strengths of our organization over the years, and keeping them motivated and productive is a major reason we were able to deliver for our customers, communities and shareholders in 2021. **Conoil** Plc 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.

CONCLUSION

On behalf of the Board, I would like to express our sincere gratitude to our shareholders, our regulators, our business partners, and all stakeholders. We are grateful for your support. I also congratulate the Management and Staff of **Conoil** Plc on their commendable results and achievements in the 2021 financial year. The Board recognizes their diligence, professionalism, tenacity and sacrifice towards ensuring that the Company's goals were achieved.

The Company remains motivated in creating excellent value for its shareholders, ensuring that its share price remains on the rise. The task before the Company is to spot and explore 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 things and continuingly improve the way the business is run, by doing more with less and being better than yesterday.

Challenges persist in 2022 and beyond. Economic recovery from the Covid-19 pandemic is still fragile across the globe. However, we have shown a consistent ability to improve our operating margin and grow our volumes across all our locations. We have a great brand portfolio with energised, talented people and the pan-Nigerian reach. Our clients have been core to our success, and we are highly appreciative of their continued support. We look forward to a gradually improving economic environment as we work through this uniquely challenging season together.



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


HERE FOR YOU AND YOUR TANK 24\7
Conoil
Conoil
Conoil
...we go the extra mile.

REPORT OF THE DIRECTORS

for the year ended 31 December 2021

The Directors of **Conoil** Plc are pleased to present their report on the affairs of the Company, together with the audited financial statements and the auditor's report for the year ended 31 December 2021.

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:

	2021 N'000	2020 N'000	% Change
Revenue	126,726,356	117,470,576	7.9
Profit before tax	3,831,758	2,145,493	78.6
Profit after tax	3,082,690	1,440,185	114.0
Proposed dividend	1,734,880	1,040,928	66.7
Share capital	346,976	346,976	0
Shareholders fund	21,789,368	19,520,019	11.6

4. Dividends

The Directors recommend the payment of a dividend of 250 Kobo per share on the results for year 2021.

5. Changes on the Board of Directors

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

In the course of the financial year ended December 31, 2021, there were no changes in the Board of Directors of **Conoil** Plc.

6. Directors' interest in shares

The Directors who held office during the year, together with their direct and indirect interests in the issued share capital of the Company as recorded in the Register of Directors' Shareholding and/or as notified by the Directors for the purposes of sections 301 and 302 of the Companies and Allied Matters Act, 2020 and the listing requirements of the Nigerian Exchange Group is as follows:

Directors	Direct Number	Indirect Number	Total 2021 Number	Total 2020 Number
*Dr Mike Adenuga (Jr), GCON	Nil	103,259,720	103,259,720	103,259,720
Mr. Hardeep Kheterpal (Indian)	Nil	Nil	Nil	-
Dr. Moses Ebietsuwa Omatsola	541	Nil	541	541
Engr Babatunde Okuyemi	8,500	Nil	8,500	8,500
Mr Mike Jituboh	Nil	Nil	Nil	-
Mr Ike Oraekwuotu	Nil	Nil	Nil	-
Miss Abimbola Michael - Adenuga	Nil	Nil	Nil	-
Mr. Ismail Salam	Nil	Nil	Nil	-
Mr Joshua Ariyo	25,365	Nil	25,365	25,365
Mr Ademola Idowu	15,125	Nil	15,125	-

*Representing Conpetro Limited

There were no material changes to Directors' shareholdings within the year ended 31st December, 2021.

7. Contracts

For the purposes of Section 303 of the Companies and Allied Matters Act, 2020, none of the Directors have notified the Company of any disclosable interests in contracts involving the Company during the year.

8. Directors' remuneration

The Company ensures that remuneration paid to its Directors complies with the provisions of the codes of corporate governance issued by its regulators. In compliance with the provisions of Principle 16, and the Recommended practices in Articles 16.5 – 16.14 of the Nigerian Code of Corporate Governance 2018 as issued by the Securities and Exchange Commission, the Company makes disclosure of remuneration paid to its directors as follows:

Remuneration package	Description	Time of payment
Basic Salary	• Part of gross salary package for Executive Directors only • Reflects the industry competitive salary package and the extent to which the Company's objectives have been met for the financial year.	Paid monthly during the financial year
13th Month Salary	• Part of gross salary package for Executive Directors only • Reflects the industry competitive salary package and the extent to which the Company's objectives have been met for the financial year.	Paid in the last month of the financial year
Director's Fee	• Paid annually immediately after the Annual General Meeting ('AGM') to Non-Executive Directors only.	Paid annually immediately after the AGM
Sitting Allowances	• Allowances paid to Non-Executive Directors only for attending Board and Board Committee Meetings.	Paid after each meeting

9. Retirement by rotation

Pursuant to Articles 92, 93 & 94 of the Company's Articles of Association, which requires one third of the Directors (excluding Executive Directors) who shall be those who have been longest in office since their last election; the following Directors: Mr. Joshua Ariyo and Mr. Ademola Idowu who are non-executive directors, are due to retire by rotation and being eligible, have offered themselves for re-election.

Summary profile of retiring directors

I. **Mr. Joshua Ariyo – Non Executive Director**
HND; ACA; FCS
Over 40 years' working experience in Petroleum Downstream sector.

II. **Mr. Ademola Idowu – Non Executive Director**
HND. Accounting; MBA; FCA
Over 43 years' working experience in Telecommunications and Petroleum Downstream sectors.

10. Shareholding analysis

As at 31 December 2021, 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	126,286	88.46	126,286	52,055,537	7.50	52,055,537
1,001 – 5,000	14,196	9.94	140,482	25,680,339	3.70	77,735,876
5,001 – 10,000	1,060	0.74	141,542	7,685,176	1.11	85,421,052
10,001 – 50,000	980	0.69	142,522	20,220,759	2.91	105,641,811
50,001 – 100,000	127	0.09	142,649	9,075,890	1.31	114,717,701
100,001 – 500,000	90	0.06	142,739	17,173,287	2.47	131,890,988
500,001 – 1,000,000	14	0.01	142,753	10,215,306	1.47	142,106,294
1,000,001 – 5,000,000	5	0.00	142,758	8,475,990	1.22	150,582,284
5,000,0001 – 10,000,000	4	0.00	142,762	27,071,230	3.90	177,653,514
10,000,001 – and above	1	0.00	142,763	516,298,603	74.40	693,952,117
	142,763	**100.00**		**693,952,117**	**100.00**	

11. Major shareholding

According to the Register of members, no shareholder of the Company other than Conpetro Limited as noted below held more than 5% issued shares of the Company as at 31st December 2021.

The shares of the Company were held as follows:

	2021 Number of Shares	%	2020 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**

12. 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 N14 Million divided into ordinary shares of N2.00 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 N350 Million divided into 700 Million ordinary shares of 50 Kobo each, out of which N171.5 Million made up of 343 Million ordinary shares of 50 Kobo each were issued and paid up.

	Authorised share capital		Issued & fully paid			
Year	Increase N	Cumulative N	Increase N	Cumulative N	Number of 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)

13. 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
30	Final	31/12/2019	23/10/2020	2.00	1,387,904,234.0	1,252,071,715.4
31	Final	31/12/2020	19/11/2021	1.50	1,040,928,175.5	936,835,358.0

14. Property, plant and equipment

Movement in property, plant and equipment during the year are shown under Note 15 to the Accounts. Changes in the value of property, plant and equipment were due to additions and disposals 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 audited Financial Statements.

15. Suppliers

The Company obtains its materials from overseas and local suppliers. Among its foreign and local suppliers, the major suppliers of petroleum products to the Company are – Pipeline and Products Marketing Company (PPMC), Subsaharan Integrated Services Africa Limited (SISA) and Tulcan Energy Resources Limited, Bashams/Maron Oil & Gas, and Energy GS international.

17. 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 over 395 dealers and distributors.

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

S/No.	Dealer	Station	Location of station
1.	Mr Johnson Iwarere	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 A.K. Fagbure	KM 4 Benin/Sapele Road Service Station	KM 4, Benin/Sapele Road Benin
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.
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. Idon Godfrey	Kilometer 2 Service Station	FAAN Local Airport, Km. 2, Ikeja.

S/No.	Dealer	Station	Location of station
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	Apo Mega Station Abuja	Apo Mechanic Village, Apo Abuja FCT

17. Post balance sheet events

There were no post balance sheet events which could have had a material effect on the state of affairs of the Company as at 31st December 2021 and on the profit for the period to that date which have not been adequately provided for.

18. Human resources policy

(i). Recruitment

The Company conforms with all regulatory requirements in the employment of staff, whilst also ensuring that only fit and proper persons are approved for appointment to board or top management positions. All prescribed pre-employment screening for prospective employees and other requirements for regulatory confirmation of top management and expatriates' appointments are duly implemented.

(ii). Diversity and Inclusion

The Company treats all employees, prospective employees and customers fairly and equally, regardless of their gender, sexual orientation, family status, race, colour, nationality, ethnic or national origin, religious belief, age, physical or mental disability, or any such factor. In the coming years, the Company seeks to increase the female representation at Board and Top Management levels respectively, subject to identification of candidates with appropriate skills. For the purpose of this statement, "Board" refers to Managing Director/ CEO, Executive Directors and Non-Executive Directors while "Top Management" refers to General Manager, Deputy General Manager and Assistant General Manager grades.

Gender Analysis	Male	Female	Total	Ratio
Permanent staff	159	19	178	8:1
Expatriates	18	0	18	18:0
Others	439	29	468	15:1

19. Employment and employees

(i). Employment of physically challenged persons

The Company's operates a non-discriminatory policy in the consideration of applications for employment, including those received from physically challenged persons. In the event where an employee becomes physically challenged in the course of employment, where possible, the Company may arrange training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. As at 31st December 2021, there were 3 (three) physically challenged 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 training and 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. The Company has established a Training School for Staff to initiate and foster a culture of excellence in its operations and service delivery.

(iv). Welfare

The Company operates the requisite Insurance cover for the varied cadre of its employees including Employee Compensation Act contributions for the benefits of its employees. Employees are insured against occupational and other hazards. The Company also operates a contributory pension plan in line with the Pension Reform Act 2004 (amended in 2014) as well as a terminal payment scheme for its employees.

(v). Health

The Company maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. The Company maintains well-equipped medical clinics at its head office and other major operational locations. This is complemented by 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. .Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises.

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.

20. Commitment to good corporate governance

Conoil Plc ("the Company") is committed to carry on its operations in a fair, honest and transparent manner in compliance with a high level of professional ethics, and international best practice and procedure in Corporate Governance. With the goal to deliver greater shareholder value, the Company has continued to subject its operations to the high standards of corporate governance, which is an essential foundation for sustainable corporate success. We are dedicated to uphold the creed and principles of good Corporate Governance in all our operations which is the bedrock of the public trust and confidence reposed in us by shareholders, business partners, employees and the financial markets; and the key to our continued long-term success.

Corporate Governance is a key driver of corporate accountability and business prosperity. It is also aimed at increasing entities' levels of transparency, trust and integrity, and create an environment for sustainable business operations. **Conoil** Plc complies with the provisions of the Code of Best Practices on Corporate Governance in Nigeria and the requirements of the current Nigerian Code of Corporate Governance 2018. 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 efficiency of measures for enhancing operational and compliance control are continually reviewed from time to time. The Company executed various governance activities which included the review of the mandate of all the Board Committees in order to align same with leading practices and extant regulations. The Board and its Committees also carried out self-assessment to review their compliance with their terms of reference. Entrenched in the fibre of **Conoil** Plc is the culture of openness which promotes healthy discourse and encourages employees to report improper activities. The belief that success is only worth celebrating when achieved the right way through a process supported and sustained with the right values remains one of the Company's guiding principles.

20.1 The Board

The Board of Directors is responsible for the governance of the Company and is accountable to shareholders for creating and delivering sustainable value through the management of the Company's business. The Board is committed to the highest standards of business integrity, ethical values and governance. It recognizes the responsibility of the Company to conduct its affairs with transparency, prudence, fairness, accountability and social responsibility, thereby safeguarding the interests of all stakeholders. The Board ensures that an appropriate level of checks and balances is maintained, in order to ensure that decisions are taken with the best interest of the Company's stakeholders in mind. The company's

Directors possess the right balance of expertise, skills and experience, which translates to an effective Board and executive management team capable of steering the affairs of the Company in an ever changing and challenging environment. The Board determines the overall strategy of the Company and follows up on its implementation, supervises the performance of the Company and ensures adequate management, thus actively contributing to developing the Company as a focused, sustainable and global brand. The synergy between the Board and Management fosters interactive dialogue in setting broad policy guidelines in the management and direction of the Company to enhance optimal performance and ensures that associated risks are properly managed. Furthermore, the Board plays a central role in conjunction with Management in ensuring that the Company is financially balanced, well governed and risks are identified and well mitigated.

In addition to the Board's direct oversight, the Board exercises its oversight responsibilities through five (5) Board Committees. Members of the Board of Directors are seasoned professionals, who have excelled in various sectors including accounting, engineering, oil and gas, telecommunications, manufacturing and banking. They possess the requisite integrity, skills and experience to bring to bear independent judgment on the deliberations of the Board and decisions of the Board. They have a good understanding of the Company's business and affairs to enable them properly evaluate information and responses provided by Management, and to provide objective challenge to management.

The Board meets quarterly and additional meetings are convened as required. Material decisions may be taken between meetings by way of written resolutions, as provided for in the Articles of Association of the Bank. The Directors are provided with comprehensive information at each of the quarterly Board meetings and are also briefed on business developments between Board meetings.

20.2 Responsibilities of the Board

The Board has ultimate responsibility for determining the strategic objectives and policies of the Company to deliver long-term value by providing overall strategic direction within a framework of rewards, incentives and controls. The Board has delegated the responsibility for day-to-day operations of the Bank to Management and ensures that Management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives. In fulfilling its primary responsibility, the Board acknowledges the relationship between good governance and risk management practices, in relation to the achievement of the Bank's strategic objectives and good financial performance.

Notwithstanding the delegation of the operation of the Company to Management, the Board reserved certain powers which include the approval of quarterly, half-yearly and full year financial statements (whether audited or unaudited) and any significant change in accounting policies and/or practices; approval of major changes to the Company's corporate structure and changes relating to the Company's capital structure or its status as a public limited company; the determination and approval of the strategic objectives and policies of the Company to deliver long-term value; approval of the Company's strategy, medium and short term plan and its annual operating and capital expenditure budget; appointment or removal of Company Secretary; recommendation to shareholders of the appointment or removal of auditors and the remuneration of Auditors; approval of resolutions and corresponding documentation for shareholders in general meeting(s), shareholders circulars, prospectus and principal regulatory filings with the Regulators. Other powers reserved for the Board are the determination of Board structure, size and composition, including appointment and removal of Directors, succession planning for the Board and senior management and Board Committee membership; approval of mergers and acquisitions, expansion and establishment of subsidiaries; approval of remuneration policy and packages of the Managing Director and other Board members, appointment of the Managing Director and other Directors nominated by the Company; approval of the Board performance evaluation process, corporate governance framework and review of the performance of the Managing Director; approval of policy documents on significant issues including Enterprise-wide Risk Management, Human Resources, Credit, Corporate governance and Anti – Money laundering, and approval of all matters of importance to the Company as a whole because of their strategic, financial, risk or reputational implications or consequences.

20.3 Role of the Chairman

The roles of the Chairman and Chief Executive are separate and no one individual combines the two positions. The Chairman's main responsibility is to lead and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Chairman is responsible for ensuring that Directors receive accurate, timely and clear information to enable the Board take informed decisions and provide advice to promote the success of the Company. The Chairman also facilitates the contribution of Directors and promotes effective relationships and open communications between Executive and Non-Executive Directors, both inside and outside the Boardroom.

20.4 Role of the Managing Director / Chief Executive Officer

The Board has delegated the responsibility for the day-to-day management of the Company to the Managing Director/Chief Executive Officer, who is supported by Executive Management. The Managing Director executes the powers delegated to him in accordance with guidelines approved by the Board of Directors. Executive Management is accountable to the Board for the development and implementation of strategies and policies. The Board regularly reviews group performance, matters of strategic concern and any other matter it regards as material.

20.5 Board Composition

The Company's Articles of Association provide that the Company's Board of Directors shall consist of no less than five (5) and not more than fifteen (15) Directors. The Board during the year under review had a Non-Executive Director as Chairman, six (6) other Non-Executive Directors and three (3) Executive Directors. The thorough process for selecting Board members gives premium to educational and professional background, integrity, competence, capability, knowledge, expertise, skills, experience and diversity. During the year under review, the Board 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.

20.6 Board Meetings and Attendance

Members of the Board of Directors hold a minimum of four quarterly meetings to approve the company's business strategy and objectives, decide on policy matters, direct and oversee the Company's affairs, progress, performance, operations, and finances; and ensure that adequate resources are available to meet the Company's goals and objectives. Attendance of Directors at quarterly meetings is very good.

The Board held four (4) meetings during the financial year ended 31 December 2021. The notice for each meeting was in line with the Company's Articles of Association and Board papers were provided to directors in advance. Senior Executives of the company are from time to time invited to attend Board meetings and make representations of their business units. The Board meetings were held on Tuesday, March 2nd, 2021; Thursday, June 3rd, 2021; Friday, September 3rd, 2021; and Friday, December 17th, 2021. A summary of the record of attendance at Board meetings is presented below.

Names of Directors	2nd March 2021	3rd June 2021	3rd September 2021	17th December 2021
Dr. Mike Adenuga (Jnr.) 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	A	P	P	P
Mr Ike Oraekwuotu	P	P	P	P
Miss Abimbola Michael - Adenuga	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.

20.7 Board committees:

The Board carries out its responsibilities through its Standing Committees, which have clearly defined terms of reference, setting out their roles, responsibilities, functions and scope of authority. The Board has five (5) Standing Committees alongside other Board Supervised Management Committees:

i. Executive Board Committee;
ii. Operation Review Committee;
iii. Risk Management Committee;
iv. Remuneration Committee; and
v. Statutory Audit Committee.

Through these Committees, the Board is able to effectively carry out its oversight responsibilities and take advantage of individual expertise to formulate strategies for the Company. The Committees make recommendations to the Board, which retains responsibility for final decision making. All Committees in the exercise of their powers so delegated conform to the regulations laid down by the Board, with well-defined terms of reference. The Committees render reports to the Board at the Board's quarterly meetings. A summary of the roles, responsibilities, composition and frequency of meetings of each of the Committees are as stated hereunder:

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 Friday, 8th January 2021; Thursday, 8th April 2021; Friday, July 9th 2021, Tuesday, 14th September, 2021; and Monday 13th December 2021.

Names	8th January 2021	8th April 2021	9th July 2021	14th September 2021	13th December 2021
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. Mr. Mike Jituboh, a non-executive Director is Chairman of the Committee and the Head, Internal Audit in attendance. 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 Tuesday, 23rd February 2021; Wednesday, 7th July 2021; and Wednesday, 17th November, 2021. The meetings were well attended.

Names	23rd February, 2021	7th July 2021	17th November 2021
Mr. Mike Jituboh	P	P	P
Ms. Abimbola Michael - Adenuga	P	P	P
Mr. Joshua Ariyo	P	P	P

Attendance key: P=Present

iii. Risk Management Committee

This Committee is tasked with the responsibility of setting and reviewing the Company's risk policies. The coverage of supervision includes the following: Credit Risk, Reputational Risk, Operations Risk, Technology Risk, Market Risk, Liquidity Risk and other pervasive risks as may be posed by the events in the industry at any point in time. The Terms of Reference of the Board Risk Management Committee include to:

- Review and recommend for the approval of the Board, the Company's Risk Management Policies including the risk profile and limits;
- Determine the adequacy and effectiveness of the Company's risk detection and measurement systems and controls;
- Evaluate the Company's internal control and assurance framework annually, in order to satisfy itself on the design and completeness of the framework;
- Oversee Management's process for the identification of significant risks across the Company and the adequacy of risk mitigation, prevention, detection and reporting mechanisms;
- Review and recommend to the Board for approval, the contingency plan for specific risks;
- Review the Company's compliance level with applicable laws and regulatory requirements which may impact on the Company's risk profile;
- Conduct periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the Company's risk profile;
- Handle any other issue referred to the Committee from time to time by the Board.

The Chief Risk Officer of the Company presents regular briefings to the Committee at its meetings. The Committee met four (4) times during the financial year ended December 31, 2021 on Thursday, 11th February 2021, Thursday, 24th June 2021, Monday, 6th September 2021 and Monday, 6th December 2021. The Board Risk Management Committee comprised the following members during the year under review:

Names	11th February 2021	24th June 2021	6th September 2021	6th December 2021
Dr. M. E. Omatsola	P	P	P	P
Mr. Ike Oraekwuotu	P	P	P	P
Mr. Ismail Salam	P	P	P	P

Attendance keys: P=Present

iv. Remuneration Committee

The Board Remuneration Committee has the responsibility of setting the principles and parameters of Remuneration Policy across the Company, determining the policy of the Company on the remuneration of the Managing Director and other Executive Directors and the specific remuneration packages and to approve the policy relating to all remuneration schemes and long-term incentives for employees of the Company.

The Committee is responsible for the determination of remuneration policy and its application for senior executives, performance evaluation, the adoption of incentive plans, and various governance responsibilities related to remuneration to a stand-alone committee, or to any other committee capable of combining it with their existing functions, as is appropriate.

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, 14th April, 2021 and Thursday, 23rd September 2021. The meetings were well attended.

Names	14th April 2021	23rd September 2021
Mr. Mike Jituboh	P	P
Mr. Ademola Idowu	P	P

Attendance key: P=Present.

20.8 Audit Committee

This Committee is responsible for ensuring that the Company complies with all the relevant policies and procedures both from the regulators and as laid-down by the Board of Directors. Its major functions include the approval of the annual audit plan of the internal auditors, review and approval of the audit scope and plan of the external auditors, review of the audit report on internal weaknesses observed by both the internal and external auditors during their respective examinations and to ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices. The Committee also reviews the Company's annual and interim financial statements, particularly the effectiveness of the Company's disclosure controls and systems of internal control as well as areas of judgment involved in the compilation of the Company's results. The Committee is responsible for the review of the integrity of the Company's financial reporting and oversees the independence and objectivity of the external auditors, review and ensures that adequate whistle blowing procedures are in place and that a summary of issues reported are highlighted to the Committee; and review the independence of the external auditors and ensures that where non-audit services are provided by the external auditors and that there is no conflict of interest. The Committee has access to external auditors to seek explanations and additional information, while the internal and external auditors have unrestricted access to the Committee, which ensures that their independence is in no way impaired.

In compliance with the provisions of Section 404 (3) of the Companies and Allied Matters Act 2020, which requires the Director representatives to be two (2); the Committee is made up of two (2) Non-Executive Directors and three (3) Shareholders of the Company appointed at Annual General Meetings with the Company Secretary / Legal Adviser as the Secretary. The membership of the Committee at the Board level is based on the relevant experience of the Board members, while one of the shareholders serves as the Chairman of the Committee. The Committee has as its Chairman, a member representing the shareholders and holds meetings 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. 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 shareholder may nominate another 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 internal and external auditors are invited from time to time to attend the Meetings of the Committee. The Director of Finance, the Financial Adviser and appropriate members of Management also attend the meetings upon invitation. The Committee is required to meet quarterly and additional meetings may be convened as the need arises. The Statutory Audit Committee of the Bank met four (4) times during the year. The meetings were held on Thursday, January 28th, 2021; Wednesday, May 5th, 2021; Thursday, August 19th, 2021; and Friday, October 29th, 2021. The following members served on the Committee during the year ended December 31, 2021:

Names	Designation	28/01/2021	05/05/2021	19/08/2021	29/10/2021
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. Ike Oraekwuotu	Non-Executive Director	P	P	P	P
Mr. Joshua Ariyo	Non-Executive Director	P	P	P	P

Attendance key: P=Present.

20.9 Board Supervised Management Committee

These are Committees comprising senior management staff of the Company. The Committees are risk driven as they are basically set up to identify, analyze, synthesize and make recommendations on risks arising from day to day activities of the Company. They also ensure that risk limits as contained in the Board and Regulatory policies are complied with at all times. They provide inputs for the respective Board Committees and also ensure that recommendations of the Board Committees are effectively and efficiently implemented. They meet as frequently as necessary to immediately take action and decisions within the confines of their powers. The standing Management Committees in the Company are:

i. Management Credit Committee;
ii. Executive Management Committee;
iii. Tender Committee;
iv. Import Committee; and
v. Process and Expenditure Committee.

i. Management Credit Committee

This is the Committee responsible for ensuring that the Company complies fully with the Credit Policy Guide as laid down by the Board of Directors. The Committee also provides inputs for the Board Credit. This Committee reviews and approves credit facilities to individual obligors not exceeding an aggregate sum to be determined by the Board from time to time. The Management Credit Committee is responsible for reviewing and approving all credits that are above the approval limit of the Managing Director as determined by the Board. The Committee reviews the entire credit portfolio of the Company and conducts periodic assessment of the quality of risk assets in the Company. It also ensures that adequate monitoring of credits is carried out. The Committee meets weekly depending on the number of credit applications to be considered.

The secretary of the Committee is the Head of the Credit Control Department of the Company.

ii. 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:

The 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 of Business / 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

iii. 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

iv. 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

v. 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

20.10 Conoil Plc and its shareholders

The Company is conscious of and promotes shareholders' rights. It continues to take necessary steps to improve on same. 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. Besides these formal relations, the Board has in place other avenues for interaction with shareholders such as other less formal meetings and contacts.

The benefits from contributions, advice and wisdom from the shareholder members of the statutory Audit Committee remain invaluable. 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.

20.11 Shareholders

The General Meeting of the Company is the highest decision-making body of the Company. The Company's General Meetings are conducted in a transparent and fair manner. Shareholders have the opportunity to express their opinions on the Company's financial results and other issues affecting the Company. The Annual General Meeting is attended by representatives of regulators such as the Securities and Exchange Commission, the Nigerian Exchange Group, the Corporate Affairs Commission as well as representatives of Shareholders' Associations. The Company's has a Relations Unit, which deals directly with enquiries from shareholders and ensures that Shareholders' views are escalated to Management and the Board. In addition, quarterly, half-yearly and annual financial results are published in national newspapers.

20.12 Management, Protection of Shareholders' Rights

The Board ensures the protection of the statutory and general rights of shareholders at all times, particularly their right to vote at general meetings. All shareholders are treated equally, regardless of volume of shareholding or social status.

20.13 The Company Secretary

The Company Secretary provides a point of reference and support for all Directors. The Company Secretary also consults regularly with Directors to ensure that they receive required information promptly. The Board may obtain information from external sources, such as consultants and other advisers, if there is a need for outside expertise, via the Company Secretary or directly. The Company Secretary is also responsible for assisting the Board and Management in the implementation of the Nigerian Code of Corporate Governance, coordinating the orientation and training of new Directors and the continuous education of Non-Executive Directors; assisting the Chairman and Managing Director to formulate an annual Board Plan and with the administration of other strategic issues at the Board level; organizing Board meetings and ensuring that the minutes of Board meetings clearly and properly capture Board discussions and decisions.

20.14 Insider Trading and Price Sensitive Information

The Company has in place a policy regarding trading in its shares by its Directors and employees on the terms and conditions similar to the standards set out by the Nigerian Exchange Group. Directors, insiders and their related persons in possession of confidential price sensitive information ("insider information") are prohibited from dealing with the securities of the Company where such would amount to insider trading. Directors, insiders and related parties are prohibited from disposing, selling, buying or transferring their shares in the Company for a "lock up" period commencing from the date of receipt of such insider information until such a period when the information is released to the public or any other period as defined by the Company from time to time. In addition to the above, the Company makes necessary disclosure as required under Rule 111 of the Securities and Exchange Commission ("SEC") Rules and Regulations which stipulates that Directors and top Management employees and other insiders of public companies shall notify the SEC of any sale or purchase of shares in the company, not later than forty-eight (48) hours after such activity. The Directors of the Company comply strictly with the laid down procedure and policy regarding trading in the Company's shares.

20.15 Corporate Social Responsibilities

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 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 in various ways.

In order to identify with the aspirations of various sections of the society in which it operates, the Company donated a total sum of N68,000,000.00 (Sixty-eight Million Naira) as charitable contributions during the year. It also championed several initiatives to provide aid and relief in some host communities. A listing of the beneficiary organizations and the amounts donated to them is shown in the table:

S/N	Project	Cost Estimate
1	Naval Dockyard Road Reconstruction, Apapa, Lagos.	N1,000,000
2	Community Development Projects in Magcobar Community, Port Harcourt	N3,000,000
3	De-silting the drainage along Harbour Road, Apapa, Lagos.	N1,000,000
4	Construction of Jetty in Magcobar Community, Port Harcourt, Rivers State (in collaboration with OVH Energy Marketing Limited)	Up to N60,000,000 (2019 – 2021)
5	Donation for staff welfare and related issues	N3,000,000
	Total	**Up to N68,000,000**

20.15 Internal Financial Controls

The Company has in place procedures and structures for an effective control environment that promotes the 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.

20.16 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.**conoil**plc.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
vii. Complaints Management Policy Framework

21. Regulatory Compliance

The Company complied with all relevant laws and regulations within the year ended December 31, 2020.

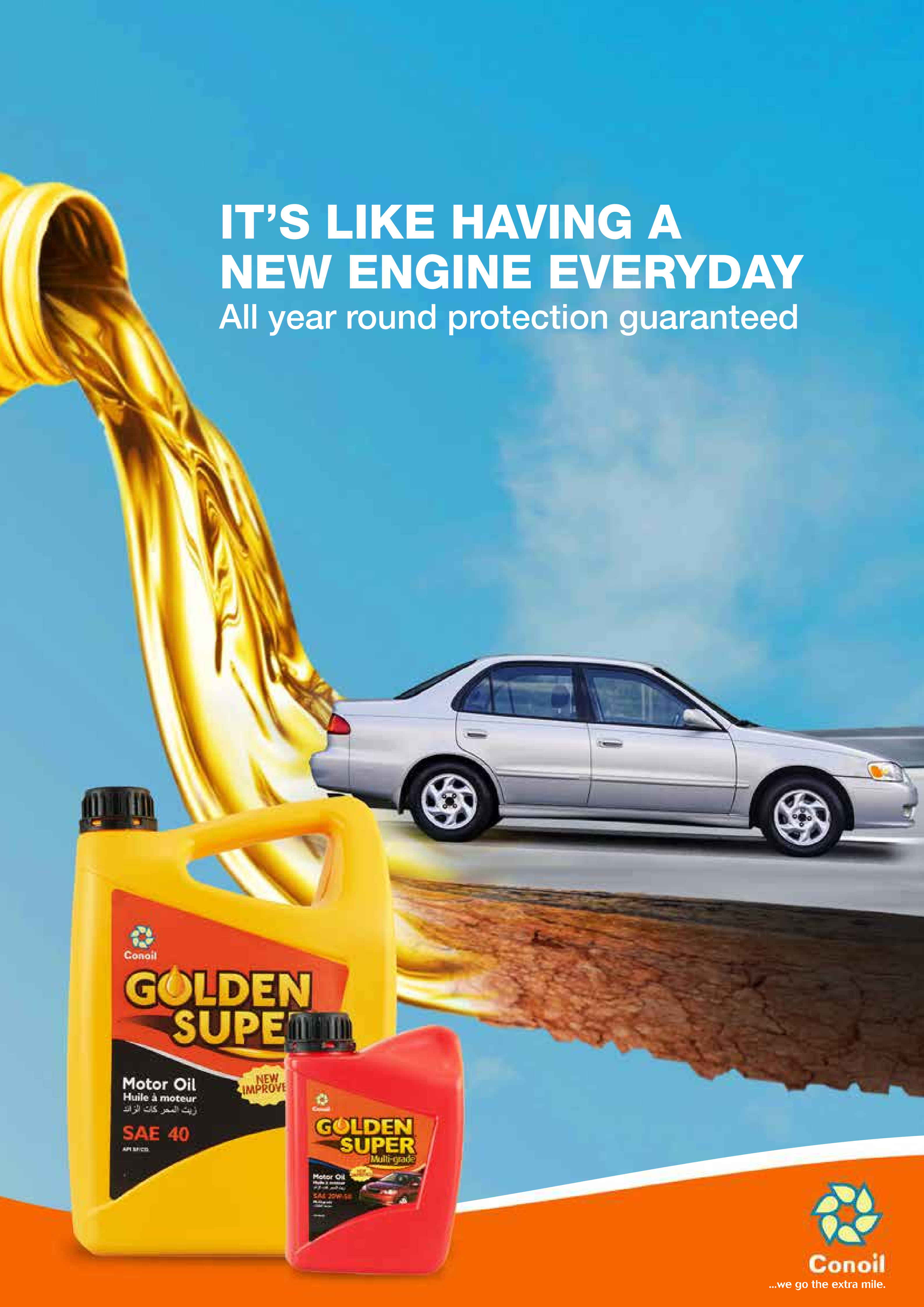
22. Auditors

The Company's Auditors, Messrs. Nexia Agbo Abel & Co having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as the Auditors of the Company. In accordance with Section 401 (2) of the Companies and Allied Matters Act, 2020 therefore, the Auditors will be re-appointed at the next Annual General Meeting of the Company without any resolution being passed.

By order of the Board

Conrad Eberemu
Company Secretary / Legal Adviser
FRC/2017/NBA/00000016701
29 March 2022

Conoil Plc
Bull Plaza
38/39, Marina
Lagos


IT'S LIKE HAVING A
NEW ENGINE EVERYDAY
All year round protection guaranteed
Conoil
GOLDEN
SUPER
Motor Oil
Huile à moteur
SAE 40
NEW
GOLDEN
SUPER
Multi-grade
Motor Oil
Conoil
...we go the extra mile.

THE ACCOUNTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

In conformity with the provisions of Section 377 of the Companies and Allied Matters Act 2020, the Directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, 2020. In doing so, they ensure that:

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

- Proper accounting records are maintained;
- Applicable accounting standards are complied with;
- Suitable accounting policies are adopted and consistently applied;
- Judgments and estimates made are reasonable and prudent;
- The going concern basis is used, unless it is inappropriate to presume that the Company will continue in business; and
- Internal control procedures are instituted which, as far as is reasonably possible, safeguards the assets and also prevents and detects fraud and other irregularities.

Going Concern

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

The financial statements of the Company for the year ended 31 December 2021 were approved by the Directors on 29 March 2022.

On behalf of the Directors of the Company

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

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

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

STATEMENT OF DIRECTORS' CERTIFICATION

FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021 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 2021

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

STATEMENT OF FREE FLOAT RULES STATUS

FOR THE YEAR ENDED 31 DECEMBER 2021

SHAREHOLDING STRUCTURE/FREE FLOAT STATUS

	31-Dec-21		31-Dec-20	
Description	**Unit**	**Percentage**	**Unit**	**Percentage**
Issued Share Capital	693,952,117.00	100	693,952,117.00	100
Substantial Shareholdings (5% and above)				
Conpetro Limited	516,298,603.00	74.40	516,298,603.00	74.40
Total Substantial Shareholdings	516,298,603.00	74.40	516,298,603.00	74.40
Directors Shareholdings (Direct & Indirect), Excluding Directors with substantial Interests				
Dr. M. E. Omatsola	541.00	0.000001	541	0.000001
Engr. Babatunde Okuyemi	8,500.00	0.000012	8,500	0.000012
Mr. Joshua Ariyo	25,365.00	0.000037	25,365	0.000037
Mr. Ademola Idowu	15,125.00	0.000022	15,125	0.000022
Total Directors Shareholding	49,531.00	0.000071	49,531	0.000071
Other Influential Shareholdings				
	Nil	Nil	Nil	Nil
Total Other Influential Shareholdings	**Nil**	**Nil**	**Nil**	**Nil**
Free Float in Units and Percentage	**168,336,550.00**	**24.26%**	**168,336,550**	**24.26%**

DECLARATION:
Conoil Plc with a free float percentage of 24.26% as at 31 December 2021, is compliant with The Exchange's Free Float requirements for the companies listed on the Main Board.

Nexia
Agbo Abel & Co

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 2021, 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 51 to 95.

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Conoil** Plc as at 31 December 2021 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 2020 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.

Nexia
Agbo Abel & Co

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 our Company. 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 number of litigation and claims from suppliers. In recognising the contigent liabilities, the Directors determine their best estimate of related expenses and liabilities based on their judgment of specific details of the individual litigation and claims. Since actual expenses will depend on the future outcome of the litigation and claims, the provision for contingent liabilities is subject to inherent uncertainty.	• 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, the provision for contigent liabilities is subject to inherent uncertainty. • 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

Nexia Agbo Abel & Co

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 2020, 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.

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Report on other legal and regulatory requirements

In compliance with the requirements of the Fifth Schedule of the Companies and Allied Matters Act 2020, 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 has kept proper books of account, so far as appears from our examination of those books; and
iii) the statements of financial position and comprehensive income are in agreement with the books of account and returns.

Abel Onyeke, FCA - FRC/2012/ICAN/00000000119
For: Nexia Agbo Abel & Co
Chartered Accountants
Abuja, Nigeria

29th March 2022

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2021

In compliance with the provisions of Section 407 of the Companies and Allied Matters Act 2020, 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 2021 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 2021 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 2021 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 Oladapo
Chairman
FRC/2013/NIM/00000003678

29 March 2022

Members of the Audit Committee
Chief Joshua Oluwole Oginni
Comrade S. B. Aderenle
Mr. Ike Oraekwuotu
Mr. Joshua Ariyo

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 N'000	2020 N'000
Revenue	5	126,726,356	117,470,576
Cost of sales	6	(115,565,101)	(107,652,191)
Gross profit		**11,161,255**	**9,818,385**
Other operating income	7	172,014	151,738
Other gains or losses	8	115,963	134,385
Distribution expenses	9	(2,393,536)	(2,071,570)
Administrative expenses	10	(4,466,398)	(5,182,872)
Finance cost	11	(757,540)	(704,573)
Profit before tax	**12**	**3,831,758**	**2,145,493**
Income tax expense	13	(749,068)	(705,308)
Profit for the year		**3,082,690**	**1,440,185**
Other comprehensive income for the year net taxes		**-**	**-**
Total comprehensive income		**3,082,690**	**1,440,185**
Earnings per share			
Basic earnings per share (kobo)	14	444	208
Diluted earnings per share (kobo)	14	444	208

The notes on pages 53 to 93 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	2021 N'000	2020 N'000
Assets			
Non-current assets			
Property, plant and equipment	15	1,870,222	2,299,567
Intangible assets	16	24,694	35,054
Investment property	17	99,300	148,950
Other financial assets	18	10	10
Prepayments	19	124,639	77,559
Deferred tax assets	13	2,185,886	2,374,681
Total non-current assets		**4,304,751**	**4,935,821**
Current assets			
Inventories	20	8,755,322	7,387,937
Trade and other receivables	21	34,210,934	30,570,237
Prepayments	19	45,710	76,134
Cash and bank balances	22	6,664,629	5,894,536
Total current assets		**49,676,595**	**43,928,844**
Total assets		**53,981,346**	**48,864,665**
Equity and liabilities			
Equity			
Share capital	23	346,976	346,976
Share premium	23	3,824,769	3,824,769
Retained earnings	24	17,617,623	15,348,274
Total equity		**21,789,368**	**19,520,019**
Non - Current liabilities			
Distributors' deposits	27	488,170	498,932
Deferred tax liabilities	13	206,584	401,385
Decommissioning liability	28	96,623	64,475
Total non-current liabilities		**791,377**	**964,792**
Current liabilities			
Borrowings	25	7,356,367	189,730
Trade and other payables	26	22,011,093	25,890,041
Current tax payable	13	2,033,141	2,300,083
Total current liabilities		**31,400,601**	**28,379,854**
Total liabilities		**32,191,978**	**29,344,646**
Total equity and liabilities		**53,981,346**	**48,864,665**

These financial statements were approved by the Board of Directors on 29 March 2022 and signed on its behalf by:

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

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

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

The notes on pages 53 to 93 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2021

	Share capital N'000	Share premium N'000	Retained earnings N'000	Total equity N'000
Balance at 1 January 2020	**346,976**	**3,824,769**	**15,295,993**	**19,467,738**
Profit for the year	-	-	1,440,185	1,440,185
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income	**-**	**-**	**1,440,185**	**1,440,185**
Prior year adjustments	-	-	-	-
Dividends to shareholders	-	-	(1,387,904)	(1,387,904)
Balance at 31 December 2020	**346,976**	**3,824,769**	**15,348,274**	**19,520,019**
Balance at 1 January 2021	346,976	3,824,769	15,348,274	19,520,019
Profit for the year	-	-	3,082,690	3,082,690
Prior year adjustments	-	-	227,587	227,587
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income	**-**	**-**	**3,310,277**	**3,310,277**
Dividends to shareholders	-	-	(1,040,928)	(1,040,928)
Balance at 31 December 2021	**346,976**	**3,824,769**	**17,617,623**	**21,789,368**

The notes on pages 53 to 93 form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 N'000	2020 N'000
Profit before tax		3,831,758	2,145,493
Adjustments to reconcile profit before tax to net cash provided:			
Interest from bank deposits	7	(9)	(21,837)
Interest on bank overdraft	11	752,694	700,533
Accretion expense	11	4,846	4,040
Depreciation of property, plant and equipment	15	692,447	904,650
Amortisation of intangible assets	16	13,329	14,630
Depreciation of investment property	17	49,650	49,650
Withholding tax credit	13	(613)	-
Changes in working capital:			
(Increase)/decrease in inventories		(1,367,385)	2,435,861
(Increase)/decrease in trade and other receivables		(3,657,353)	9,958,740
(Decrease) in trade and other payables		(3,647,653)	(5,601,483)
(Increase) in distributors' deposits		(10,761)	(101)
Cash generated/(used) in operations		**(3,339,050)**	**10,590,175**
Tax paid		(1,021,405)	(529,746)
Value added tax paid		(199,146)	(82,768)
Net cash generated/(used) in operating activities		**(4,559,602)**	**9,977,661**
Cashflows from investing activities			
Purchase of property, plant and equipment	15	(35,515)	(132,123)
Purchase of intangible assets	16	(2,969)	-
Interest received	7	9	21,837
Net cash used in investing activities		**(38,475)**	**(110,286)**
Cashflows from financing activities			
Interest paid	11	(757,540)	(704,573)
Dividends paid	24	(1,040,928)	(1,387,904)
Net cash used in financing activities		**(1,798,468)**	**(2,092,477)**
Net (decrease)/increase in cash and cash equivalents		**(6,396,544)**	**7,774,898**
Cash and cash equivalents at 1 January		**5,704,806**	**(2,070,092)**
Cash and cash equivalents at 31 December	**22**	**(691,738)**	**5,704,806**

The notes on pages 55 to 93 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021 to 31 December 2021 with comparative figures for the financial year from 1 January 2020 to 31 December 2020.

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 2021

- 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
- Interest Rate Benchmark Reform (Amendments to IFRS 7, IFRS 9 and IAS 39)
- Covid-19-related Rent Concessions (Amendments to IFRS 16)

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 2022

- Property, Plant and Equipment: Proceeds before intended use (Amendments to IAS 16)
- Annual Improvements to IFRS Standards 2018–2020
- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Interest Rate Benchmark Reform (Amendments to IFRS 7, IFRS 9 and IAS 39)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)
- 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 2020	Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
Extension of the Temporary Exemption from Applying IFRS 9	June 2020	1 January 2021	In June 2020, the Board deferred the effective date of IFRS 17 by two years to annual periods beginning on or after 1 January 2023. As a consequence, the Board extended the expiry date in IFRS 4 for the temporary exemption from IFRS 9 by two years to annual periods beginning on or after 1 January 2023. The extension maintains the alignment between the expiry date of the temporary exemption and the effective date of IFRS 17. This amendment does not have any material impact on the consolidated financial statements of the company.
Annual Improvements to IFRS Standards 2018–2020	May 2020	1 January 2021	The Annual Improvements include amendments to four Standards. IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a). The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

2.1 Accounting standards and interpretations issued and effective (continued)

Standard/ Interpretation effective as at 31 December 2020	Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	August 2020	1 January 2021	In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 to address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide the following reliefs: • When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. • The hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.
			Affected entities need to disclose information about the nature and extent of risks arising from IBOR reform to which the entity is exposed, how the entity manages those risks, and the entity's progress in completing the transition to alternative benchmark rates and how it is managing that transition. Given the pervasive nature of IBOR-based contracts, the reliefs could affect companies in all industries.

2.1 Accounting standards and interpretations issued and effective (continued)

Standard/ Interpretation effective as at 31 December 2020	Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
Covid-19-related Rent Concessions (Amendments to IFRS 16)	May 2020	1 June 2021	As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.
			Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions. • The relief was originally limited to reduction in lease payments that were due on or before 30 June 2021. However, the IASB subsequently extended this date to 30 June 2022.
			If a lessee already applied the original practical expedient, it is required to continue to apply it consistently, to all lease contracts with similar characteristics and in similar circumstances, using the subsequent amendment. If a lessee did not apply the original practical expedient to eligible lease concessions, it is prohibited from applying the expedient in the 2021 amendment. However, if a lessee has not yet established an accounting policy on applying (or not) the practical expedient to eligible lease concessions, it can still decide to do so.

2.2 Accounting standards and interpretations issued but not yet effective

Standard/ Interpretation effective as at 31 December 2020	Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
Property, Plant and Equipment: Proceeds before intended use (Amendments to IAS 16)	May 2020	1 January 2022	The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.
Reference to the Conceptual Framework (Amendments to IFRS 3)	May 2020	1 January 2022	The following improvements were finalised in May 2020: • IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities. • IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives. • IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption. • IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

2.2 Accounting standards and interpretations issued but not yet effective

Standard/ Interpretation effective as at 31 December 2020	Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
Annual Improvements to IFRS Standards 2018–2020	May 2020	1 January 2022	Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.
Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)	May 2020	1 January 2022	This amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. The costs that relate directly to a contract can either be the incremental costs of fulfilling that contract such as direct labour, materials or an allocation of other costs that relate directly to fulfilling the contracts such as the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	January 2020	1 January 2023	The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (eg the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.
			The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023.

2.2 Accounting standards and interpretations issued but not yet effective

Standard/ Interpretation effective as at 31 December 2020	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 2023	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.

2.2 Accounting standards and interpretations issued but not yet effective

Standard/ Interpretation effective as at 31 December 2020	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 defer 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 effective as at 31 December 2020	Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
			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.

3.2 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.

3.6 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.

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:

	Estimated useful life 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).

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.

3.14 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.

i. Onerous contracts

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

ii. Restructuring

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

3.15 Financial instruments

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

3.15.1 Financial assets

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

a. Amortised cost and effective interest method

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

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

b. Classification of financial assets

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

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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.

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.

d. Impairment of financial assets (Continued)

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

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Measurement of ECLs

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

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

Objective evidence of impairment could include:

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

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

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

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

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

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

e. Derecognition of financial assets

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

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

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

3.15 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.

4.1.2 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).

	2021 N'000	2020 N'000
Revenue from sale of petroleum products	126,726,356	117,470,576

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 2021 are as follows:

	White Products		Lubricants		LPG		Total	
	N'000	%	N'000	%	N'000	%	N'000	%
Revenue	117,003,006	92	9,723,350	8	-	-	126,726,356	100
Cost of sales	(108,762,330)	94	(6,802,723)	6	(48)	-	(115,565,101)	100
Gross profit	**8,240,676**		**2,920,627**		**(48)**		**11,161,255**	

The segment results for the year ended 31 December 2020 are as follows:

	White Products		Lubricants		LPG		Total	
	N'000	%	N'000	%	N'000	%	N'000	%
Revenue	109,560,495	93	7,910,081	7	-	-	117,470,576	100
Cost of sales	(101,547,432)	94	(6,101,700)	6	(3,059)	-	(107,652,191)	100
Gross profit	**8,013,063**		**1,808,381**		**(3,059)**		**9,818,385**	

2021 segment cost of sales - Analysis

	White Products N'000	Lubricants N'000	LPG N'000	Total N'000
Stock at 1 January	4,913,655	2,473,505	777	7,387,937
Purchases	106,574,040	10,358,446	-	116,932,486
Stock at 31 December	(2,725,365)	(6,029,228)	(729)	(8,755,322)
	108,762,330	**6,802,723**	**48**	**115,565,101**

2020 segment cost of sales - Analysis

	White Products N'000	Lubricants N'000	LPG N'000	Total N'000
Stock at 1 January	7,821,538	1,998,424	3,836	9,823,798
Purchases	98,639,549	6,576,781	-	105,216,330
Stock at 31 December	(4,913,655)	(2,473,505)	(777)	(7,387,937)
	101,547,432	**6,101,700**	**3,059**	**107,652,191**

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

	2021 N'000	2020 N'000
Rental income:		
Rental income	10,153	20,779
Service income	161,852	109,122
Interest income:		
Interest from bank deposits	9	21,837
	172,014	**151,738**

8. Other gains or losses

Exchange gain	115,963	134,385
	115,963	**134,385**

9. Distribution expenses

Freight costs	2,260,445	1,848,430
Marketing expenses	133,091	223,140
	2,393,536	**2,071,570**

10. Administration expenses

	2021 N'000	2020 N'000
Staff cost	2,182,646	2,216,517
Depreciation of property, plant and equipment	692,447	904,650
Rent and rates	558,071	495,069
Litigation claims (Note 35.1)	60,000	375,000
Provision for bad and doubtful debts	102,386	197,286
Repairs and maintenance	168,211	184,836
Pension fund - employer's contribution	130,011	129,799
Insurance	64,231	81,199
Security services	70,043	66,356
Throughput others	44,057	67,954
Postages, telephone and telex	54,955	64,523
Depreciation of investment property	49,650	49,650
Own used oil	14,078	48,564
Subscriptions	955	42,855
Travelling	35,234	20,629
Annual General Meeting	21,861	26,124
Staff training and welfare	26,942	27,475
Directors' remuneration	30,330	28,450
Consumables, small tools and equipment	13,149	21,238
Water and electricity	37,310	21,452
Audit fee	25,191	25,191
Amortisation of intangible asset	13,329	14,630
Health safety and environmental expenses	28,213	13,849
Printing and stationery	6,110	7,014
Bank charges	1,330	6,906
Vehicle, plant and equipment running	8,906	4,887
Legal and professional charges	7,005	2,850
Medical	1,098	4,139
Entertainment and hotels	4,701	3,128
Other expenses	13,947	30,652
	4,466,398	**5,182,872**

11. Finance cost

Interest on bank overdraft	752,694	700,533
Accretion expense (Note 28)	4,846	4,040
	757,540	**704,573**

Bank overdrafts are repayable on demand. The average effective interest rate on bank overdrafts approximates 14.9% (2020: 15%) 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

	2021 N'000	2020 N'000
This is stated after charging/(crediting) the following:		
Depreciation of property, plant and equipment	692,447	904,650
Depreciation of investment property	26,942	27,475
Director's emoluments	44,057	67,954
Auditors remuneration	25,191	25,191
Amortisation of intangible asset	8,906	4,887
Exchange gain	**(115,963)**	**(134,385)**

13. Taxation

13.1 Income tax recognised in profit or loss

Current tax		
Income tax	635,894	673,142
Education tax	119,180	62,077
Deferred tax		
Deferred tax (credited) in the current year	(6,006)	(29,911)
Total income tax expense recognised in the current year	749,068	705,308
At 1 January	2,300,083	2,094,610
Payment during the year	(1,021,404)	(529,746)
Withholding tax utilised during the year	(612)	-
Transfer to deferred tax (Note 13.1)	6,006	29,911
Per statement of financial position	**2,033,141**	**2,300,083**
Balance above is made up of :		
Company income tax	1,825,171	2,111,218
Education tax	207,690	188,585
Capital gains tax	280	280
	2,033,141	**2,300,083**

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

Profit before tax from operations	**3,831,758**	**2,832,469**
Expected income tax expense calculated at 30% (2020: 30%)	1,149,527	643,648
Education tax expense calculated at 2.5% (2020: 2%) of assessable profit	119,180	62,077
Effect of expenses that are not deductible in determining taxable profit	263,701	287,503
Investment allowance	(1,065)	(418)
Effect of capital allowance on assessable profit	(794,269)	(257,591)
Timing difference recognised as deferred tax asset	(6,006)	(29,911)
Income tax expense recognised in profit or loss	**731,068**	**705,308**
Adjustments recognised in the current year in relation to the tax of prior years	-	-
	731,068	**705,308**

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

	2021 N'000	2020 N'000
Deferred tax assets and liabilities are attributable to the following;		
Deferred tax assets	2,185,886	2,374,681
Deferred tax liabilities	(206,584)	(401,385)
Deferred tax assets (net)	1,979,302	1,973,296

Deferred tax assets	Property, plant and equipment N'000	Provisions and others N'000	Total N'000
Balance at 1 January 2021	-	(2,374,681)	(2,374,681)
Charged to profit or loss	-	188,795	188,795
Balance at 31 December 2021	**-**	**(2,185,886)**	**(2,185,886)**

Deferred tax liabilities	Property, plant and equipment N'000	Provisions and others N'000	Total N'000
Balance at 1 January 2021	401,385	-	401,385
Charged to profit or loss	(194,801)	-	(194,801)
Balance at 31 December 2021	**206,584**	**-**	**206,584**

Deferred tax as at 31 December 2021 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	2021 N'000	2020 N'000
Earnings for the purposes of basic earnings per share being net profit attributable to equity holders of the Company	3,082,690	1,440,185

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

	2021	2020
Basic earnings per 50k share	Kobo per share	Kobo per share
From continuing operations	444	208
Diluted earnings per 50k share		
From continuing operations	444	208

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

15. Property, plant and equipment

Cost:	**Freehold land N '000**	**Freehold buildings N '000**	**Plant & machinery N '000**	**Furniture & fittings N '000**	**Motor vehicles N '000**	**Computer equipment N '000**	**Total N '000**
As at 1 January 2020	147,766	6,844,354	12,066,509	4,379,439	2,209,178	1,077,327	26,724,573
Additions	-	109,385	10,222	8,815	-	3,701	132,123
At 31 December 2020	147,766	6,953,739	12,076,731	4,388,254	2,209,178	1,081,028	26,856,696
Additions	-	-	33,783	-	-	1,731	35,514
At 31 December 2021	**147,766**	**6,953,739**	**12,110,514**	**4,388,254**	**2,209,178**	**1,082,759**	**26,892,210**
Accumulated depreciation and impairment loss:							
As at 1 January 2020	-	4,910,334	11,671,095	4,210,160	1,853,254	1,007,636	23,652,479
Reclassification	-	-	(9,945)	9,945	-	-	-
Charge for the year	-	347,687	289,585	35,879	205,138	26,362	904,651
At 31 December 2020	-	5,258,021	11,950,735	4,255,984	2,058,392	1,033,998	24,557,130
Adjustment (Note 15.5)	-	-	(209,453)	-	(18,134)	-	(227,587)
Charge for the year	-	347,686	131,318	33,641	168,649	11,151	692,445
At 31 December 2021	**-**	**5,605,707**	**11,872,600**	**4,289,625**	**2,208,907**	**1,045,149**	**25,021,988**
Carrying amount							
At 31 December 2021	**147,766**	**1,348,032**	**237,914**	**98,629**	**271**	**37,610**	**1,870,222**
At 31 December 2020	**147,766**	**1,695,718**	**125,996**	**132,270**	**150,787**	**47,030**	**2,299,567**

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 2021 (2020: nil)

15.4 Work in progress
This refers to capital expenditure incurred on items of property plant and equipment which are however not ready for use and therefore not depreciated during the year.

15.5 Prior year adjustment
This refers to the following:

	2021 N '000
Reversal of prior year over provision for depreciation on plant and machinery	(209,453)
Reversal of prior year over provision for depreciation on motor vehicle	(18,134)
	(227,587)

16. Intangible assets

	2021 N'000	2020 N'000
Computer software:		
Cost:		
As at 1 January	130,321	130,321
Additions during the year	2,969	-
At 31 December	**133,290**	**130,321**
Accumulated amortisation:		
As at 1 January	95,267	80,637
Charge for the year	13,329	14,630
At 31 December	**108,596**	**95,267**
Carrying amount		
At 31 December	**24,694**	**35,054**

17. Investment property

Building:		
Cost:		
As at 1 January	993,000	993,000
Additions during the year	-	-
At 31 December	**993,000**	**993,000**
Accumulated depreciation:		
As at 1 January	844,050	794,400
Charge for the year	49,650	49,650
At 31 December	**893,700**	**844,050**
Carrying amount		
At 31 December	**99,300**	**148,950**

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

18. Other financial assets

Investment in Nigerian Yeast and Alcohol Manufacturing Plc		
Cost	1,846	1,846
Impairment	(1,836)	(1,836)
	10	**10**

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

19. Prepayments

	2021 N'000	2020 N'000
Current		
Prepaid rent and insurance	45,710	76,134
	45,710	**76,134**
Non-current		
Prepaid rent	124,639	77,559
	124,639	**77,559**

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

	2021 N'000	2020 N'000
White products (Note 20.1)	2,725,365	4,913,655
Lubricants	6,029,228	2,473,505
LPG	729	777
	8,755,322	**7,387,937**

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

	2021 N'000	2020 N'000
Trade debtors	24,716,389	20,833,286
Allowance for bad and doubtful debts	(5,913,998)	(5,811,612)
	18,802,391	15,021,674
Bridging claims receivable (Note 21.3)	2,184,219	1,929,655
Advance from related company (Note 32)	24,567	282,936
Advance for product supplies	8,637,355	8,620,324
Deposit for litigation claims (Note 35.2)	4,347,126	4,347,126
Withholding tax recoverable (Note 21.4)	-	109,431
Other debtors (Note 21.1)	215,276	259,091
	34,210,934	**30,570,237**

21.1	**Other debtors balance includes :**		
	Advance deposits	498,419	493,802
	Insurance claims receivables	29,641	29,641
	Employee advances	16,269	48,163
	Retail outlet statutory fees	7,891	24,429
	Provision for doubtful advance deposits	(336,944)	(336,944)
		215,276	**259,091**

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.

	2021 N'000	2020 N'000
Ageing of trade debtors		
Current	16,779,568	13,408,749
Less than 90 days	2,023,735	1,094,389
91 - 180 days	16,613	913,785
181 - 360 days	6,566	5,449
Above 360 days	5,913,998	5,410,913
Total	**24,740,480**	**20,833,286**

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.

	2021	2020
Ageing of allowance for bad and doubtful debts		
Less than 90 days	-	-
91 - 180 days	-	-
181 - 360 days	-	-
Above 360 days	5,913,998	5,811,612
Total	**5,913,998**	**5,811,612**

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

	2021 N'000	2020 N'000
Allowance for bad and doubtful debts		
As at 1 January	5,811,612	5,614,326
Provision for the year	102,386	197,286
As at 31 December	**5,913,998**	**5,811,612**

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

	2021 N'000	2020 N'000
As at 1 January	109,431	-
Addition during the year	-	109,431
Amount utilised during the year	(109,431)	-
As at 31 December	**-**	**109,431**

22. Cash and cash equivalents

Cash and bank	6,664,629	5,894,536
Bank overdraft	(7,356,367)	(189,730)
Cash and cash equivalents	**(691,738)**	**5,704,806**

The Company did not have any restricted cash at the reporting date (2020: nil).

23. Share capital

	2021 N'000	2020 N'000
Authorised		
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	3,824,769	3,824,769

24. Retained earnings

	2021 N'000	2020 N'000
At 1 January	15,348,274	15,295,993
Dividend declared and paid	(1,040,928)	(1,387,904)
Prior year adjustments (Note 15.5)	227,587	-
Profit for the year	3,082,690	1,440,185
At 31 December	**17,617,623**	**15,348,274**

At the Annual General Meeting held on 12 November 2021, the shareholders approved that dividend of 150 kobo per share be paid to shareholders (total value N1.04 billion) for the year ended 31 December 2020. In respect of the current year, the Directors proposed that a dividend of 250 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

	2021 N'000	2020 N'000
Summary		
As at 1 January	141,429	141,429
Dividend declared	1,040,928	1,387,904
Dividend - Sterling Registrars	-	-
	1,182,357	1,529,333
Payments - Meristem Registrars	(1,040,928)	(1,387,904)
As at 31 December	**141,429**	**141,429**

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	2021 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
Dividend No. 30	2020	-	0
			2,250,837,920

24.3 Dividend per share is based on the issued and fully paid up shares as at 31 December 2021.

25. Borrowings

	2021 N'000	2020 N'000
Unsecured borrowing at amortised cost		
Bank overdraft	7,356,367	189,730

Bank overdrafts are repayable on demand. The average effective interest rate on bank overdrafts approximates 14.9% (2020: 15%) 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

	2021 N'000	2020 N'000
Trade creditors - Local	3,422,096	7,072,915
Bridging contribution (Note 26.2)	5,484,302	4,333,281
Due to related parties (Note 32)	43,394	43,394
Value added tax payable	971,358	502,031
Withholding tax payable	595,557	535,669
PAYE payable	350,035	306,277
Payables to PPPRA	44,217	55,777
Staff Pension and similar obligations (Note 26.3)	1,608	1,608
Unclaimed dividend (Note 24.1)	141,429	141,429
Other creditors and accruals (Note 26.1)	10,957,097	12,897,660
	22,011,093	**25,890,041**

26.1 Other creditors and accruals

Non-trade creditors (Note 26.4)	3,705,193	5,785,488
Litigation claims	4,410,000	4,350,000
Rent	1,530,381	1,344,997
Insurance premium	794,732	803,760
Employees payables	321,911	417,702
Lube incentives	89,301	89,301
Surcharges	80,388	82,342
Audit fees	25,191	24,070
	10,957,097	**12,897,660**

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

	2021 N'000	2020 N'000
At 1 January	1,608	-
Contributions during the year	234,021	238,130
Remittance in the year	(234,021)	(236,522)
At 31 December	**1,608**	**1,608**

26.4 Non-trade creditors represent sundry creditors balances for various supplies and contracts carried out but unpaid for as at 31 December 2021.

27. Distributors' deposit

	2021 N'000	2020 N'000
At 1 January	498,932	499,033
New deposits	1,000	1,000
Refunds	(11,762)	(1,101)
At 31 December	**488,170**	**498,932**

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:

	2021 N'000	2020 N'000
At 1 January	64,475	60,435
Addition	27,301	-
Asset decommissioned	-	-
Accretion	4,847	4,040
Balance at 31 December	**96,623**	**64,475**

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	2021 N'000	2020 N'000
Cash and bank balance	6,664,629	5,894,536
Loans and receivables	33,995,658	30,311,145
	40,660,287	**36,205,681**
Financial liabilities		
Financial liabilities at amortized cost:		
Trade and other payables	20,094,145	24,546,065
Borrowings	7,356,367	189,730
	27,450,512	**24,735,795**

29.3 Fair value of financial instruments

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

30. Financial risk management

Risk management roles and responsibilities are assigned to stake holders in the Company at three levels: The Board, Executive Committee and Line Managers.

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

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

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

30.1 Financial risk management objectives

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

30.2 Interest rate risk management

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

Interest rate risk

Sensitivity Analysis

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

	Average rate	2021 N'000	2020 N'000
Variable rate instruments:			
Financial assets	-	-	-
Bank overdrafts	14.9% (2020: 15%)	7,356,367	189,730
		7,356,367	**189,730**

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 2021	752,694	+/-2	79,223
31 December 2020	700,533	+/-2	73,733

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 2021 are as follows:

Assets	2021 N'000	2020 N'000
Cash and bank balance	2,291,912	1,820,646
	2,291,912	**1,820,646**
Liabilities		
Financial liabilities at amortized cost:		
Trade and other payables	0	-
	0	**-**

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 2021	Foreign Currency US$'000	Naira Balance N'000	Exchange Rate	Effect of Increase/ Decrease in Exchange Rate N'000
USD	5,550	2,291,912	412.99	45,838.25

Effect in thousands of Naira 31 December 2020	Foreign Currency US$'000	Naira Balance N'000	Exchange Rate	Effect of Increase/ Decrease in Exchange Rate N'000
USD	4,761	1,820,646	382.4	36,412.92

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

30.4 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.

	2021 N'000	2020 N'000
Amount used	7,356,367	189,730
Amount unused	19,830,633	26,997,270
	27,187,000	**27,187,000**

Liquidity and interest risk tables

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

31 December 2021	Weighted Average Effective Interest rate %	0 - 3 Months N'000	3 month -1 year N'000	Total N'000
Trade and other payables	-	22,011,094	-	22,011,094
Borrowings	14.90	7,356,367	-	7,356,367
		29,367,461	**-**	**29,367,461**

31 December 2020	Weighted Average Effective Interest rate %	0 - 3 Months N'000	3 month -1 year N'000	Total N'000
Trade and other payables	-	25,890,041	-	25,890,041
Borrowings	15.00	189,730	-	189,730
		26,079,771	**-**	**26,079,771**

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:

	2021 N'000	2020 N'000
Debt	7,356,367	189,730
Equity	21,789,368	19,520,019
Net debt to equity ratio	**0.34**	**0.01**

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 following companies with which it shares common ownership based on terms similar to those entered into with third parties as stated below:

31 December 2021	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	-	-	3,412,169	-	-
Glo Mobile Limited	-	(38,960)	(15,227)	-	-
Consolidated Oil Limited	649,710	-	-	-	-
Southern Air Limited	47,242	-	24,091	-	-
Proline (WA) Limited	-	(96,704)	(28,167)	-	-
SETA Investment Limited	47,242	-	476	-	-
	744,194	**(135,664)**	**3,393,342**	**-**	**-**

31 December 2020	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	-	-	3,063,554	-	-
Glo Mobile Limited	-	(41,579)	(15,227)	-	-
Conoil Producing Limited	586,181	-	-	-	-
Southern Air Limited	47,290	-	282,466	-	-
Proline (WA) Limited	-	(100,259)	(28,167)	-	-
SETA Investment Limited	-	-	470	-	-
	633,471	**(141,838)**	**3,303,096**	**-**	

-

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, Proline West Africa Limited and Conpetro Limited.

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

The Company also purchased goods from Glo Mobile Limited and utilizes the service of Proline (WA) Limited to manage its stations.

As at 31 December 2021, N15.2 million was due to Glo Mobile Limited (2020: N15.2 million), N24.1 million (2020: N282.3 million) from Southern Air Limited, N0.47 million (2020: N0.47 million) from Seta Investment Limited, and N28.2 million (2020: N28.2 million) to Proline (WA) Limited.

The Company also carried out banking transactions with Sterlings Bank Plc during the period. As at 31 December 2021, the Company had deposits totalled N3.4 billion (2020: N3.1 billion) with the Bank.

33. Capital commitment

There were no capital commitments as at 31 December 2021 (2020: nil).

34. Financial commitment

As at 31 December 2021, the Company had outstanding letters of credit to the tune of N115.5 million with First Bank of Nigeria Limited (2020: N7.2 billion).

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 which is N4.3 billion has been fully provided for in these financial statements to mitigate any possible future loss.

36. Post balance sheet events

There were no material events after the reporting period which could have had material effect on the state of affairs of the Company as at 31 December 2021 and the profit for the year then ended that have not been adequately provided for or recognised in the financial statements.

37. Impact of Covid-19 Pandemic

The company has considered the impact of COVID-19 on its business operations and has put in place appropriate safeguards to minimize the effects. In doing so, management has considered its impact on the basis of the following accounting standards:

1. Expected credit losses under IFRS 9 'Financial instruments'
   COVID-19 can affect the ability of the Company to receive payments as and when due which is an indication of a significant increase in credit risk. For this, the Company reviewed its impairment assessment of trade receivables balances.

2. Impairment of tangible and intangible assets under IAS 36 'Impairment of non-financial assets'
   As a result of the impact of COVID-19, the Company performed an impairment assessment of assets (in addition to the requirement to perform an impairment test at least annually of goodwill and intangible assets with an indefinite useful life).

3. The net realisable value of Inventory under IAS 2 - Inventories
   Since the company's tank farm was shut down as a result of the pandemic, the company has reviewed the cost of inventories to ensure that product loss arising from evaporation due to changes in temperature is recognized in the profit or loss account in the period in which they occured in accordance with IAS 2 - Inventories.

4. Deferred tax assets in accordance with IAS 12 - Income taxes
   Tax considerations, e.g . The impact of reduced flow of goods and services on transfer pricing agreements; recoverability of deferred tax assets, emergency economic stimulus by tax authorities in the form of special rebate has been accessed by the company.
   The Board of Directors is taking all necessary steps to ensure business continuity for the Company and to protect its turnover, results and cash-flow as much as possible against the impacts from the COVID-19 pandemic and its impact on the Nigerian economy.

37. Information on Directors and employees

37.1 Employment costs:

	2021 N'000	2020 N'000
Employment cost including Directors' salaries and wages, staff training and benefit scheme	2,372,298	2,392,754

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

	2021 Number	2020 Number
Up to 1,000,000	9	10
N1,000,001 - N2,000,000	46	33
N2,000,001 - N3,000,000	18	24
N3,000,001 - N4,000,000	22	25
N4,000,001 - N5,000,000	19	23
N5,000,001 - Above	71	83
	185	**198**

37.3 Average number of employees during the year:

Managerial staff	16	19
Senior staff	158	167
Junior staff	11	12
	185	**198**

37.4 Directors' emoluments:

	2021 N'000	2020 N'000
Emoluments of the chairman	-	-
Directors' fees	1,500	1,000
Emoluments of executives	28,830	27,450
	30,330	**28,450**

37.5 The emoluments of the highest paid Director were N28.3m million (2020: N24 million)

		2021 Number	2020 Number
37.6	**Directors receiving no emolument**	7	7

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

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

STATEMENT OF VALUE ADDED

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021		2020	
	N'000	%	N'000	%
Revenue	126,726,356		117,470,576	
Other operating income	172,014		151,738	
Other gains and losses	115,964		134,385	
	127,014,334		117,756,699	
Bought in materials and services:				
Imported	-		1,585,308	
Local	(119,330,448)		(113,192,085)	
Value added	**7,683,886**	**100**	**6,149,922**	**100**
Applied as follows:				
To pay employees' salaries, wages, and social benefits:				
Employment cost including Directors salaries and wages, staff training and benefit scheme	2,372,298	31	2,392,754	39
To pay providers of capital:				
Interest payable and similar charges	757,540	10	704,573	11
To pay government:				
Taxation	749,068	10	705,308	11
To provide for maintenance and development				
Depreciation	728,296	9	937,013	15
Deferred tax	(6,006)	(0)	(29,911)	(0)
Retained earnings	3,082,690	40	1,440,185	24
Value added	**7,683,886**	**100**	**6,149,922**	**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

	2021 N'000	2020 N'000	2019 N'000	2018 N'000	2017 N'000
Assets					
Property, plant and equipment	1,870,222	2,299,567	3,072,094	3,084,601	2,519,941
Other non-current assets	248,633	261,563	307,842	491,504	550,451
Other financial assets	10	10	10	10	10
Total current assets	49,676,595	43,928,844	57,527,354	54,908,451	57,372,002
Deferred tax assets	2,185,886	2,374,681	2,677,565	2,412,680	2,412,680
Total assets	**53,981,346**	**48,864,665**	**63,584,866**	**60,897,246**	**62,855,084**
Liabilities					
Total current liabilities	31,400,601	28,379,854	42,823,481	41,641,699	44,045,149
Non-current liabilities	584,793	563,407	559,468	554,038	551,226
Deferred tax liabilities	206,584	401,385	734,179	400,435	365,773
Total liabilities	**32,191,978**	**29,344,646**	**44,117,128**	**42,596,172**	**44,962,148**
Equity					
Share capital	346,976	346,976	346,976	346,976	346,976
Share premium	3,824,769	3,824,769	3,824,770	3,824,770	3,824,770
Retained earnings	17,617,623	15,348,274	15,295,992	14,129,328	13,721,190
Total equity	**21,789,368**	**19,520,019**	**19,467,738**	**18,301,074**	**17,892,936**
Equity and liabilities	**53,981,346**	**48,864,665**	**63,584,866**	**60,897,246**	**62,855,084**
Revenue and profit					
Revenue	126,726,356	117,470,576	139,758,285	122,213,014	115,513,246
Profit before taxation	3,831,758	2,145,493	2,832,469	2,566,765	2,304,627
Taxation	(749,068)	(705,308)	(860,147)	(770,723)	(726,120)
Profit after taxation	3,082,690	1,440,185	1,972,322	1,796,042	1,578,507
Profit for the year retained	**3,082,690**	**1,440,185**	**1,796,042**	**1,796,042**	**1,578,507**
Earnings per share (Kobo)	444	208	284	259	227
Dividend per share (Kobo)	250	150	200	200	200
Net Asset per share (Kobo)	3,140	2,813	2,805	2,637	2,578

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.

CORPORATE DIRECTORY

Registered Office
Bull Plaza, 38/39, Marina,
PMB 12915, Lagos
Tel: 08113684003

Operations Office
Conoil/Ap Road, near Naval Base,
P.O. Box 45, Apapa, Lagos
Tel: 07050205753

Regional Offices

Aviation Services
General Aviation Terminal
Opposite Aero Contractor Terminal,
Local Airport, Ikeja.
Tel: 08055446741

Congas
37, Mobolaji Johnson Way,
Oregun Industrial Estate
Ikeja, Lagos
Tel: 08112657860

Abuja
Conoil Service Station,
Herbert Macaulay Way, opp. NNPC,
Central Business District, Abuja.
Tel: 07050205746

Kano
H.W. Romain Road, Kano.
Tel: 07052181643

Ibadan
Along Magazine Road,
Jericho, Ibadan.
Tel: 08050444333

Port Harcourt
1, Reclamation Road, Port Harcourt.
Tel: 07052181643

Warri
Edewor Shopping Complex,
50, Effurun/Warri Road, Warri
Tel: 08053638802

Enugu
1, Upper Ogui Road, Enugu
Tel: 08057216431

Jos
13, Jengere Road, Oppo. Leventis Motors, Jos.
Tel: 08056670012

Maiduguri
Opposite Flour Mills, Off Baga Road, Maiduguri.
Tel: 07052181643

Ilorin
Olorunsogo Road, Adewole, Ilorin
Tel: 08051192928

Business Information Enquiries

Retail
Tel: 08054663301
E-mail: **retail@Conoilplc.com**

Aviation
Tel: 08111499497
E-mail: **aviation@Conoilplc.com**

Lubricants
Tel: 08113611222
E-mail: **lubricants@Conoilplc.com**

Commercial and Industrial Sales
Tel: 08059544214
E-mail: **commercialsales@Conoilplc.com**

Congas
Tel: 08112657860
E-mail: **congas@Conoilplc.com**

Supply and Distribution (Transport)
Tel: 08070680940
E-mail: **supply@Conoilplc.com**

Investor Relations
Tel: 07053763632
E-mail: **investors@Conoilplc.com**

Corporate Communications
Tel: 07053763632
E-mail: **communications@Conoilplc.com**

Legal Services
Tel: 08113684003
E-mail: **legal@Conoilplc.com**

PROXY FORM

Conoil

The 52nd Annual General Meeting of **Conoil** Plc will be held at BWC Hotel, Victoria Island, Lagos on Friday, October 28, 2022 at 11am.

I / We ____

of ____

____

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

N/S	Name	Designation	Proxy Choice
1	Dr. Moses Ebi Omatsola	Director	
2	Mr. Joshua Ariyo	Director	
3	Mr. Ismail Salam	Director	
4	Mr. Ike Oraekwuotu	Director	
5	Olu Omojola	Shareholders Representative	
6	Moses Ogundeji	Shareholders Representative	
7	Imran Adesina	Shareholders Representative	
8	Ajani Musa	Shareholders Representative	
9	Kolawole Ibiyemi	Shareholders Representative	
10	Blaize Rotimi	Shareholders Representative	
11	Onifade Taiwo	Shareholders Representative	
12	Williams Bayo	Shareholders Representative	
13	Gbadero Kayode	Shareholders Representative	
14	Mr. Olalekan Oladepo Adesina	Statutory Audit Committee	

____

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 28, 2022 and any adjournment thereof.

Dated this _________ day of __________________ 2021

Shareholder's Signature ____

ORDINARY BUSINESS		FOR	AGAINST
1	To lay before the members, the Report of the Directors and the Statement of Financial Position as at 31 December, 2021 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 – Mr. Ademola Idowu		
ii.	Name of Director – Mr. Joshua Ariyo		
4	To disclose the remuneration of Managers in compliance with Section 257 of CAMA 2020		
5	To authorize the Directors to fix the remuneration of the External Auditors for the ensuing year.		
6	To elect/re-elect the members of the Statutory Audit Committee		
SPECIAL BUSINESS			
a	To fix 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 in his stead. 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 the hand of an officer or attorney duly authorized; and **(iv).** The proxy must produce the Admission slip (below) with the Notice of Meeting to obtain entrance to the meeting.

Tear off from here

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

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)

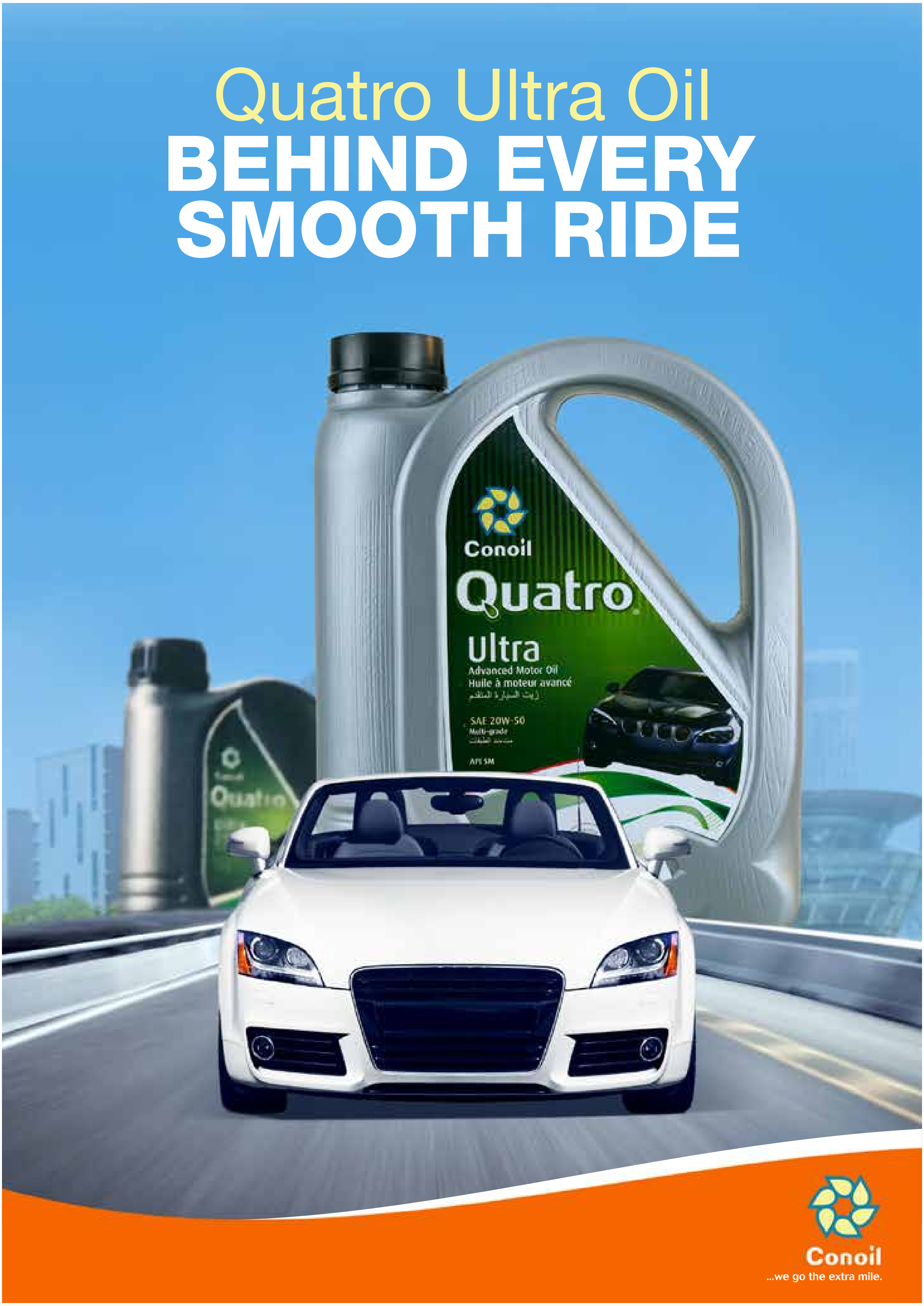
Joint\Company's Signatories

TICK	NAME OF COMPANY	SHARE A/C NO
	AELLA FINANCIAL SOLUTIONS BOND	
	AFRINVEST EQUITY FUND	
	BERGER PAINTS NIG PLC	
	CASAFINA CAPITAL LIMITED BOND	
	CEAT FIXED INCOME FUND	
	CITITRUST HOLDINGS PLC	
	CONOIL PLC	
	CONSOLIDATED HALLMARK INS. PLC	
	CUSTODIAN INVESTMENT PLC	
	COVENANT SALT NIGERIA LIMITED	
	DEVELOPMENT BANK OF NIGERIA PLC	
	EMPLOYEE ENERGY LIMITED	
	ENERGY COMPANY OF NIGERIA PLC [ENCON]	
	eTRANZACT INTERNATIONAL PLC	
	FBN HOLDINGS PLC	
	FIDSON HEALTHCARE PLC	
	FOOD CONCEPTS PLC	
	FTN COCOA PROCESSORS PLC	
	GDL INCOME FUND	
	GEO-FLUIDS PLC	
	GEREGU POWER PLC	
	IMPERIAL AFRICA PLC	
	INTERNATIONAL ENERGY INSURANCE PLC	
	INTERNATIONAL TOBACCO COMPANY LIMITED	
	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	
	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	
	RADIX HORIZON FUND	
	RAEDIAL FARMS LIMITED BOND	
	REGENCY ALLIANCE INSURANCE PLC	
	SMART PRODUCTS NIGERIA PLC	
	SOVEREIGN TRUST INSURANCE PLC	
	TANTALIZERS PLC	
	THOMAS WYATT PLC	
	TRANSPORT SERVICES LIMITED BOND	
	VITAFOAM NIGERIA PLC	
	ZENITH EQUITY FUND	
	ZENITH ETHICAL FUND	
	ZENITH INCOME FUND	

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

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

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


Quatro Ultra Oil
BEHIND EVERY SMOOTH RIDE
Conoil
Quatro
Ultra
Advanced Motor Oil
Huile à moteur avancé
SAE 20W-50
Multi-grade
API SM
Conoil
...we go the extra mile.

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