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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 AND SERVICES

Touching the lives of millions of Nigerians

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 broad 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.

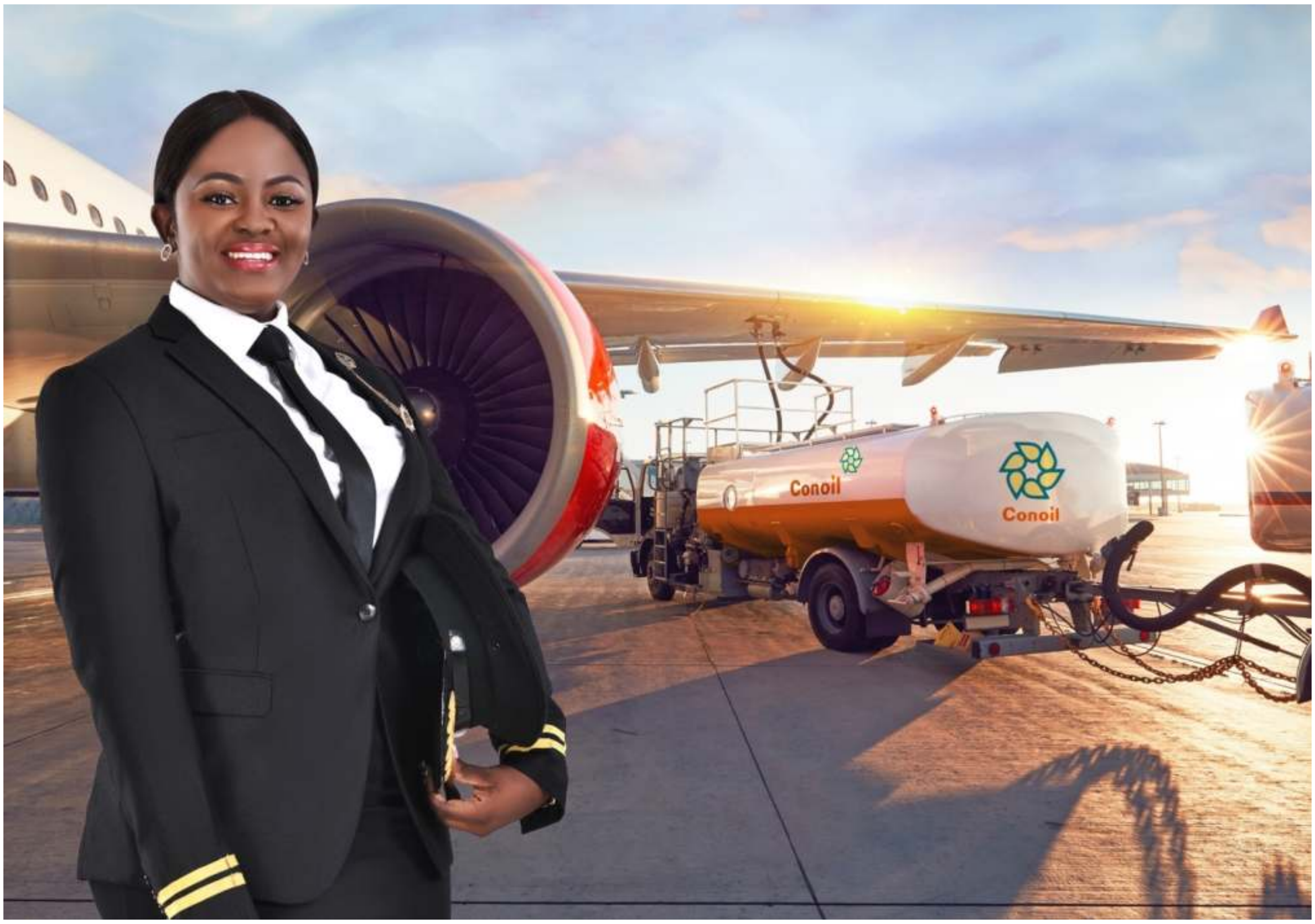
At **Conoil** station, the customer is king, thus Company always goes the extra mile to offer excellent services to its teeming customers, in courteous way, within a clean and safe environment. Its stations are bright and inviting, all day long, to give customers a fulfilling fueling experience.

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.

our business

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

Linking Nigerian skies with the world

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.

SPECIALIZED PRODUCTS

Energizing industries for bouyant 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.

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.

CONGAS

Providing safe cooking to homes

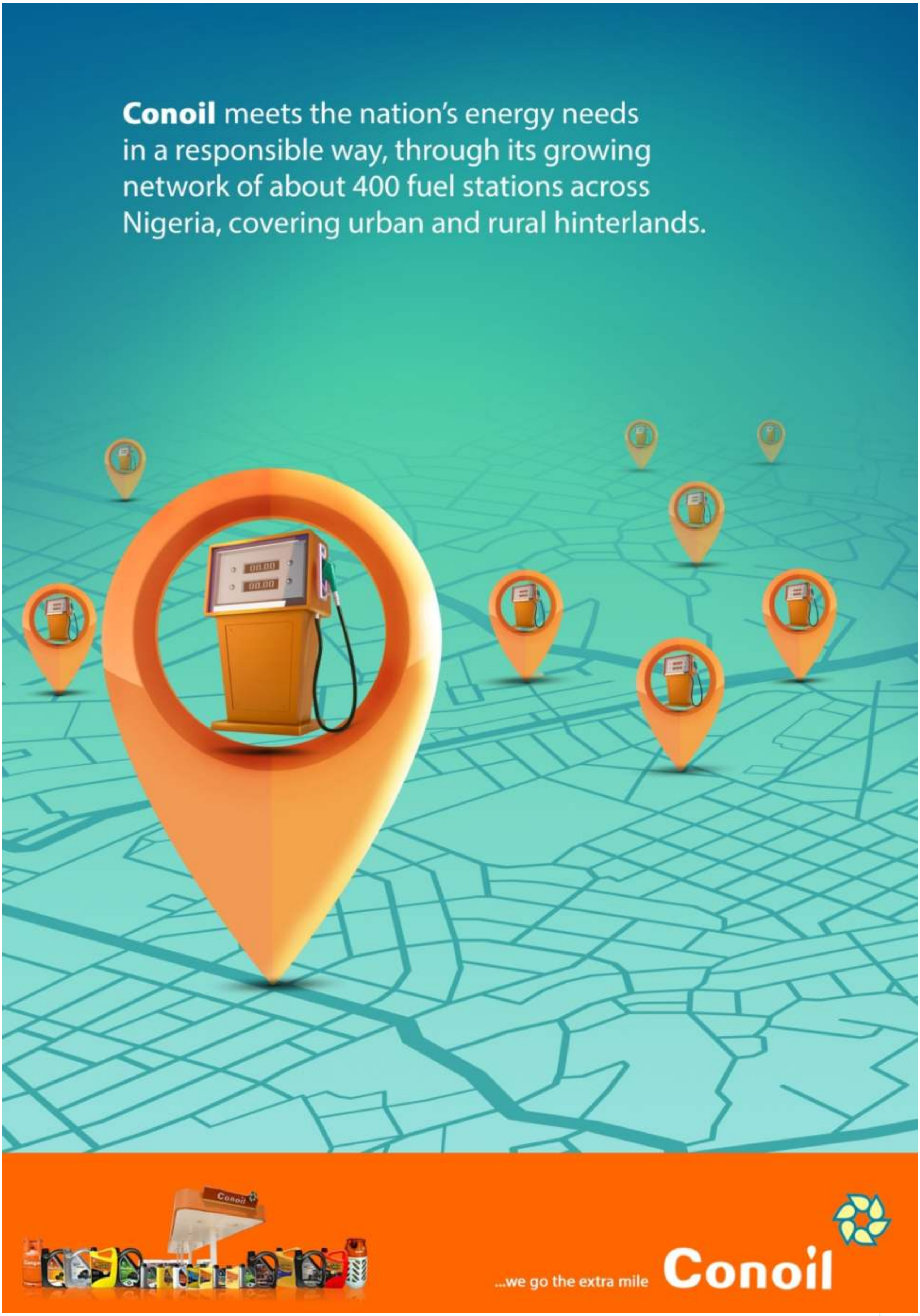
Congas is **Conoil**'s brand of liquefied petroleum gas (LGP), popularly called cooking gas. It adds more flavor to family lives, guaranteeing safety, quality, quantity, reliability and convenience to millions of homes across the country.

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.

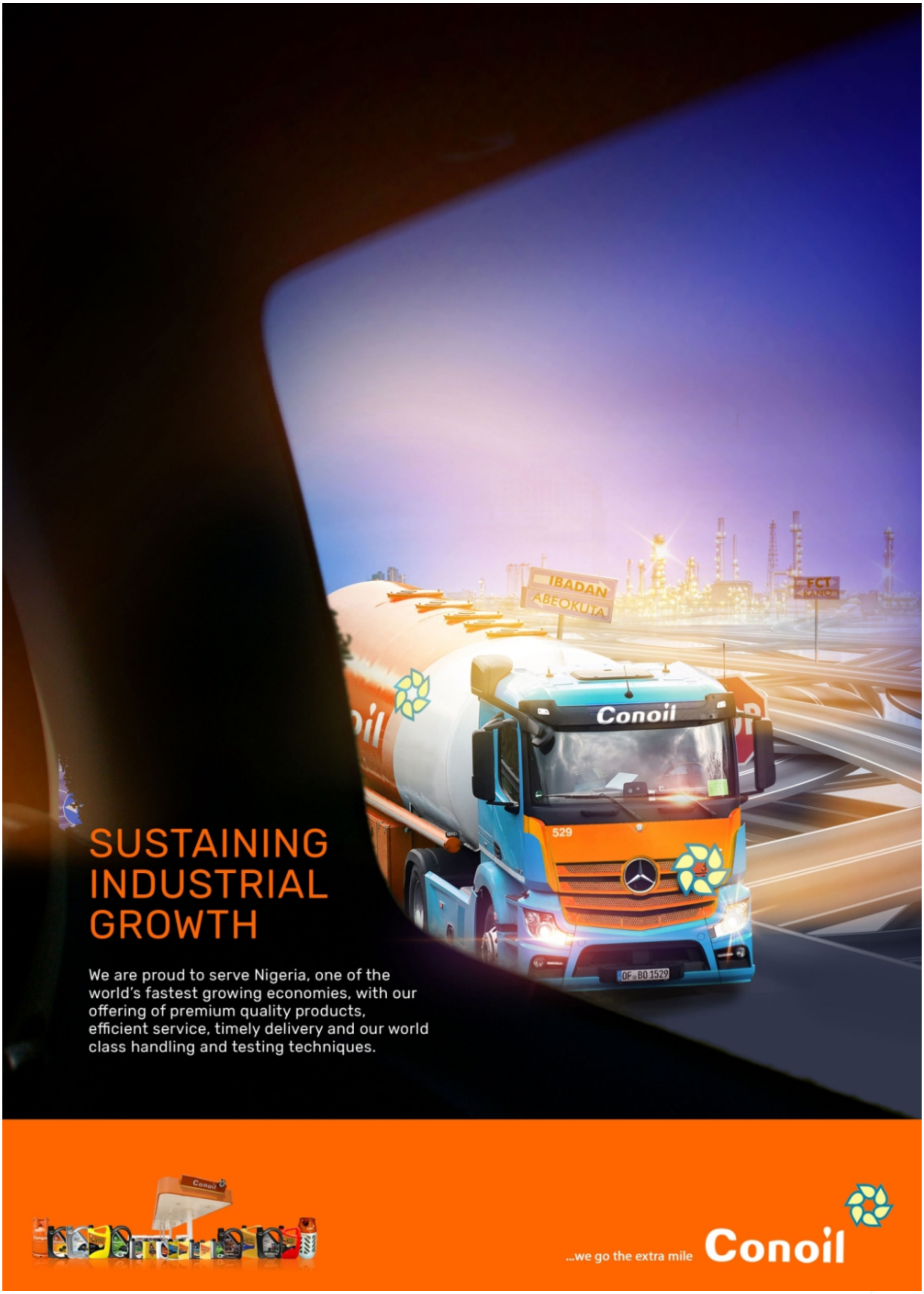
Against this background, its cylinders are protected against corrosion and subjected to strict safety check at each refill.

The high-tech equipment in its multi-million naira LPG bottling plant and storage terminal, conforms to industry regulations and international safety guidelines.


Conoil meets the nation's energy needs in a responsible way, through its growing network of about 400 fuel stations across Nigeria, covering urban and rural hinterlands.
...we go the extra mile
Conoil

RESULTS AT A GLANCE

	2020 N'000	2019 N'000	% Change N'000
Revenue	117,470,576	139,758,285	(15.9)
Proft before taxation	2,145,493	2,832,469	(24.3)
Taxation	(705,308)	(860,147)	(18.0)
Proft for the year	1,440,185	1,972,322	(27.0)
Retained earnings	15,348,274	15,295,993	0.3
Share capital	346,976	346,976	-
Shareholders' funds	19,520,019	19,467,738	0.3
Per share data			
Earnings per share (kobo)	208	284	(27.0)
Dividend per share (kobo)	150	200	(25.0)
Net assets per share (kobo)	2,813	2,805	0.3
Stock exchange quotation at 31 December (naira)	18.7	18.5	1.1


IBADAN
ABEOKUTA
FCT
KANO
Conoil
529
SUSTAINING
INDUSTRIAL
GROWTH
We are proud to serve Nigeria, one of the world's fastest growing economies, with our offering of premium quality products, efficient service, timely delivery and our world class handling and testing techniques.
...we go the extra mile
Conoil

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 51st Annual General Meeting of the members of CONOIL PLC will be held at BWC Hotels, Victoria Island, Lagos on Friday, 12th November, 2021 at 11.00 am to transact the following business:

ORDINARY BUSINESS

1. To lay before the member, the report of the Directors and the Statement of Financial position as at 31st December, 2020 together with the Statement of Profit or Loss and Other Comprehensive Income for the year ended on that day and the Reports of the Auditors and the Statutory Audit Committee thereon.
2. To declare a dividend.
3. To elect and re-elect Directors.
4. To authorize the Directors to fix the remuneration of the External Auditors for the ensuing year.
5. To elect/re-elect the members of the Statutory Audit Committee.

SPECIAL BUSINESS

6. To fix the remuneration of the Directors.

NOTES:

Relevant documents in 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 formmust 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. Sir Sunny Nwosu
V. Chief Timothy Adesiyan
VI. Mr. Taiwo Oderinde
VII. Samiat Odunuga
VIII. David Adenike
IX. Jimo Ismail Olaniran
X. Elizabeth Adenike Okeleye
XI. Mr. Oladepo Adesina (to represent the Statutory Audit Committee)

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

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

3. DIVIDEND

The Board recommends a dividend of N1.50 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, 19th November, 2021 to members whose names appear in the Register of Members at the close of business on Friday, 2nd July, 2021.Shareholders who have completed the e-mandate Activation Forms will receive a direct credit of the dividend into their bank accounts on the payment date.

4. APPOINTMENT OF MEMBERS OF THE STATUTORY AUDIT COMMITTEE

The Statutory Audit Committee consists of 3 shareholders and 3 Directors in accordance with the Companies and Allied Matters Act. Any member may nominate a shareholder as a member of the Audit Committee by giving in writing, notice of such nomination at least 21 days before the date of the Annual General Meeting. Nominees to the Statutory Audit Committee must be compliant with the laws, rules and regulations guiding listed companies in Nigeria. Accordingly, we would therefore, request that the nominations be accompanied by a copy of the nominees' curriculum vitae.

5. RIGHT OF SHAREHOLDERS TO ASK QUESTIONS

Shareholders have a right to ask questions not only at the meeting but also in writing prior to the meeting and such questions must be submitted to the Company Secretary on or before 9 October, 2020.

6. UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES

Shareholders are hereby informed that some dividend warrants have been returned to the Registrars as unclaimed while some have neither been presented to the Banks for payment nor to the Registrars for revalidation. A list of such unclaimed dividends will be circulated with the Annual Reports and Financial Statements for the year ended 31 December, 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. for the year ended 31 December, 2020

7. CLOSURE OF REGISTER

The Register of Members and the Transfer Books of the Company will be closed from Monday, 5th – Friday, 16th July, 2021 both days inclusive, to enable the preparation and payment of dividends.

8. E-DIVIDEND MANDATE

Pursuant to the directive of the Securities and Exchange Commission, Shareholders are hereby advised to open bank accounts, stockbroking and CSCS accounts for the purpose of timely receipt of dividend payments. A detachable e-dividend mandate activation form is attached to the Annual Report and also available at the office of the Registrars to enable all shareholders furnish the particulars of their bank accounts / CSCS details to the Registrars as soon as possible.

Further, all unregistered investors/members for E-Dividend payment are advised to take advantage of the Securities and Exchange Commission's Unclaimed Dividend Retrieval Process by searching for their unclaimed dividend and downloading the e-mandate forms at http://www.sec.gov.ng/non-mandated/ Downloaded forms should be filled and submitted through the Bank or Registrar.Forms can also be downloaded from the Registrar's website – www.meristemregistrars.com.

9. e-REPORT

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

10. VIEWING OF THE PROCEEDINGS OF THE MEETING

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

BY ORDER OF THE BOARD

Conrad Eberemu
Company Secretary / Legal Adviser.
FRC/2017/NBA/00000016701
8th October 2021.

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

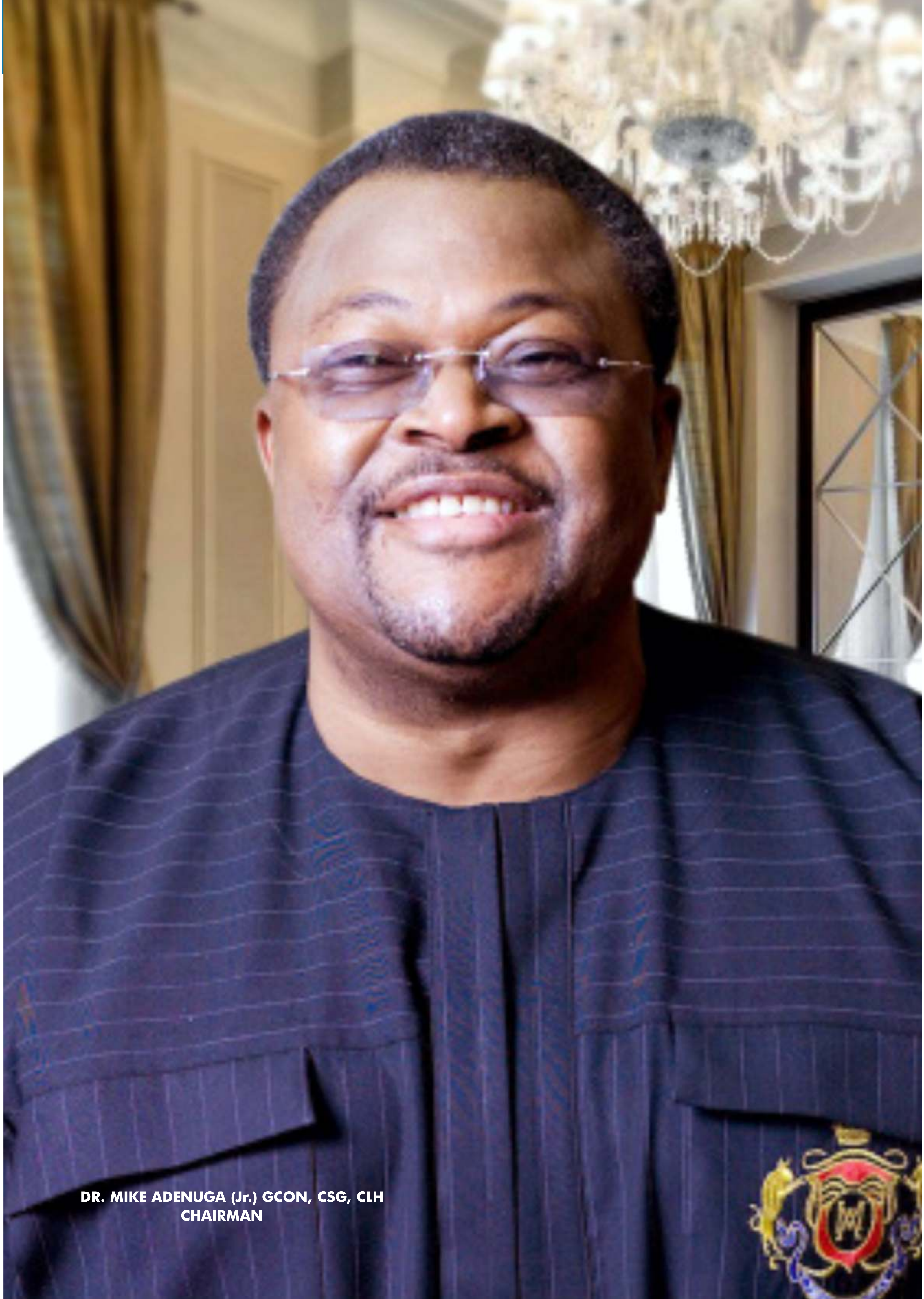
Registered Office:
Bull Plaza
38/39 Marina
Lagos
www.conoilplc.com

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


SMOOTH AUTO-LUBRICATION
FOR HIGH PERFORMANCE
Conoil is one of the largest lubricant manufacturers in Nigeria witha significant market share. It offers some of the most recognized lubricantbrands in the country, known for performance and innovation.
Quatro
TURBO
25litres
...we go the extra mile
Conoil



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

CHAIRMAN'S STATEMENT

STRENGTHENING THE FOUNDATIONS FOR GROWTH

Distinguished Shareholders, Ladies and Gentlemen, it gives me great pleasure to welcome you to the 51st Annual General Meeting of our company, Conoil Plc and the presentation of our Annual Report and Accounts for the year ended 31st December 2020. This year's Annual General Meeting is particularly special because it is the 51st Annual General Meeting of our great company and marks over 20 years as a publicly listed Company on the Nigerian Stock Exchange. The Board and Management of Conoil Plc remain ever mindful of the courage and passion of those who paved the way and laid the groundwork for our great Company to be a leading brand in the production, marketing and distribution of petroleum and lubricant products in Nigeria.

It is important at this time to give an overview of the macroeconomic environment and outline the progress made by Conoil Plc on our strategic objectives. Any report on the past year will be inevitably dominated by the global coronavirus pandemic, which continues to put extraordinary pressure on all of society: straining public healthcare systems and putting millions of jobs and businesses at risk. Our thoughts and prayers remain with the communities and individuals, including healthcare and frontline workers, most deeply hit by this crisis.

I would also like to thank the Management of Conoil Plc for their outstanding leadership during these trying times. Their timely adjustment to the changes our organization had to make to stay safe and the resolve they put forth daily to serve our customers, has been exemplary. Ultimately, it is thanks to the sum of our parts i.e. our talented and motivated workforce, an experienced and committed leadership and the efficacy of our customer focused business strategy that we are staying successful in a very challenging environment. I am equally proud of the tremendous efforts of our employees who have demonstrated resilience in the face of one of the greatest humanitarian challenges of our lifetime.

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 new 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 even in these times, and continuingly improve the way the business is run, by doing more with less and being better than yesterday.

ECONOMIC LANDSCAPE

Macroeconomic and Financial Developments

Nigeria's economy entered a recession in 2020, reversing three years of recovery, due to fall in crude oil prices on account of falling global demand and containment measures to fight the spread of COVID–19. The containment measures majorly affected aviation, tourism, hospitality, restaurants, manufacturing, and trade. Contraction in these sectors offset demand-driven expansion in financial and information and communications technology sectors. Consequently, global supply chains were disrupted, manufacturing activities halted, and service sectors slowed down considerably. This sent shocks to financial markets, resulting in a free fall of equity prices as investors looked for safe-haven asset classes. Correspondingly, crude oil prices declined dramatically, as the pandemic-related restrictions took a devastating toll on the demand for crude products. To abate the effect of the pandemic on economic activities, most countries implemented large scale monetary and fiscal stimulus packages to support individuals and businesses, as very few business sectors were spared from the devastating economic effects of the pandemic. In the 3rd Quarter of the year, as rapid progress was being made in the development of vaccines and therapeutics, countries relaxed lockdown measures to allow for the pickup of economic activities. With the easing of restrictions on movement of people, the Global Economy began a gradual recovery in the 3rd Quarter of the year and, The IMF, which had estimated a 4.9% contraction of the Global Economy at the peak of the pandemic in June, revised its estimates downwards to 3.5%. The positive expectations resulted in a strong rally in crude and equity prices from their pandemic-induced levels. Accordingly, the Global Equities Market (tracked by the MSCI World Index) returned 13.5% at the end of 2020, although lower than the return of 25.2% recorded in 2019. The average Crude Oil price (Brent) declined to $41.69pbl in 2020 from $64.34pbl in 2019, but an improvement from the $18pbl recorded in April 2020. The pickup in crude prices was precipitated by the decision of OPEC+ to reduce members' production quota by 7.7million barrels per day.

Overall real GDP is estimated to have shrunk by 3% in 2020, although mitigating measures in the Economic Sustainability Programme (ESP) prevented the decline from being much worse. Inflation rose to 12.8% in 2020 from 11.4% in 2019, fueled by higher food prices due to constraints on domestic supplies and the pass-through effects of an exchange rate premium that widened to about 24%. The removal of fuel subsidies and an increase in electricity tariffs added further to inflationary pressures. The Central Bank of Nigeria cut the policy rate by 100 basis points to 11.5% to shore up a flagging economy. The fiscal deficit, financed mostly by domestic and foreign borrowing, widened to 5.2% in 2020 from 4.3% in 2019, reflecting pandemic-related spending pressures and revenue shortfalls. Total public debt stood at $85.9 billion (25% of GDP) on 30 June 2020, 2.4% higher than a year earlier. Domestic debt represented 63% of total debt, and external debt, 37%. High debt service payments, estimated at more than half of federally collected revenues, pose a major fiscal risk to Nigeria. The current account position was expected to remain in deficit at 3.7% of GDP, weighed down by the fall in oil receipts and weak external financial flows.

GROWTH PLAN

At the start of the 2019 financial year, an ambitious 5 year growth strategy was introduced which could only be 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 2019 however the Company has been unable to build significantly upon the attainments from 2019 owing to the effects of the COVID-19 pandemic and the resulting global down turn. Nonetheless, 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.

FINANCIAL RESULTS

Esteemed shareholders, 2020 was a challenging year with the devastating effect of the coronavirus pandemic. The lock downs, the shutdown of aviation sector in the better part of the year had serious negative impacts in not only our business but globally.

Although our financial performance in the period under review is not comparable with our past results, due to the reasons enumerated in the preface, we however, look forward to the future with a great deal of enthusiasm and optimism. It is with a mix feeling that we report the varied performance indicators outlined below:

- Gross Revenue was N117.5 billion in 2020 compared to N139.8 billion in 2019.
- A Profit After Tax of N1.44 billion as against N1.97 billion in 2019.
- Total borrowing went down from N9.2billion in 2019 to N189.7million in 2020. This was basically due to repayment of overdraft facilities in 2020 to manage high interest expense.
- Interest Expense dropped by 37% from N1.1 billion in 2019 to N0.7 billion in 2020.

  There has been a consistent drop in interest expense from N2.1 billion in 2017 as a result of concerted efforts for efficient cash flow management.

Non Fuel Retail business improved by 14% from N114 million of 2019 to N130 million in 2020. The growth has been consistent since 2018. We hope to improve further on this going forward.

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 2020 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 2020 Annual General Meeting that the sum of N1.04 Billion be approved as dividend payable to all shareholders from the net profits for 2020. This translates to a dividend of 150 kobo for every 50 kobo share held. This proposal is predicated on the existing realities in the industry. It was first important to ensure an improvement in the overall performance of the Company, which we believed would translate to meet the expectation of all our stakeholders. We are hopeful to improve in this regard in the coming years.

VALUE FOR SHAREHOLDERS

In 2020, the Company scored a new first, carrying out its 50th Annual General Meeting seamlessly via Livestream. Underpinning this innovative approach is the commitment of the Board and Management to delivering the returns that shareholders deserve.

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 2020, 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 2020. 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.

A major source of anxiety globally was job security. We made sure our people did not have to worry about their employment status as the Leadership of the Company immediately took a decision to do everything possible to guarantee the employment of every staff of the Company.

FUTURE PROSPECTS

The prospects for the rebound of both the national and global economy in 2021 look bleak in the light of the global downturn from the COVID -19 pandemic. Stimulus measures outlined in the Economic Sustainability Program (ESP) and the Finance Act of 2020 could boost nonoil revenues. Improved revenues can narrow the fiscal deficit to 4.6% and the current account deficit to 2.3% of GDP in 2021 as global economic conditions improve. Reopening borders have increased overall access to inputs, easing pressure on domestic prices and inflation, projected at 11.4% in 2021. Downside risks include reduced fiscal space, should oil prices remain depressed. In addition, flooding and rising insecurity could hamper agricultural production. Further depletion in foreign reserves from $35 billion (7.6 months of import cover) could lead to sharp exchange rate depreciation and inflationary pressures. A potential relapse in COVID–19 cases could exacerbate these risks. High unemployment (27%), poverty (40%) and growing inequality remain a major challenge in Nigeria. Nigeria's recovery is expected to underperform those of other oil producers, and an unexpected shock to oil prices could threaten the modest growth projected. High inflation and high unemployment exacerbate macroeconomic risks, and activity in the tertiary sector will not fully normalize unless COVID-19 is contained. GDP per capita is projected to continue declining because the economy is forecast to grow more slowly than the population.

ECONOMIC GROWTH

The IMF projects that the Global Economy will rebound in 2021, with a growth rate of 5.5%.The Nigerian economy is projected to grow by 1.8% in 2021 and 2.9% in 2022, based on an expected recovery in crude oil prices and production although there is high uncertainty about these projections. The recovery would be driven by rise in oil exports and in domestic demand. The Nigerian economic growth has been slower than expected and it is still driven by oil prices. A surge or sudden drop in the price of crude oil in the international market could pose problems.

With regards to the domestic economy, we expect that growth will be supported by the expected increase in Crude Oil Prices and Production Volumes, as global demand expands, and OPEC increases its members' production quota (likely from the second half of the year). Furthermore, we expect that growth will be supported further by the continued expansionary stance of the Monetary and Fiscal authorities. This stance is expected to bolster business investment and discretionary consumer spending and pull the critical Manufacturing and Trade sectors out of contraction. However, the ability of the Central Bank to maintain a liquid and stable FX market as well as keeping inflation in check, will dictate the direction of the performance of these critical sectors of the economy.

We expect a more stable exchange rate, with minimal devaluation, as crude export revenue ramps up, foreign investment flows strengthen, and diaspora remittances increases. This expectation is projected to have a positive impact on inflation, which we expect will trend downwards, given that the land borders have been reopened and the Central Bank is likely to increase interest rates to curb excess liquidity and shore up foreign investments.

We plan to consolidate on the progress made in the previous years to deliver a strong and sustainable performance that enhances returns to our shareholders. We are marching forward in the year with confidence and optimism, as we strategically and continuingly position our business to take advantage of key opportunities in the execution of our growth strategy. 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. Given our expectation of improvements in key macroeconomic indicators, the Company will position itself to fully take advantage of the opportunities that will be presented in 2021. The Company will grow its earnings, improve profitability and asset quality and deliver competitive returns to our esteemed shareholders.

CONCLUSION

I congratulate the Conoil team on their impressive results and achievements in the 2020 financial year. We express our recognition of their diligence, professionalism, tenacity and sacrifice towards ensuring that organizational goals and objectives were achieved.

We fully appreciate the continuing commitment and support of our shareholders through the years. We believe that the future holds a lot of promise for our shareholders and that the company will surely reward their steadfastness and unwavering faith in its prospects. The Board remains committed to the delivery of improved performance and further commits itself to exceed the expectations of shareholders in 2021.

DR. MIKE ADENUGA (JR), GCON
CHAIRMAN

REPORT OF THE DIRECTORS

for the year ended 31st December 2020

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 2020.

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

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

ITEMS	2020 N'000	2019 N'000	Change %
Revenue	117,470,576	139,758,285	-16%
Proft Before Tax	2,145,493	2,832,469	-24%
Proft After Tax	1,440,185	1,972,322	-23%
Proposed Dividend	1,040,928	1,387,904	-25%
Share Capital	346,976	346,976	0%
Shareholders fund	19,520,019	19,467,738	1%

4. DIVIDENDS

The Directors recommend the payment of a dividend of 150 Kobo per share on the results for year 2020.

5. CHANGES ON THE BOARD OF DIRECTORS

In the course of the financial year ended December 31, 2020, 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 Stock Exchange is as follows:

NUMBER OF SHARES

Directors	Direct	Indirect	Total 2020	Total 2019
*Dr. Mike Adenuga (Jnr.) GCON	-	103,259,720	103,259,720	103,259,720
Mr. Hardeep Kheterpal	-	-	-	-
Dr. M. E. Omatsola	541	-	541	541
Engr. Babatunde Okuyemi	8,500	-	8,500	8,500
Mr. Mike Jituboh	-	-	-	-
Mr. Ike Oraekwuotu	-	-	-	-
Miss Abimbola Michael-Adenuga	-	-	-	-
Mr. Ismail Salam	-	-	-	-
Mr. Joshua Ariyo	25,365	-	25,365	25,365
Mr. Ademola Idowu	15,125	-	15,125	-

*Representing Conpetro Limited

There were no material changes to Directors' shareholdings within the year ended 31st December, 2020.

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 Section 34 (5) of the Code of Corporate Governance for Public Companies 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 • Refects the industry competitive salary package and the extent to which the Company's objectives have been met for the fnancial year	Paid monthly during the fnancial year
13th month salary	• Part of gross salary package for Executive Directors only • Refects the industry competitive salary package and the extent to which the Company's objectives have been met for the fnancial year	Paid in the last month of the fnancial 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: **Engr. Babatunde Okuyemi** and **Dr. M. E. Omatsola** 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

Dr. Ebi Omatsola – Non Executive Director
B.Sc., M.Sc. Ph.D.
Over 45 years' working experience in Telecommunications, Petroleum Upstream and Downstream sectors.

Engr. Babatunde Okuyemi – Non Executive Director
B.Sc. Chemical Engineering; FNSCHE
Over 49 Years working experience.

10. DIRECTORS'RESPONSIBILITIES

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:

- 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.

11. SHAREHOLDING ANALYSIS

As at 31st December 2020, the range of shareholdings of the Company was as follows:

Share Range	No. of Holders	Holders' %	Holders' Cum	Units	% Units	Units Cum
1 – 1000	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	2.48	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	0.01	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
50,000,001 and ABOVE	1	0.00	142,763	516,298,603	74.40	693,952,117
GRAND TOTAL	**142,763**	**100.00**		**693,952,117**	**100.00**	

12. 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 2020.

The shares of the Company were held as follows:

SHAREHOLDING OF 5% AND ABOVE					
		Tuesday, December 31, 2020		Monday, December 31, 2019	
S/N		UNITS	PERCENTAGE (%)	UNITS	PERCENTAGE (%)
1	CONPETRO LIMITED	516,298,603	74.40%	516,298,603	74.40%
2	OTHER SHAREHOLDERS	177,653,514	25.60%	177,653,514	25.60%
	TOTAL	**693,952,117**	**100.00%**	**693,952,117**	**100.00%**

13. 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			
YEARS	INCREASE	CUMULATIVE	INCREASE	CUMULATIVE	NO.OF SHARE	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)

14. DIVIDEND PAYMENT HISTORY

Div. No.	Div. Type.	Year Ended	Date of Declaration	Div. Rate Per Share	Total AMT. of Div. Gross	Total AMT of Div. Net.
12	Final	12/31/2001	6/21/2002	0.50	171,500,000.00	154,350,000.00
13	Final	12/31/2002	6/20/2003	2.00	686,000,000.00	617,400,000.00
14	Final	12/31/2003	8/27/2004	3.50	2,024,029,409.50	1,821,626,468.60
15	Final	12/31/2004	11/25/2005	2.00	1,387,904,234.00	1,249,113,810.60
16	Final	12/31/2005	10/27/2006	2.50	1,734,880,292.50	1,561,392,263.30
17	Final	12/31/2006	8/31/2007	2.75	1,908,368,321.80	1,717,531,489.60
18	Final	12/31/2007	8/29/2008	2.75	1,908,368,321.80	1,717,531,489.60
19	Final	12/31/2008	12/18/2009	1.00	693,952,117.00	624,556,905.30
20	Final	12/31/2009	10/22/2010	1.50	1,040,928,175.50	936,835,358.00
21	Final	12/31/2010	6/24/2011	2.00	1,387,904,234.00	1,249,113,810.60
22	Final	12/31/2011	8/30/2012	2.50	1,734,880,292.50	1,561,392,263.30
23	Final	12/31/2012	10/4/2013	1.00	693,952,117.00	624,556,905.30
24	Final	12/31/2013	9/30/2014	4.00	2,775,808,468.00	2,498,227,621.20
25	Final	12/31/2014	10/23/2015	1.00	693,952,117.00	624,556,905.30
26	Final	12/31/2015	10/28/2016	3.00	2,081,856,351.00	1,873,670,715.90
27	Final	12/31/2016	8/11/2017	3.10	2,151,251,562.70	1,936,126,406.40
28	Final	12/31/2017	7/13/2018	2.00	1,387,904,234.00	1,252,452,464.80
29	Final	12/31/2018	8/16/2019	2.00	1,387,904,234.00	1,251,217,929.00
30	Final	12/31/2019	10/23/2020	2.00	1,387,904,234.00	1,252,071,715.40

15. PROPERTY, PLANT AND EQUIPMENT

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

16. 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.

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/N	DEALER	STATION	LOCATION OF STATION
1	Yahaya Yawale Maikif	Maiduguri rd, Gashua	115/117 Dandume Road, Funtua LGA, Kaduna
2	Ahmed Lami	H/ Macaulay	Plot 763, Herbert Macaulay Way, CBD FCT
3	Abimbola Olawale	Ikate Lekki M/S	Ikate Elegushi,Lekki Epe Expressway,Lekki

S/N	DEALER	STATION	LOCATION OF STATION
4	Akinyemi Omoyeni	Chevron M/S	Lekki-Epe Expressway,Chevron Roundabout
5	Alh. Usman Magaji	Kari B F/S Bauchi	No. 25, Dukku Road, Gombe
6	Adeleye Adewale	GRA M/S	Oba Akinjobi Road by GRA Roundabout Ikeja
7	Solomon Abuh	GRA Funtua S/S	No 142, Maiduguri Rd, Yana Town, Bauchi
8	Kabiru Wali	Yelwa Yauri F/S	New Market Road Yauri Kebbi
9	R. Moh. Jega	Jega S/S	sani abacha way binrin kebbi, kebbi state
10	Abdulkadir Tanimu	Akwanga SS	Akwanga-Keff Road Garaku Kokona Nasarawa
11	Rewane -Fabyan	Hughes Avenue S/S	Herbert Macualay Way,Alagomeji,Yaba,Lagos State
12	Johnson Iwarere	Marina S/S	Marina,Lagos State
13	Okonedo C.	Western Avenue F/S	Western Avenue Road Barracks Bus Stop Lagos State
14	U. Sirajawa	Lagos Rd Funtua	Lagos Road, Funtua
15	M O Udoye	Sabon Tasha SS	Km 112 Sabon Tasha Kaduna South, Kaduna
16	M. A. S (Ijagbo Offa)	M. A. S International	Along Ofa Ajase Road, Ijagbo
17	Adebambo Bashorun	Ajah M/S	Ajiweh B/Stop, Lekki-Epe Expressway.
18	Usman Awodi	Nasarawa F/S	Plot 80 Poly Road Off Keff Expressway Keff Nasarawa
19	Ubolo Okpanachi	Garki S/S	42 Festival Road Area 10 Garki FCT
20	Adebayo T.	Eric Moore S/S	Eric Moore Road,Eric Moore Surulere Lagos State
21	Magret Uyokpeyi	Alapere M/S	Along Lagos/Ibadan Express Way, Alapere Area
22	Bello Hodio Liman	Tollgate SS	Abuja/Kaduna Expressway, Old Toll gate, Sabon Wuse Suleja Niger
23	Samuel Okorho	Lugbe Extension SS	Plot 199 Cadastral Zone Lugbe District FCT Abuja
24	Idion Godfred	KM 2 Ikeja F/S	FAAN Local Airport Ikeja
25	Abdulrasheed Ashiru	Kubwa Expressway SS	Plot 12 ONEX Dei Dei Cadastral Zone 07-05, along Kubwa Expressway, Dei Dei, FCT
26	Ologungba J.	Iwara Oka F/S	Oke-oka, Akoko
27	Oniya A. O.	Itire Rd S/S	Itire Lawanson Road,Surulere,Lagos State
28	Kennedy Izuagbe	Toll Gate M/S	Along Lagos/Ibadan Express Way, Near Old Tollgate, Alausa
29	I. Abdulkareem	Katsina L/P F/S	Along IBB Way, Lorry-Park, Katsina
30	Awwaleem Petroleum	SULEJA SS	Minna road, Suleja, Niger State

18. 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 2020 and on the profit for the period to that date which have not been adequately provided for

19. HUMAN RESOURCES POLICY

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.

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

PERMANENT STAFF			
MALE	FEMALE	RATIO	TOTAL
168	24	7:1	192
EXPATRIATES			
MALE	FEMALE	RATIO	TOTAL
I6	0	16:0	16
OTHERS			
MALE	FEMALE	RATIO	TOTAL
470	28	17:1	498

Employment of Physically Challenged Persons

The Company 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 2020, there were 3 (three) physically challenged persons in the employment of the Company.

Employee 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.

Employee 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.

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. TheCompany 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.

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).

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. 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.

21. RELATIONS WITH 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.

22. 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 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:

DONATIONS AND CHARITABLE GIFTS 2020		
S/N	PROJECT	AMOUNT IN NAIRA
1.	Naval Dockyard Road Reconstruction, Apapa, Lagos.	N1,500,000
2.	Community Development Projects in Magcobar Community, Port Harcourt in collaboration with OVH Energy Marketing Limited	N5,000,000
3.	De-silting the drainage along Harbour Road, Apapa, Lagos.	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 – 2020)
5.	Donation to the Nigerian Navy Association	N500,000
	TOTAL	**Up to N68,000,000.00**

23. Conoil Plc AND THE LAW:

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

- Securities Trading Policy
- Complaint Management Policy
- Code of Conduct & Business Ethics
- Anti-Bribery & Corruption Policy
- Anti-Money Laundering and combating Terrorism Financing Policy
- Market Conduct Policy
- Complaints Management Policy Framework

24. Regulatory Compliance:

The Company complied with all relevant laws and regulations within the year ended December 31, 2020. However, the Company was penalized the sum of N400,00.00 by Nigerian Exchange Limited for the late filling of the Company's Second Quarter Unaudited Financial Statements for the Period ended 30 June 2020.

25. 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
3rd May, 2021.

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

CORPORATE GOVERNANCE REPORT 2020

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 the 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.

Particularly, the Company 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. 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.

Governance Structure

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.

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.

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.

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.

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.

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 2020. 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, January 28th, 2020; Thursday, May 7th, 2020; Monday, 17th, 2020; and Friday, November 27th, 2020. A summary of the record of attendance at Board meetings is presented below.

Names of Directors		28th January 2020	7th May 2020	17th August 2020	27th November 2020
Dr. Mike Adenuga (Jnr.) GCON	Chairman Non-Executive Director	P	P	P	P
Mr. Hardeep Kherterpal	Managing Director	P	P	P	P
Dr. M. E. Omatsola	Non-Executive Director	P	P	P	P
Engr. Babatunde Okuyemi		A	P	P	P
Mr. Mike Jituboh		P	A	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.

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: Engr. Babatunde Okuyemi and Dr. M. E. Omatsola 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

Dr. Ebi Omatsola – Non Executive Director
B.Sc., M.Sc. Ph.D.
Over 45 years' working experience in Telecommunications, Petroleum Upstream and Downstream sectors.

Engr. Babatunde Okuyemi – Non Executive Director
B.Sc. Chemical Engineering; FNSCHE
Over 49 Years working experience.

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:

- Executive Board Committee;
- Operation Review Committee;
- Risk Management Committee;
- Remuneration Committee; and
- 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:

The Executive Board Committee, led by the Managing Director and comprising the Executive Directors, sets the Company's priorities and targets, allocates resources and ensures the effective running of the Company. The Executive Board ensures that the Company's resources are fully utilized to meet the Company's goals. The Committee held five (5) meetings on Monday, 6th January 2020; Tuesday, 7th April 2020; Thursday, July 9th 2020, Wednesday, 16th September, 2020; and Friday 11th December 2020.

Names	6th January 2020	7th April 2020	9th July 2020	16th September 2020	11th December 2020
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, 17th March 2020; Wednesday, 26th August 2020; and Friday, 27th November, 2020. The meetings were well attended.

Names	17th March 2020	26th August 2020	27th November 2020
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 three (3) times during the financial year ended December 31, 2020 on Wednesday, 19th February 2020, Tuesday, 16th June 2020 and Friday, 20th November 2020. The Board Risk Management Committee comprised the following members during the year under review:

Names	19th February 2020	16th June 2020	20th November 2020.
Dr. M.E. Omatsola	P	P	P
Mr. Ike Oraekwuotu	P	P	P
Mr. Ismail Salam	P	P	P

Attendance keys: P=Present

IV. Remuneration Committee.

The 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 Friday, 10th April, 2020 and Thursday, 3rd September 2020. The meetings were well attended.

Names	10th April 2020	3rd September 2020
Mr. Mike Jituboh	P	P
Mr. Ademola Idowu	P	P

Attendance key: P=Present

V. Statutory 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.

The Committee is made up of three (3) Non-Executive Directors and three (3) Shareholders of the Bank 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 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, February 6th, 2020; Tuesday, June 2nd, 2020; Tuesday, September 15th, 2020; and Monday, November 23rd, 2020. The following members served on the Committee during the year ended December 31, 2020:

Names	Designation	06/02/2020	02/06/2020	15/09/2020	23/11/2020
Mr. Oladepo Olalekan Adesina	Chairman Rep. of Shareholders	P	P	P	P
Chief Joshua Oluwole Oginni	Member rep. of Shareholders	P	P	P	P
Comrade S.B. Aderenle	Member rep. of Shareholders	P	P	P	P
*Mr. Mike Jituboh	Non-Executive Director	P	P	P	P
Mr. Ike Oraekwuotu	Non-Executive Director	P	P	P	P
Mr. Joshua Ariyo	Non-Executive Director	P	P	P	P

Attendance keys: P=Present

*Mr. Jituboh has stepped down from the Committee in order to comply with the new provisions of Section 404 (3) of the Companies and Allied Matters Act 2020, which requires the Director representatives to be two (2).

B. Board Supervised Management Committees.

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:

- Management Credit Committee;
- Executive Management Committee;
- Tender Committee;
- Import Committee; and
- Process and Expenditure Committee.

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.

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, Apapa Installation	-	Member
Head, Imports	-	Member
Head, Supply and Distribution	-	Member
Head, Lubricants Business	-	Member
Corporate Affairs Manager	-	Member
IT Manager	-	Member
Head, Credit Control	-	Member
Treasurer	-	Member
Company Secretary/Legal Adviser	-	Member
Head, Human Resources	-	Member.

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

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

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

Managing Director	-	Chairman
Finance Director	-	Member
Head, Imports	-	Member
Head of Central Operations Unit	-	Member

IV. **Process & Expenditure Committee.** The Committee sits to consider all processes and identify areas of bottlenecks that may impede smooth and speedy resolution of issues with a view to having better control in running of the Company. The Committee also scrutinizes all proposed expenditure of the Company to determine that the expenditures are reasonable and fair. The Committee meets every week. The members of the Committee are as follows:

Managing Director	-	Chairman
Financial Controller	-	Member
Head Internal Audit	-	Member

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 Stock Exchange, 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 Board. In addition, quarterly, half-yearly and annual financial results are published in national newspapers.

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.

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.

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 Stock Exchange. 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.

THE ACCOUNTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors of **Conoil Plc** ("the Company") are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 December 2020, and the results of its operations, cash flows and changes in equity for the period ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act 2020 and the Financial Reporting Council of Nigeria Act, 2011.

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

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

The Directors are responsible for:

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

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

The financial statements of the Company for the year ended 31 December 2020 were approved by the Directors on 18 May 2021.

On behalf of the Directors of the Company

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

STATEMENT OF DIRECTORS' CERTIFICATION

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 that:

a. We have reviewed the report
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 2020

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 2020

SHAREHOLDING STRUCTURE/FREE FLOAT STATUS

	31-Dec-20		31-Dec-19	
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 2020, 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

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF Conoil Plc ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **Conoil Plc** which comprise the statement of financial position as at 31 December 2020, 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 31 to 62.

In our opinion, the financial statements presents fairly, in all materials respects, the financial position of **Conoil Plc** as at 31 December 2020 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 eport. 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 audit 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 significant 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF Conoil Plc ON THE AUDIT OF THE FINANCIAL STATEMENTS

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 signifcant measure of the performance of our Company.	• We carried out a test of control to confrm the design, implementation and operating effectiveness of the controls around the revenue completion and cut-off across individual product lines.
There is an inherent risk of misstatement due to the nature and signifcance of revenue to management and stakeholders. Also, due to the impact of COVD 19 pandemic on the company's operations, there is heightened pressure from mananement to report higher revenue.	• We evaluated the appropriateness of the revenue recognition policies and methods and checked if applied consistently in compliance with IFRS 15. • We performed substantial analytical procedures to ensure that revenue earned in the current period has been completely captured appropriately and investigated differences in excess of the threshold. • We reviewed basis of valuation of foreign denominated contracts for appropriateness.
	• We selected samples and tested early and late cut off of sales. Focus was on sales made before and after the year and to ensure they were recorded in the appropriate period.

Contingent liabilities

See note 3.14 and note 35 to the financial statements

Key audit matter	**How our audit addressed the matter**
Contingent liabilities relate to estimates including costs related to litigation and claims. The Company is exposed to a number of litigation and claims from suppliers. In recognising the contingent liabilities, the Directors determine their best estimate of related expenses and liabilities based on their judgement of specifc details of the individual litigation and claims. Since actual expenses will depend on the future outcome of the litigation and claims, the provision for contingent liabilities is subject to inherent uncertainty.	• We receievd the list of outstanding litigation and claims and discussed the developments in the new and outstanding litigation and claims. • We considered management's assessment of the possible outcome of the litigation and claims for selected cases by discussing the matters with the legal team. • We reviewed the likelihood of each contingent event and estimated the impact of the fnancial statements. This was corroborated with confrmations from solicitors. • We recomputed the provisions for signifcant provisions.

Nexia Agbo Abel & Co

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

Our opinion on the financial statement 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 statement or our knowledge obtained in the audit, otherwise appears to be materially misstated.

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

Responsibilities of management and those charged with governance for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Companies and Allied Matters Act 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 materials 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 judgements 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 repsonsive to those risks, and obtain audit evidence that is sufficiemnt and appropriate to provide a bssis for opinion. The risk of not detecting a material misstatememt resulting from fraud is high than on resulting from error, as fraud may involve collusion, forgerym 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 cirucmstances, 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 acounting 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 condition 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 discplosures, 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 signficant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF Conoil Plc ON THE AUDIT OF THE FINANCIAL STATEMENTS

Nexia
Agbo Abel & Co

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

Report on the 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 purpose of our audit;

ii) the Company have kept proper books of account, so far as appears from our examination of those books; and

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

Abel Onyeke, FCA - FRC/2012/ICAN/00000000119
For: Nexia Agbo Abel & Co
Chartered Accountants
Abuja, Nigeria
18 May 2021

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 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 2020 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 2020 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

18 May 2021

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 2020

	Note	2020 N'000	2019 N'000
Revenue	5	117,470,576	139,758,285
Cost of sales	6	(107,652,191)	(126,319,031)
Gross profit		**9,818,385**	**13,439,254**
Other operating income	7	151,738	116,502
Other gains or losses	8	134,385	67,772
Distribution expenses	9	(2,071,570)	(3,074,330)
Administrative expenses	10	(5,182,872)	(6,603,406)
Finance cost	11	(704,573)	(1,113,323)
Profit before tax	12	2,145,493	2,832,469
Income tax expense	13	(705,308)	(860,147)
Profit for the year		1,440,185	1,972,322
Other comprehensive income for the year net taxes		-	-
Total comprehensive income		**1,440,185**	**1,972,322**
Earnings per share			
Basic earnings per share (kobo)	14	208	284
Diluted earnings per share (kobo)	14	208	284

The notes on pages 55 to 92 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	2020 N'000	2019 N'000
Assets			
Non-current assets			
Property, plant and equipment	15	2,299,567	3,072,094
Intangible assets	16	35,054	49,684
Investment property	17	148,950	198,600
Other fnancial assets	18	10	10
Prepayments	19	77,559	59,559
Deferred tax assets	13	2,374,681	2,677,565
Total non-current assets		**4,935,821**	**6,057,512**
Current assets			
Inventories	20	7,387,937	9,823,798
Trade and other receivables	21	30,570,237	40,441,201
Prepayments	19	76,134	181,906
Cash and bank balances	22	5,894,536	7,080,449
Total current assets		43,928,844	57,527,354
Total assets		**48,864,665**	**63,584,866**
Equity and liabilities			
Equity			
Share capital	23	346,976	346,976
Share premium	23	3,824,769	3,824,769
Retained earnings	24	15,348,274	15,295,993
Total equity		19,520,019	19,467,738
Non - Current liabilities			
Distributors' deposits	27	498,932	499,033
Deferred tax liabilities	13	401,385	734,179
Decommissioning liability	28	64,475	60,435
Total non-current liabilities		964,792	1,293,647
Current liabilities			
Borrowings	25	189,730	9,150,541
Trade and other payables	26	25,890,041	31,578,330
Current tax payable	13	2,300,083	2,094,610
Total current liabilities		**28,379,854**	**42,823,481**
Total liabilities		**29,344,646**	**44,117,128**
Total equity and liabilities		**48,864,665**	**63,584,866**

These financial statements were approved by the Board of Directors on 18 May 2021 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 55 to 92 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2020

	Share capital N'000	Share premium N'000	Retained earnings N'000	Total equity N'000
Balance at 1 January 2019	**346,976**	**3,824,769**	**14,129,328**	**18,301,073**
Proft for the year	-	-	1,972,322	1,972,322
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income	**-**	**-**	**1,972,322**	**1,972,322**
Prior year adjustments	-	-	582,246	582,246
Dividends to shareholders	-	-	(1,387,904)	(1,387,904)
Balance at 31 December 2019	**346,976**	**3,824,769**	**15,295,993**	**19,467,738**
Balance at 1 January 2020	346,976	3,824,769	15,295,993	19,467,738
Proft for the year	-	-	1,440,185	1,440,185
Prior year adjustments	-	-	-	-
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income	**-**	**-**	**1,440,185**	**1,440,185**
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**

The notes on pages 55 to 92 form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 N'000	2019 N'000
Proft before tax		2,145,493	2,832,469
Adjustments to reconcile profit before tax to net cash provided:			
Interest from bank deposits	7	(21,837)	(2,949)
Interest on bank overdraft	11	700,533	1,109,892
Accretion expense	11	4,040	3,431
Depreciation of property, plant and equipment	15	904,650	964,062
Amortisation of intangible assets	16	14,630	16,134
Depreciation of investment property	17	49,650	49,650
Withholding tax credit	13	-	(238,067)
Changes in working capital:			
Decrease/(increase) in inventories		2,435,861	(682,199)
Decrease/(increase) in trade and other receivables		9,958,740	(10,075,257)
Decrease in trade and other payables		(5,601,483)	(3,336,164)
(Increase)/increase in distributors' deposits		(101)	1,999
Cash generated/(used) in operations		10,590,175	(9,357,001)
Tax paid		(529,746)	(268,198)
Value added tax paid		(82,768)	(147,945)
Net cash generated/(used) in operating activities		**9,977,661**	**(9,773,144)**
Cashflows from investing activities			
Purchase of property, plant and equipment	15	(132,123)	(369,308)
Purchase of intangible assets	16	-	(15,977)
Interest received	7	21,837	2,949
Net cash used in investing activities		**(110,286)**	**(382,336)**
Cashflows from financing activities			
Interest paid	11	(704,573)	(1,113,323)
Dividends paid	24	(1,387,904)	(1,387,904)
Net cash used in fnancing activities		**(2,092,477)**	**(2,501,227)**
Net increase/(decrease) in cash and cash equivalents		7,774,898	(12,656,707)
Cash and cash equivalents at 1 January		(2,070,092)	10,586,615
Cash and cash equivalents at 31 December	22	**5,704,806**	**(2,070,092)**

The notes on pages 55 to 92 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 to 31 December 2020 with comparative figures for the financial year from 1 January 2019 to 31 December 2019.

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 2020

- Amendments to References to Conceptual Framework in IFRS Standards
- Amendments to IAS 1 and IAS 8 - Definition of Material
- Amendments to IFRS 3 – Definition of a Business
- Revised Conceptual Framework for Financial Reporting
- 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
Amendments to References to Conceptual Framework in IFRS Standards	March 2018	1 January 2020	The main changes to the Framework's principles have implications for how and when assets and liabilities are recognised and derecognised in the financial statements. Under the new framework, a company would book as an asset a right to use the asset, rather than the asset itself. A liability will be recognised if a company has no practical ability to avoid it. This may bring some liabilities on the balance sheet earlier than at present. A company will take an asset off balance sheet when it loses control over all or part of it – i.e. the focus is no longer on the transfer of risks and rewards. Some of the concepts in the revised Framework are entirely new – such as the 'practical ability' approach to liabilities. As they have not been tested as part of any recent standard-setting process, it is unclear what challenges the Board will encounter when using them to develop standards in the future. It is also unclear what challenges preparers of financial statements will face after those future standards become effective.
Amendments to IAS 1 and IAS 8 - Defnition of Material	October 2018	1 January 2020	The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent defnition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.
Amendments to IFRS 3 - Defnition of a Business	October 2018	1 January 2020	The amended defnition of a business requires an acquisition to include an input and a substantive process that together signifcantly contribute to the ability to create outputs. The defnition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions.

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
Revised Conceptual Framework for Financial Reporting	March 2018	1 January 2020	The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include: • increasing the prominence of stewardship in the objective of fnancial reporting • reinstating prudence as a component of neutrality • defning a reporting entity, which may be a legal entity, or a portion of an entity • revising the defnitions of an asset and a liability • removing the probability threshold for recognition and adding guidance on derecognition • adding guidance on different measurement basis, and • stating that proft or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the fnancial statements.
			No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 January 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised Framework.
Interest Rate Benchmark Reform (Amendments to IFRS 7, IFRS 9 and IAS 39)	April 2020	1 January 2020	The amendments made to IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement provide certain reliefs in relation to interest rate benchmark reforms. The reliefs relate to hedge accounting and have the effect that the reforms should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.
Covid-19-related Rent Concessions (Amendments to IFRS 16)	May 2020	1 June 2020	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 modifcations. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

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
			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 proft or loss arising from the rent concessions.

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 clarifes that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The fnancial 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.

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
Reference to the Conceptual Framework (Amendments to IFRS 3)	May 2020	1 January 2022	The following improvements were fnalised in May 2020: • IFRS 9 Financial Instruments – clarifes which fees should be included in the 10% test for derecognition of fnancial 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 fows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash fows on a post-tax basis.
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 confrm that contingent assets should not be recognised at the acquisition date.
Onerous Contracts—Cost of Fulflling a Contract (Amendments to IAS 37)	May 2020	1 January 2022	This amendment specifes that the 'cost of fulflling' 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 fulflling that contract such as direct labour, materials or an allocation of other costs that relate directly to fulflling the contracts such as the allocation of the depreciation charge for an item of property, plant and equipment used in fulflling the contract.
Classifcation of Liabilities as Current or Non-current (Amendments to IAS 1)	May 2020	1 January 2022	This amendment specifes that the 'cost of fulflling' 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 fulflling that contract such as direct labour, materials or an allocation of other costs that relate directly to fulflling the contracts such as the allocation of the depreciation charge for an item of property, plant and equipment used in fulflling the contract.

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
Classifcation 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 classifed as either current or non-current, depending on the rights that exist at the end of the reporting period. Classifcation is unaffected by the expectations of the entity or events after the reporting date (eg the receipt of a waver 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 classifcation of liabilities, particularly for entities that previously considered management's intentions to determine classifcation 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.
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 fows • An explicit risk adjustment, and • A contractual service margin ("CSM") representing the unearned proft 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 refect how insurers account for their fnancial assets under IFRS 9.

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, simplifed 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 modifcation 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 fnancial 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 fnancial statements.
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 fnancial 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 confrm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defned 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 defnition 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 fnalised 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 fnancial 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, fttings and equipment:		
-Offce furniture	3 - 12 Years	15%
-Offce 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 an d Cash eq uivalent

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.

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 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).

	2020 N'000	2019 N'000
Revenue from sale of petroleum products	117,470,576	139,758,285

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 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)	0	(107,652,191)	100
Gross profit	**8,013,063**		**1,808,381**		**(3,059)**		**9,818,386**	

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

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

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**

2019 segment cost of sales - Analysis

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

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

	2020 N'000	2019 N'000
Rental income:		
Rental income	20,779	10,995
Service income	109,121	102,558
Interest income:		
Interest from bank deposits	21,837	2,949
	151,738	**116,502**

8. Other gains or losses

Exchange gain	134,385	67,772
	134,385	**67,772**

9. Distribution expenses

Freight costs	1,848,430	2,879,811
Marketing expenses	223,140	194,519
	2,071,570	**3,074,330**

10. Administration expenses

	2020 N'000	2019 N'000
Staff cost	2,216,517	2,087,792
Depreciation of property, plant and equipment	904,650	964,062
Rent and rates	495,069	661,796
Litigation claims (Note 35.1)	375,000	1,208,340
Provision for bad and doubtful debts	197,286	357,778
Repairs and maintenance	184,835	282,628
Pension fund - employer's contribution	129,799	132,229
Insurance	81,199	168,816
Security services	66,356	72,153
Throughput others	67,954	71,241
Postages, telephone and telex	64,523	52,538
Depreciation of investment property	49,650	49,650
Own used oil	48,564	99,793
Subscriptions	42,855	18,530
Travelling	20,629	77,517
Annual General Meeting	26,124	45,000
Staff training and welfare	27,475	32,461
Directors' remuneration	28,450	29,850
Consumables, small tools and equipment	21,238	28,430
Water and electricity	21,452	26,595
Audit fee	25,191	25,191
Amortisation of intangible asset	14,630	16,134
Health safety and environmental expenses	13,849	20,029
Printing and stationery	7,014	4,260
Bank charges	6,906	3,414
Vehicle, plant and equipment running	4,887	17,180
Legal and professional charges	2,850	10,275

	2020 N'000	2019 N'000
Medical	4,139	5,134
Entertainment and hotels	3,128	5,051
Other expenses	30,652	29,539
	5,182,872	**6,603,406**

11. Finance cost

Interest on bank overdraft	700,533	1,109,892
Accretion expense (Note 28)	4,040	3,431
	704,573	**1,113,323**

Bank overdrafts are repayable on demand. The average effective interest rate on bank overdrafts approximates 15% (2019: 18.5%) per annum and are determined based on NIBOR plus lender's mark-up.

The overdraft was necessitated by delay in payment of outstanding subsidy claims from the Federal Government on importation/purchase of products for resale in line with the provision of Petroleum Support Fund Act for regulated petroleum products.

12. Profit before tax

	2020 N'000	2019 N'000
This is stated after charging/(crediting) the following:		
Depreciation of property, plant and equipment	904,650	964,062
Depreciation of investment property	27,475	32,461
Director's emoluments	67,954	71,241
Auditors remuneration	25,191	25,191
Amortisation of intangible asset	4,887	17,180
Exchange gain	(134,385)	(67,772)

13. Taxation

13.1 Income tax recognised in profit or loss

Current tax		
Income tax	673,142	715,289
Education tax	62,077	75,999
Deferred tax		
Deferred tax (credited)/charged in the current year	(29,911)	68,859
Total income tax expense recognised in the current year	705,308	860,147
At 1 January	2,094,610	1,809,587
Payment during the year	(529,746)	(268,198)
Withholding tax utilised during the year	-	(238,067)
Transfer to deferred tax (Note 13.1)	29,911	(68,859)
Per statement of financial position	**2,300,083**	**2,094,610**
Balance above is made up of :		
Company income tax	2,111,218	1,906,042
Education tax	188,585	188,288
Capital gains tax	280	280
	2,300,083	2,094,610
The income tax expense for the year can be reconciled to the accounting proft as follows:		
Proft before tax from operations	2,145,493	2,832,469
Expected income tax expense calculated at 30% (2019: 30%)	643,648	849,741
Education tax expense calculated at 2% (2019: 2%) of assessable proft	62,077	75,999
Effect of expenses that are not deductible in determining taxable proft	287,503	290,248
Investment allowance	(418)	(6,764)
Effect of capital allowance on assessable proft	(257,591)	(417,936)
Timing difference recognised as deferred tax asset	(29,911)	68,859
Income tax expense recognised in proft or loss	705,308	860,146
Adjustments recognised in the current year in relation to the tax of prior years	-	-
	705,308	**860,146**

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

	2020 N'000	2019 N'000
Deferred tax assets and liabilities are attributable to the following;		
Deferred tax assets	2,374,681	2,677,565
Deferred tax liabilities	(401,385)	(734,179)
Deferred tax assets (net)	1,973,296	1,943,386

	Property, plant and equipment N'000	Provisions and others N'000	Total N'000
Deferred tax assets			
Balance at 1 January 2020	-	(2,677,565)	(2,677,565)
Charged to proft or loss	-	302,884	302,884
Balance at 31 December 2020	**-**	**(2,374,681)**	**(2,374,681)**

	Property, plant and equipment N'000	Provisions and others N'000	Total N'000
Deferred tax liabilities			
Balance at 1 January 2020	734,179	-	734,179
Charged to proft or loss	(332,794)	-	(332,794)
Balance at 31 December 2019	**401,385**	**-**	**401,385**

Deferred tax as at 31 December 2020 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.

	2020 N'000	2019 N'000
Earnings		
Earnings for the purposes of basic earnings per share being net proft attributable to equity holders of the Company	1,440,185	1,972,322

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

Basic earnings per 50k share	2020 Kobo per share	2019 Kobo per share
From continuing operations	208	284

Diluted earnings per 50k share		
From continuing operations	208	284

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 2019	147,766	6,731,754	11,960,026	4,257,238	2,209,178	1,049,303	26,355,265
Additions	-	112,600	106,483	122,201	-	28,024	369,308
At 31 December 2019	147,766	6,844,354	12,066,509	4,379,439	2,209,178	1,077,327	26,724,573
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**
Accumulated depreciation and impairment loss:							
As at 1 January 2019	-	4,568,116	11,860,377	4,211,547	1,648,116	982,507	23,270,663
Adjustment	-	-	(559,325)	(22,921)	-	-	(582,246)
Charge for the year	-	342,218	370,043	21,534	205,138	25,129	964,062
At 31 December 2019	-	4,910,334	11,671,095	4,210,160	1,853,254	1,007,636	23,652,479
Reclassifcation	-	-	(9,945)	9,945	-	-	-
Charge for the year	-	347,687	289,585	35,879	205,138	26,362	904,650
At 31 December 2020	**-**	**5,258,021**	**11,950,735**	**4,255,984**	**2,058,392**	**1,033,998**	**24,557,129**
Carrying amount							
At 31 December 2020	147,766	1,695,718	125,996	132,270	150,786	47,030	2,299,567
At 31 December 2019	**147,766**	**1,934,020**	**395,414**	**169,279**	**355,924**	**69,691**	**3,072,094**

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 2020 (2019: nil)

16. Intangible assets

	2020 N'000	2019 N'000
Computer software:		
Cost:		
As at 1 January	130,321	114,344
Additions during the year	-	15,977
At 31 December	**130,321**	**130,321**
Accumulated amortisation:		
As at 1 January	80,637	64,503
Charge for the year	14,630	16,134
At 31 December	**95,267**	**80,637**
Carrying amount		
At 31 December	**35,054**	**49,684**

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	794,400	744,750
Charge for the year	49,650	49,650
At 31 December	**844,050**	**794,400**
Carrying amount		
At 31 December 2020	**148,950**	**198,600**

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

	2020 N'000	2019 N'000
Current		
Prepaid rent and insurance	76,134	181,906
	76,134	**181,906**
Non-current		
Prepaid rent	77,559	59,559
	77,559	**59,559**

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

	2020 N'000	2019 N'000
White products (Note 20.1)	4,913,655	7,821,538
Lubricants	2,473,505	1,998,424
LPG	777	3,836
	7,387,937	9,823,798
Obsolete stock provision	-	-
	7,387,937	**9,823,798**

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

	2020 N'000	2019 N'000
Trade debtors	20,833,286	21,499,342
Allowance for bad and doubtful debts	(5,811,612)	(5,614,326)
	15,021,674	15,885,016
Bridging claims receivable (Note 21.3)	1,929,655	1,165,399
Advance from related company (Note 33)	282,936	14,774
Advance for product supplies	8,620,324	12,731,417
Deposit for litigation claims (Note 35.2)	4,347,126	4,347,126
Withholding tax recoverable (Note 21.4)	109,431	-
Receivables from PPPRA	-	6,061,168
Other debtors (Note 21.1)	259,091	236,301
	30,570,237	**40,441,201**

21.1 Other debtors balance includes
:

Advance deposits	493,802	486,216
Insurance claims receivables	29,641	29,835
Employee advances	48,163	57,194
Retail outlet statutory fees	24,429	-
Provision for doubtful advance deposits	(336,944)	(336,944)
	259,091	**236,301**

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.

	2020 N'000	2019 N'000
Ageing of trade debtors		
Current	13,408,749	14,816,706
Less than 90 days	1,094,389	1,073,047
91 - 180 days	913,785	5,471
181 - 360 days	5,449	1,051
Above 360 days	5,410,913	5,614,326
Total	**20,833,285**	**21,510,601**

21.

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.

Trade and other receivables (Continued)

	2020 N'000	2019 N'000
Ageing of allowance for bad and doubtful debts		
Less than 90 days	-	-
91 - 180 days	-	-
181 - 360 days	-	-
Above 360 days	5,811,612	5,614,326
Total	**5,811,612**	**5,614,326**

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

Allowance for bad and doubtful debts	2020 N'000	2019 N'000
As at 1 January	5,614,326	5,256,548
Provision for the year	197,286	357,778
As at 31 December	**5,811,612**	**5,614,326**

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

	2020 N'000	2019 N'000
As at 1 January	-	64,884
Addition during the year	109,431	173,184
Amount utilised during the year	-	(238,068)
As at 31 December	**109,431**	**-**

22. Cash and cash equivalents

Cash and bank	5,894,536	7,080,449
Bank overdraft	(189,730)	(9,150,541)
Cash and cash equivalents	**5,704,806**	**(2,070,092)**

The Company did not have any restricted cash at the reporting date (2019: nil).

23. Share capital

	2020 N'000	2019 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

	2020 N'000	2019 N'000
At 1 January	15,295,993	14,129,328
Dividend declared and paid	(1,387,904)	(1,387,904)
Prior year adjustments	-	582,247
Proft for the year	1,440,185	1,972,322
At 31 December	**15,348,274**	**15,295,993**

At the Annual General Meeting held on 23 October 2020, the shareholders approved that dividend of 200 kobo per share be paid to shareholders (total value N1.39 billion) for the year ended 31 December 2019. In respect of the current year, the Directors proposed that a dividend of 150 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

	2020 N'000	2019 N'000
Summary		
As at 1 January	141,429	8,927
Dividend declared	1,387,904	1,387,904
Dividend - Sterling Registrars	-	132,502
	1,529,333	1,529,333
Payments - Meristem Registrars	(1,387,904)	(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	2019 N
Dividend No. 15	2005	84,678	96,704,118
Dividend No. 16	2006	92,078	129,651,096
Dividend No. 17	2007	101,602	175,789,166
Dividend No. 18	2008	98,854	155,953,368
Dividend No. 19	2009	97,128	60,051,838
Dividend No. 20	2010	105,918	117,335,900
Dividend No. 21	2011	106,339	159,632,278
Dividend No. 22	2012	107,944	186,618,512
Dividend No. 23	2013	97,516	75,999,695
Dividend No. 24	2014	97,618	265,140,714
Dividend No. 25	2015	103,594	65,389,328
Dividend No. 26	2016	107,525	213,490,548
Dividend No. 27	2017	110,679	226,378,430
Dividend No. 28	2018	115,673	162,508,651
Dividend No. 29	2019	115,919	160,194,278
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 2020.

25. Borrowings

	2020 N'000	2019 N'000
Unsecured borrowing at amortised cost		
Bank overdraft	189,730	9,150,541

Bank overdrafts are repayable on demand. The average effective interest rate on bank overdrafts approximates 15% (2019: 18.50%) 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.

	2020 N'000	2019 N'000
Trade and other payables		
Trade creditors - Local	7,072,915	10,172,032
Bridging contribution (Note 26.2)	4,333,281	4,426,881
Trade creditors - Imported	-	1,673,923
Due to related parties (Note 32)	43,394	546,126
Value added tax payable	502,031	168,789
Withholding tax payable	535,669	328,472
PAYE payable	306,277	155,069
Payables to PPPRA	55,777	140,809
Staff Pension and similar obligations (Note 26.3)	1,608	-
Unclaimed dividend (Note 24.1)	141,429	141,429
Other creditors and accruals (Note 26.1)	12,897,660	13,824,800
	25,890,041	**31,578,330**

26.1 Other creditors and accruals

Non-trade creditors (Note 26.4)	5,785,488	7,646,321
Litigation claims	4,350,000	3,975,000
Rent	1,344,997	1,142,890
Insurance premium	803,760	751,721
Employees payables	417,702	126,108
Lube incentives	89,301	34,796
Surcharges	82,342	122,773
Audit fees	24,070	25,191
	12,897,660	**13,824,800**

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

	2020 N'000	2019 N'000
At 1 January	-	1,609
Contributions during the year	238,130	238,130
Remittance in the year	(236,522)	(239,739)
At 31 December	**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 2020.

27. Distributors' deposit

	2020 N'000	2019 N'000
At 1 January	499,033	497,034
New deposits	1,000	3,500
Refunds	(1,101)	(1,501)
At 31 December	**498,932**	**499,033**

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:

	2020 N'000	2019 N'000
At 1 January	60,435	57,005
Addition	-	-
Asset decommissioned	-	-
Accretion	4,040	3,430
Balance at 31 December	**64,475**	**60,435**

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	2020 N'000	2019 N'000
Cash and bank balance	5,894,536	7,080,449
Loans and receivables	30,311,145	40,204,900
	36,205,681	**47,285,349**
Financial liabilities		
Financial liabilities at amortized cost:		
Trade and other payables	24,546,065	30,926,000
Borrowings	189,730	9,150,541
	24,735,795	**40,076,541**

29.3 Fair value of financial instruments

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

30. Financial risk management

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

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

The second level is performed by the Executive Management Committee (EXCOM).

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

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

30.1 Financial risk management objectives

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

30.2 Interest rate risk management

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

Interest rate risk

Sensitivity Analysis

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

Variable rate instruments:	Average rate	2020 N'000	2019 N'000
Financial assets	-	-	-
Bank overdrafts	15% (2019: 18.5%)	189,730	9,150,541
		189,730	**9,150,541**

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 2020	700,533	+/-2	73,733
31 December 2019	1,109,892	+/-2	116,820

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 2020 are as follows:

Assets	2020 N'000	2019 N'000
Cash and bank balance	1,820,646	5,714,452
	1,820,646	**5,714,452**
Liabilities		
Financial liabilities at amortized cost:		
Trade and other payables	-	1,673,923
	-	**1,673,923**

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 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	382.38	36,412.92

Effect in thousands of Naira 31 December 2019	Foreign Currency US$'000	Naira Balance N'000	Exchange Rate	Effect of Increase/ Decrease in Exchange Rate N'000
USD	15,676	5,714,452	361.4	63,328.20

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.

	2020 N'000	2019 N'000
Amount used	189,730	9,150,541
Amount unused	26,997,270	31,269,459
	27,187,000	**40,420,000**

Liquidity and interest risk tables

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

31 December 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 December 2019	Weighted Average Effective Interest rate %	0 - 3 Months N'000	3 month - 1 year N'000	Total N'000
Trade and other payables	-	31,578,330	-	31,578,330
Borrowings	18.50	9,150,541	-	9,150,541
		40,728,871	-	40,728,871

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:

	2020 N'000	2019 N'000
Debt	189,730	9,150,541
Equity	19,520,019	19,467,738
Net debt to equity ratio	0.01	0.47

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 2020	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	-	-	3,063,554	-	-
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**		

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

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

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

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

As at 31 December 2020, N15.2 million was due to Glo Mobile Limited (2019: N8.7 million), N282.3 million (2019: N11.3 million) from Southern Air Limited, N0.47 million (2019: N3.5 million) from Seta Investment Limited and N28.2 million (2019: N37.4 million) to Proline (WA) Limited.

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

33. Capital commitment

There were no capital commitments as at 31 December 2020 (2019: nil).

34. Financial commitment

As at 31 December 2020, the Company had outstanding letters of credit to the tune of N7.2 billion with First Bank of Nigeria Limited (2019: N5.7 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 2020 and the profit for the year then ended date that have not been adequately provided for or recognised in the financial statements.

37. Impact of Covid-19 Pandemic

The whole world and therefore the company is affected by the COVID-19 pandemic which started to impact on its operations as from middle of March 2020. Following Governmental regulations on COVID-19, a shutdown of business activities had been carried out between March and May 2020. After a phased and gradual easing of the lockdown, operations across all conoil depots and stations have resumed. Due to persisting pandemic, the company considered expected future impacts 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.

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).

   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:

	2020 N'000	2019 N'000
Employment cost including Directors' salaries and wages, staff training and benefit scheme	2,392,754	2,287,466

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

	2020 Number	2019 Number
Up to 1,000,000	10	10
N1,000,001 - N2,000,000	33	34
N2,000,001 - N3,000,000	24	25
N3,000,001 - N4,000,000	25	27
N4,000,001 - N5,000,000	23	21
N5,000,001 - Above	83	84
	198	**201**

37.3 Average number of employees during the year:

Managerial staff	19	20
Senior staff	167	169
Junior staff	12	12
	198	**201**

37.4 Directors' emoluments:

	2020 N'000	2019 N'000
Emoluments of the chairman	-	-
Directors' fees	1,000	1,500
Emoluments of executives	27,450	28,350
	28,450	**29,850**

37.5 The emoluments of the highest paid Director were N24 million (2019: N29.9 million)

		2020 Number	2019 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	1	-
Above N25,000,000	-	1
	4	**4**

STATEMENT OF VALUE ADDED

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020		2019	
	N'000	%	N'000	%
Revenue	117,470,576		139,758,285	
Other operating income	151,738		116,502	
Other gains and losses	134,385		67,772	
	117,756,699		139,942,559	
Bought in materials and services:				
Imported	1,585,308		(5,714,452)	
Local	(113,192,085)		(126,912,289)	
Value added	**6,149,922**	**100**	**7,315,818**	**100**
Applied as follows:				
To pay employees' salaries, wages, and social benefits:				
Employment cost including Directors salaries and wages, staff training and benefit scheme	2,392,754	39	2,287,465	31
To pay providers of capital:				
Interest payable and similar charges	704,573	11	1,113,323	15
To pay government:				
Taxation	705,308	11	860,147	12
To provide for maintenance and development				
Depreciation	937,013	15	1,013,702	14
Deferred tax	(29,911)	(0)	68,859	1
Retained earnings	1,440,185	24	1,972,322	27
Value added	**6,149,922**	**100**	**7,315,818**	**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

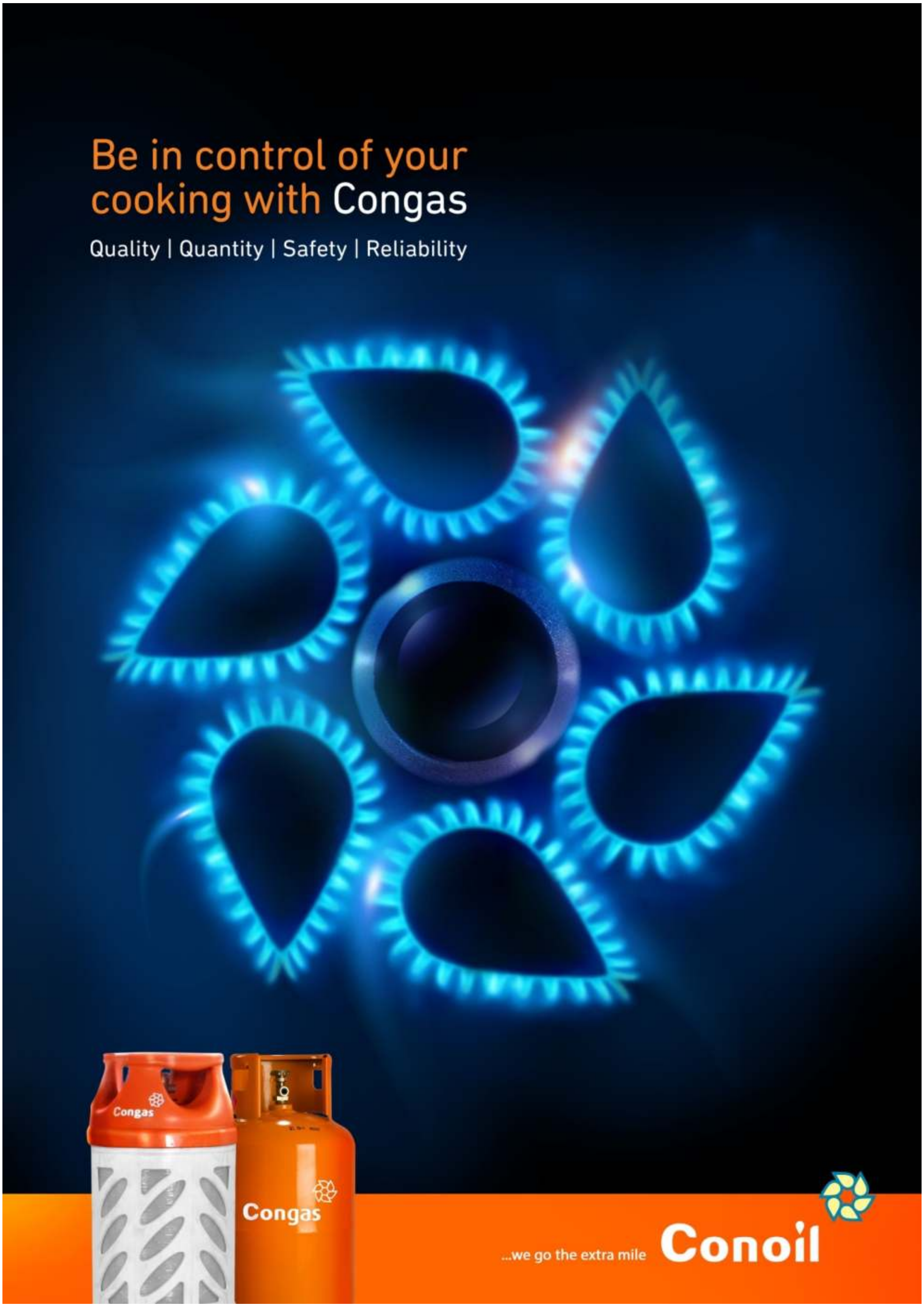
Statement of financial position

	2020 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000
Assets					
Property, plant and equipment	2,299,567	3,072,094	3,084,601	2,519,941	2,438,466
Other non-current assets	261,563	307,842	491,504	550,451	574,275
Other fnancial assets	10	10	10	10	10
Total current assets	43,928,844	57,527,354	54,908,451	57,372,002	64,070,771
Deferred tax assets	2,374,681	2,677,565	2,412,680	2,412,680	2,749,942
Total assets	**48,864,665**	**63,584,866**	**60,897,246**	**62,855,084**	**69,833,464**
Liabilities					
Total current liabilities	28,379,854	42,823,481	41,641,699	44,045,149	50,384,090
Non-current liabilities	563,407	559,468	554,038	551,226	555,001
Deferred tax liabilities	401,385	734,179	400,435	365,773	428,693
Total liabilities	**29,344,646**	**44,117,128**	**42,596,172**	**44,962,148**	**51,367,784**
Equity					
Share capital	346,976	346,976	346,976	346,976	346,976
Share premium	3,824,769	3,824,770	3,824,770	3,824,770	3,824,770
Retained earnings	15,348,274	15,295,992	14,129,328	13,721,190	14,293,934
Total equity	**19,520,019**	**19,467,738**	**18,301,074**	**17,892,936**	**18,465,680**
Equity and liabilities	**48,864,665**	**63,584,866**	**60,897,246**	**62,855,084**	**69,833,464**
Revenue and profit					
Revenue	117,470,576	139,758,285	122,213,014	115,513,246	85,023,546
Proft before taxation	2,145,493	2,832,469	2,566,765	2,304,627	4,280,549
Taxation	(705,308)	(860,147)	(770,723)	(726,120)	(1,442,665)
Proft after taxation	1,440,185	1,972,322	1,796,042	1,578,507	2,837,884
Profit for the year retained	**1,440,185**	**1,972,322**	**1,796,042**	**1,578,507**	**2,837,884**
Earnings per share (Kobo)	208	284	259	227	409
Dividend per share (Kobo)	150	200	200	200	310
Net Asset per share (Kobo)	**2,813**	**2,805**	**2,637**	**2,578**	**2,661**

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.


Be in control of your cooking with Congas
Quality | Quantity | Safety | Reliability
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...we go the extra mile
Conoil


Let's Take You Places
Conoil
Conoil
Conoil Aviation provides fuel for hundreds of aircrafts in the various airports across the country in stringent compliance with international regulations.
Its widespread presence in airfields across the country, superior quality control system and teeming local and international customers, who desire world-class service delivery, give it a commanding share in the nation's aviation fuel market.
...we go the extra mile
Conoil

Proxy Form

The 51st Annual General Meeting of Conoil Plc will be held at BWC Hotel, Victoria Island, Lagos on Friday, November 12, 2021 at 11am.

I / We

....

of..

....

N/S	Name	Designation	Proxy Choice
1.	Dr. Moses Ebi Omatsola	Director	
2.	Mr. Joshua Ariyo	Director	
3.	Mr. Ismail Salam	Director	
4.	Sir Sunny Nwosu	Shareholders Representative	
5.	Chief Timothy Adesiyan	Shareholders Representative	
6.	Mr. Taiwo Oderinde	Shareholders Representative	
7.	Samiat Odunuga	Shareholders Representative	
8.	Adenike David	Shareholders Representative	
9.	Jimo Ismail Olaniran	Shareholders Representative	
10.	Elizabeth Adenike Okeleye	Shareholders Representative	
11.	Mr. 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 November 12th 2021 and any adjournment thereof.

Dated this .... day of 2021

Shareholder's Signature...

	ORDINARY BUSINESS	FOR	AGAINST
1	To receive the Report of the Directors and the Statement of Financial Positionas at 31 December, 2020together 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 Engr. Babatunde Okuyemi		
ii.	Name of Director – Dr. Moses Ebi Omatsola		
4	To authorize the Directors to determine the remuneration of the External Auditors for the ensuing year.		
5	To elect/reelect the members of the Statutory Audit Committee		
	SPECIAL BUSINESS		
a	To approve the remuneration of the Directors.		
b	Resolutions		
	Resolutions		

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

NOTE

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

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

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

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

✂...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 ....

AFFIX CURRENT PASSPORT

Write your name at the back of your passport photograph

MERISTEM REGISTRARS LIMITED

E-DIVIDEND MANDATE ACTIVATION FORM

Instruction

Only Clearing Banks are acceptable

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

The Registrar
Meristem Registrars 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 any)

CHN (If any)

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
	AFRINVEST EQUITY FUND	
	AIRLINE SERVICE & LOGISTICS PLC	
	BERGER PAINTS NIG PLC	
	CHELLARAMS BOND	
	CONOIL PLC	
	CONSOLIDATED HALLMARK INS. PLC	
	CUSTODIAN & ALLIED PLC	
	COVENANT SALT NIGERIA LIMITED	
	EMPLOYEE ENERGY LIMITED	
	ENERGY COMPANY OF NIGERIA PLC [ENCON]	
	eTRANZACT INTERNATIONAL PLC	
	FIDSON HEALTHCARE PLC	
	FOOD CONCEPTS PLC	
	FREE RANGE FARMS PLC	
	FTN COCOA PROCESSORS PLC	
	GEO-FLUIDS PLC	
	JUBILEE LIFE MORTGAGE BANK LTD	
	MAMA CASS RESTAURANTS LIMITED	
	MCN DIOCESE OF REMO	
	MCN LAGOS CENTRAL	
	MCN TAILORING FACTORY [NIGERIA] LIMITED	
	MULTI-TREX INTEGRATED FOODS PLC	
	MUTUAL BENEFITS ASSURANCE PLC	
	NASSARAWA STATE GOVT BOND	
	NASCON ALLIED INDUSTRIES PLC	
	NEIMETH INT'L PHARMS PLC	
	NIGER INSURANCE PLC	
	NIGERIA MORTGAGE REFINANCE COMPANY [NMRC] PLC	
	NIGERIA MORTGAGE REFINANCE COMPANY PLC [NMRC] BOND	
	ONWARD PAPER MILLS PLC	
	PACAM BALANCED FUND	
	PAINTS & COATINGS MANUFACTURERS NIG PLC	
	PROPERTYGATE DEVT. & INVEST. PLC	
	R.T. BRISCOE NIGERIA PLC	
	REGENCY ALLIANCE INSURANCE PLC	
	SMART PRODUCTS NIGERIA PLC	
	SOVEREIGN TRUST INSURANCE PLC	
	TANTALIZERS PLC	
	THE BGL NUBIAN FUND	
	THE BGL SAPPHIRE FUND	
	THOMAS WYATT PLC	
	VITAFOAM NIGERIA PLC	
	VONO PRODUCTS 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 Registrars Limited
Web: www.meristemregistrars.com; email: info@meristemregistrars.com

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

CORPORATE DIRECTORY

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

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Tel: 08054663301
E-mail: retail@**Conoil**plc.com

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Congas
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Investor Relations
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Corporate Communications
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Legal Services
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E-mail: legal@**Conoil**plc.com