Conoil

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015

Nexia
Agbo Abel & Co

Contents **Page**

Directors:	Dr. Mike Adenuga (Jr), GCON	-	Chairman	
	Tejbir Singh Sawhney (Indian)	-	Managing Director	*Appointed on 21 April 2016*
	Dr. M. E. Omatsola	-	Director	
	Mr. Mike Jituboh	-	Director	
	Mr. Ike Oraekwuotu	-	Director	
	Engr. Babatunde Okuyemi	-	Director	
	Mr. Wasiu Adeyinka Adebiyi	-	Executive Director	
	Miss Abimbola Michael - Adenuga	-	Executive Director	
	Mr. Akin Fabunmi	-	Executive Director	
	Mr. Charles Uwaechie	-	Acting Managing Director	*Resigned on 4 November 2015*

Company Secretary: Evi Obieroma

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

	2015 N'000	2014 N'000	% Change
Revenue	82,919,220	128,352,674	(35.4)
Profit before taxation	3,448,398	1,532,174	125.1
Taxation	(1,140,840)	(697,753)	63.5
Profit for the year	2,307,558	834,421	176.5
Retained earnings	13,537,907	11,924,301	13.5
Share capital	346,976	346,976	-
Shareholders' funds	17,709,653	16,096,047	10.0
Per share data			
Earnings per share (kobo)	333	120	177.1
Dividend per share (kobo)	300	100	200.0
Net assets per share (kobo)	2,552	2,319	10.0

The Directors hereby submit to the members, their Annual Report together with the Audited Financial Statements for the year ended 31 December 2015.

1. Legal status

Conoil Plc (formerly National Oil and Chemical Marketing Plc) was incorporated in 1960 as a private limited liability company. The Company was converted to a public company on 29 August 1991. 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. Following the privatisation 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.

2. Principal activities

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

3. Results for the year

The following is a summary of the Company's operating results:	2015 ₦'000	2014 ₦'000	% Change
Revenue	82,919,220	128,352,674	(35.4)
Profit before tax	3,448,398	1,532,174	125.1
Profit after tax	2,307,558	834,421	176.5
Proposed dividend	2,081,856	693,952	200.0
Share capital	346,976	346,976	-
Shareholders fund	17,709,653	16,096,047	10.0

4. Dividends

The Directors recommend the payment of a dividend of 300 kobo per share on the results for the year 2015

5. Changes on the board of directors

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

i. **MR. CHARLES UWAECHIE** resigned as Director of the Company with effect from 4 November 2015.

ii. **MR. TEJBIR SINGH SAWHNEY (Indian)** was appointed to the Board as Managing Director of the Company with effect from 21 April 2016.

iii. In accordance with Article 92 of the Company's Articles of Association **DR. MIKE ADENUGA (Jr.) GCON** and **MR. IKE ORAEKWUOTU** will retire by rotation from the Board of Directors at the Annual General Meeting and being eligible, they have offered themselves for re-election.

6. Directors' interest in shares

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

Directors	Direct Number	Indirect Number	Total 2015 Number	Total 2014 Number
Dr. Mike Adenuga (Jr), GCON	Nil	103,259,720	103,259,720	103,259,720
Tejbir Singh Sawhney (Indian)	Nil	Nil	Nil	Nil
Dr. M. E. Omatsola	541	Nil	541	541
Engr. Babatunde Okuyemi	8,500	Nil	8,500	7,000
Mr. Mike Jituboh	Nil	Nil	Nil	Nil
Mr. Ike Oraekwuotu	Nil	Nil	Nil	Nil
Miss Abimbola Michael - Adenuga	Nil	Nil	Nil	Nil
Mr. Wasiu Adeyinka Adebiyi	Nil	Nil	Nil	Nil
Mr. Akin Fabunmi	Nil	Nil	Nil	Nil

7. Contracts

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

8. Shareholdings

As at 31 December 2015, the range of shareholdings of the Company was as follows:

Share Range	No of Holders	Holders' %	Holders' Cum	Units	% Units	Units Cum
1 - 1,000	126,458	88.16	126,458	52,894,970	7.62	52,894,970
1,001 - 5,000	14,745	10.28	141,203	26,623,425	3.84	79,518,395
5,001 - 10,000	1,067	0.74	142,270	7,712,153	1.11	87,230,548
10,001 - 50,000	946	0.66	143,216	19,117,034	2.75	106,347,582
50,001 - 100,000	113	0.08	143,329	7,853,340	1.13	114,200,922
100,001 - 500,000	98	0.07	143,427	20,755,108	2.99	134,956,030
500,001 - 1,000,000	9	0.01	143,436	6,440,892	0.93	141,396,922
1,000,001 - and above	10	0.01	143,446	552,555,195	79.62	693,952,117
	143,446	**100.00**		**693,952,117**	**100.00**	

9. Major shareholding

According to the register of members, no shareholder of the Company other than Conpetro Limited, as noted below, held more than 5% of the issued shares of the Company as at 31 December 2015.

The shares of the Company were held as follows:

	2015 Number of Shares	%	2014 Number of Shares	%
Conpetro Limited	516,298,603	74.40	516,298,603	74.40

10. Share capital history

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

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

11. Dividend payment history

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

12. Property, plant and equipment

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

13. Suppliers

The major supplier of the Company's products is Nigerian National Petroleum Corporation.

14. Distribution network

The distribution of the Company's products is done through its own network of branches, numerous dealers and distributors who are spread around the country. The Company has 385 dealers and distributors.

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

S/No.	Dealer	Station	Location of station
1.	Alhaja Bola Alanamu	Marina Service Station	Marina, Lagos Island, Lagos.
2.	Mrs. Julianah Ofurhe	Alapere Mega Station	3rd Axial Road, Lagos - Ibadan Expressway, Alapere Area, Lagos.
3.	Mrs. H. I. Ayanwole	Ahmadu Bello Way Station, Kaduna	Ahmadu Bello Way, Kaduna.
4.	Capt. A. Adeyinka	Kilometer 10	FAAN Local Airport, Km. 10 Agege Motor Road, Ikeja, Lagos.
5.	Alhaji D. M. Shehu	Abuja Road Service Station, Kaduna	Gonin Gora, Kaduna.
6.	Mrs. M. O. Labinjo	Airport Road Station	Murtala Muhammed Airport Road, Lagos.
7.	Mrs. Lami Ahmed	Herbert Macaulay Filling Station, Abuja	Plot 763, Herbert Macaulay Way, CBD, FCT, Abuja.
8.	Mr. Akin Olanrewaju	Kado Mega Station, Abuja	B5, Cadastral Zone, Kado Estate, Kado, FCT, Abuja.
9.	Mr. Samuel Dixon	Iganmu Station	Old Apapa Road, by Costain Roundabout, Iganmu, Lagos.
10.	Alhaji Siddiku Buba Jauro	Fufore Mega Station	Fufore Aun Road, old Yola, Jimeta, Yola.

14. Distribution network (Continued)

S/No.	Dealer	Station	Location of station
11.	Mr. G. T. Adebayo	Eric Moore Service Station	Eric Moore Road, Eric Moore, Surulere, Lagos.
12.	Mrs. Rewane-Fabyan	Hughes Avenue Service Station	Herbert Macaulay Way, Alagomeji, Yaba, Lagos.
13.	Mr. Tunde Ogundele	Toll Gate Mega Station	Along Lagos - Ibadan Expressway, near old Toll gate, Alausa, Lagos.
14.	Mrs. C. O. Okonede	Western Avenue Service Station	Western Avenue, Barracks Bus Stop, Surulere, Lagos.
15.	Alhaji A. Yandoma	Gyadi-Gyadi Service Station, Kano	Gyadi-Gyadi Roundabout, Kano.
16.	Mrs. Aboyade Cole	Yaba Station	Murtala Muhammed Way, Yaba Roundabout, Yaba, Lagos.
17.	HRH K. A. Shotobi	Ikorodu Station	Ikorodu Roundabout, Ikorodu, Lagos
18.	Mr. I. I. Nnubia	Akwa Road Service Station, Onitsha	33, Akwa Road, Onitsha, Anambra State.
19.	Mrs. Rose Osipitan	Ipaja Station	Ipaja Road, Ipaja, Lagos.
20.	Mr. Adewale Adeleye	G.R.A Mega Station	Oba Akinjobi Road, by GRA Roundabout, Ikeja, Lagos.
21.	Mrs. P. I. Iyagba	Amadi - Ama Service Station, Port Harcourt	Dan Etete Road, Abuja Campus, University of Port Harcourt.
22.	Capt. Toriseju Ogisi	Cele Mega Station	Cele Bus Stop, Apapa - Oshodi Expressway, Lagos.
23.	Mr. Abimbola Olawale	Ikate - Lekki Mega Station	Ikate Elegushi/Lekki, Lekki - Epe Expressway, Lagos.
24.	Mr. Kadiri Yunusa	Durumi Mega Station, Abuja	B5, Cadastral Zone, Durumi District, Area 1, Durumi, FCT, Abuja.

15. Post balance sheet events

There were no post balance sheet events which could have had a material effect on the state of affairs of the Company as at 31 December 2015 and on the profit for the year to that date which have not been adequately provided for.

16. Shareholders relations

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

17. Employment and employees

(i). Employment of disabled persons

The Company's employment policies ensure that there is no discrimination in considering application for employment including those of disabled persons. As at 31 December 2015, no disabled person was in the employment of the Company.

(ii). Employees involvement

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

17. Employment and employees (Continued)

(iii). Employees development

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

(iv). Welfare

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

(v). Health

The Company maintains well-equipped medical clinics at its head office and other major operational and manufacturing locations. This is complemented by free medical services during and after working hours by medical retainers in locations across the country.

(vi). Safety and environment

To enhance the health and safety of all employees, safety regulations are conspicuously displayed and enforced in all the Company's offices and installations.

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

18. Compliance with code of corporate governance

In the conduct of its business, Conoil Plc ensures the observance of the highest standard of corporate governance. It complies particularly with the provisions of Code of Best Practices on Corporate Governance in Nigeria. The Company adopts a responsible approach in its activities by maintaining a high standard of openness and accountability while also taking into consideration the interest of stakeholders.

During the year under review, Conoil Plc duly observed all regulations guiding its activities. Conoil Plc established structures/mechanism to enhance its internal control while the effectiveness of measures for enhancing operational and compliance control are constantly reviewed.

18.1 The Board

The Board during the year 2015 had a Non-Executive Director as Chairman, four other Non-Executive Directors and four Executive Directors. It provided the required leadership for the Company for prudent and effective risk management while it also ensured that resources were available to enable the Company achieve its aims. The Board also reviewed the performance of Management. The Board during the year held five meetings on 23 April 2015, 28 July 2015, 28 August 2015, 30 October 2015 and 19 November 2015. Attendance at the meetings was excellent.

Names of Directors	23 April 2015	28 July 2015	28 August 2015	30 October 2015	19 November 2015
Dr. Mike Adenuga (Jr), GCON	P	P	P	P	P
Dr. M. E. Omatsola	P	P	P	P	P
Mr. Wasiu Adeyinka Adebiyi	P	P	P	P	P
Miss Abimbola Michael - Adenuga	P	P	P	P	P
Mr. Akin Fabunmi	P	P	P	P	P
Mr. Ike Oraekwuotu	P	P	P	P	P
Mr. Mike Jituboh	P	P	P	P	P
Engr. Babatunde Okuyemi	P	A	A	A	A
Mr. Charles Uwaechie	P	P	P	P	A
Tejbir Singh Sawhney (Indian)	N	N	N	N	N

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

18. Compliance with code of corporate governance (Continued)

18.2 Board committees:

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

i. The Executive Board Committee

The Executive Board Committee, led by the Acting Managing Director and comprising the Executive Directors, sets the Company's priorities and targets, allocates resources and ensures the effective running of the Company. The Executive Board ensures that the Company's resources are fully utilized to meet the Company's goals. The Committee held five meetings on 6 January 2015, 20 April 2015, 23 July 2015, 27 October 2015 and 10 December 2015. Attendance at the meetings was excellent.

Names	6 January 2015	20 April 2015	23 July 2015	27 October 2015	10 December 2015
Mr. Charles Uwaechie	P	P	P	P	A
Mr. Wasiu Adeyinka Adebiyi	P	P	P	P	P
Miss Abimbola Michael - Adenuga	P	P	P	P	P
Mr. Akin Fabunmi	P	P	P	P	P

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

ii. Operation Review Committee

Members of this Committee are one Executive Director, two Non-Executive Directors and a Financial Consultant with a Non-Executive Director as Chairman. The Committee deliberates on matters relating to the operating expenditure, capital expenditure as well as finance and administration matters of the Company and reports same to the Board. The Committee held two meetings on 6 January 2015 and 3 December 2015. Attendance at the meetings was excellent.

Names	6 January 2015	3 December 2015
Dr. M. E. Omatsola	P	P
Mr. Ike Oraekwuotu	P	P
Mr. Akin Fabunmi	P	P
Mr. Peter K. Awokulehin (Financial Consultant)	P	P

Attendance key: P=Present.

iii. Risk Management Committee

Members of this Committee are two Executive Directors and two Non-Executive Directors with a Non-Executive Director as Chairman. The Committee is responsible for evaluating and handling issues relating to risk management in the Company. The Committee held three meetings on 28 January 2015, 30 July 2015 and 27 November 2015. Attendance at the meetings was excellent.

Names	28 January 2015	30 July 2015	27 November 2015
Dr. M. E. Omatsola	P	P	P
Mr. Charles Uwaechie	P	P	A
Mr. Mike Jituboh	P	P	P
Mr. Akin Fabunmi	P	P	P

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

18. Compliance with code of corporate governance (Continued)

iv. Remuneration Committee

The Committee comprises of two Executive Directors and two Non-Executive Directors with a Non-Executive Director as Chairman. The Committee acts on behalf of the Board on all matters related to the workforce. The Committee held two meetings on 29 June 2015 and 20 October 2015. Attendance at the meetings was excellent.

Names	29 June 2015	20 October 2015
Mr. Ike Oraekwuotu	P	P
Mr. Mike Jituboh	P	P
Miss Abimbola Michael - Adenuga	P	P
Mr. Wasiu Adeyinka Adebiyi	P	P

Attendance key: P=Present.

18.3 Audit Committee

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

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

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

Any member may nominate a shareholder as member of the Audit Committee, by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting. The Committee held four meetings on 15 April 2015, 9 July 2015, 27 August 2015 and 23 September 2015.

Attendance at the meetings was very good.

Names	Designation	15 April 2015	9 July 2015	27 August 2015	23 September 2015
Mr. Oladepo Olalekan Adesina	Chairman rep. of Shareholders	P	P	P	P
Mr. Jonathan Akin Fawibe	Member rep. of Shareholders	P	P	P	P
Chief J.O. Oginni	Member rep. of Shareholders	P	P	P	P
Dr. M.E. Omatsola	Non-Executive Director	P	P	P	P
Mr. Ike Oraekwuotu	Non-Executive Director	A	P	A	P
Engr. Babatunde Okuyemi	Non-Executive Director	P	A	A	A

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

18. Compliance with code of corporate governance (Continued)

18.4 Management Committees

i. Executive Management Committee

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

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

ii. Tender Committee

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

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

iii. Import Committee

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

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

18. Compliance with code of corporate governance (Continued)

iv. Process & Expenditure Committee

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

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

18.5 Conoil Plc and its shareholders

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

18.6 Corporate Social Responsibilities

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

18.7 Internal Financial Controls

The Company has in place procedures and structures for an effective control environment that promotes an orderly and efficient conduct of the Company's business. These include the safeguarding of the Company's assets and the maintenance of proper accounting records and financial information among others.

The Audit Committee also plays a vital role in ensuring a sound system of internal control.

19. Conoil Plc and the Law

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

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

19.1 Regulatory Compliance

The Company submitted its Audited Financial Statements for the year ended 31 December 2015 out of time to the Nigerian Stock Exchange (NSE) and was penalized by the Exchange for the sum of N2.3 million (2014: N1.8 million). Apart from this, the Company complied with other laws and regulations.

19.2 Interaction with the society

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

20. Auditors

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

By order of the Board

Evi Obieroma
Company Secretary / Legal Adviser
FRC/2013/NBA/00000003438

22 June 2016

Conoil Plc
Bull Plaza
38/39, Marina
Lagos

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015, and the results of its operations, cash flows and changes in equity for the period ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011.

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

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

The Directors are responsible for:

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

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

The financial statements of the Company for the year ended 31 December 2015 were approved by the Directors on 22 June 2016.

On behalf of the Directors of the Company

Akin Fabunmi	**Ikechukwu Oraekwuotu**	**Dr. M. Ebietsuwa Omatsola**
Finance Director	Director	Director
FRC/2013/ICAN/00000003436	FRC/2016/NIM/00000015427	FRC/2013/COMEG/00000003735

Nexia
Agbo Abel & Co

43 Anthony Enahoro Street
Utako District
Abuja - Nigeria

T: +234 (0) 809. 238. 4074
w: www.nexianigeria.com

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CONOIL PLC

We have audited the accompanying financial statements of **Conoil Plc** which comprise the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year ended 31 December 2015, a summary of significant accounting policies and other explanatory information set out on pages 21 to 53.

Directors' responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of **Conoil Plc** as at 31 December 2015 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), Companies and Allied Matters Act CAP C20 LFN 2004 and the Financial Reporting Council of Nigeria Act No 6, 2011.

Other matter

The financial statements of **Conoil Plc** for the year ended 31 December 2014 were audited by another auditor whose report issued on 28 August 2015 expressed an unqualified opinion on those financial statements.

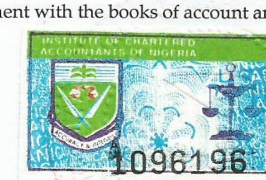
Report on other legal requirements

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

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

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



Tolulope Fasanya - FRC/2012/ICAN/00000000109

for: **Nexia Agbo Abel & Co**
Chartered Accountants
Abuja, Nigeria
23 June 2016

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

1. Reviewed the scope and planning of the audit requirements
2. Reviewed the External Auditors' Management Letter for the year ended 31 December 2015 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 2015 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 2015 were adequate and Management's responses to the External Auditors' findings were satisfactory.

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

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

21 June 2016

Members of the Audit Committee

Mr. Jonathan Akin Fawibe
Mr. Joshua Oluwole Oginni
Mr. Mike Jituboh
Mr. Ike Oraekwuotu
Mr. Akin Fabunmi

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 N'000	2014 N'000
Revenue	5	82,919,220	128,352,674
Cost of sales	6	(71,381,462)	(114,563,202)
Gross profit		**11,537,758**	**13,789,472**
Other operating income	7	2,718,438	173,437
Other gains and losses	8	2,533,281	761,178
Distribution expenses	9	(2,697,837)	(2,728,155)
Administrative expenses	10	(6,885,734)	(8,155,991)
Finance cost	11	(3,757,508)	(2,307,767)
Profit before tax	12	**3,448,398**	**1,532,174**
Income tax expense	13	(1,140,840)	(697,753)
Profit for the year		**2,307,558**	**834,421**
Other comprehensive income for the year net taxes		-	-
Total comprehensive income		**2,307,558**	**834,421**
Earnings per share			
Basic earnings per share (kobo)	14	333	120

The notes on pages 21 to 53 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

Assets	Note	2015 N'000	2014 N'000
Non-current assets			
Property, plant and equipment	15	3,169,460	3,927,386
Intangible assets	16	74,294	84,908
Investment property	17	397,200	446,850
Other financial assets	18	10	10
Prepayments	19	97,104	100,359
Deferred tax assets	13	1,994,988	1,599,035
Total non-current assets		**5,733,056**	**6,158,548**
Current assets			
Inventories	20	5,550,287	5,516,195
Trade and other receivables	21	28,024,349	44,447,855
Prepayments	19	189,116	246,004
Cash and bank balances	22	29,890,557	31,158,085
Total current assets		**63,654,309**	**81,368,139**
Total assets		**69,387,365**	**87,526,687**
Equity and liabilities			
Equity			
Share capital	23	346,976	346,976
Share premium	23	3,824,770	3,824,770
Retained earnings	24	13,537,907	11,924,301
Total equity		**17,709,653**	**16,096,047**
Non - Current liabilities			
Distributors' deposits	27	501,697	498,347
Deferred tax liabilities	13	693,515	933,230
Decommissioning liability	28	38,200	32,511
Total non-current liabilities		**1,233,412**	**1,464,088**
Current liabilities			
Borrowings	22	18,235,913	22,655,108
Trade and other payables	26	28,859,842	43,540,961
Current tax payable	13	3,348,545	3,770,483
Total current liabilities		**50,444,300**	**69,966,552**
Total liabilities		**51,677,712**	**71,430,640**
Total equity and liabilities		**69,387,365**	**87,526,687**

These financial statements were approved by the Board of Directors on 22 June 2016 and signed on its behalf by:

Akin Fabunmi	**Ikechukwu Oraekwuotu**	**Dr. M. Ebietsuwa Omatsola**
Finance Director	Director	Director
FRC/2013/ICAN/00000003436	FRC/2016/NIM/00000015427	FRC/2013/COMEG/00000003735

The notes on pages 21 to 53 form part of these financial statements.

	Share capital	Share premium	Retained earnings	Total equity
	N'000	N'000	N'000	N'000
Balance at 1 January 2014	**346,976**	**3,824,770**	**13,865,688**	**18,037,434**
Profit for the year	-	-	834,421	834,421
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income	-	-	**834,421**	**834,421**
Dividends to shareholders	-	-	(2,775,808)	(2,775,808)
Balance at 1 January 2015	**346,976**	**3,824,770**	**11,924,301**	**16,096,047**
Profit for the year	-	-	2,307,558	2,307,558
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income	-	-	**2,307,558**	**2,307,558**
Dividends to shareholders	-	-	(693,952)	(693,952)
Balance at 31 December 2015	**346,976**	**3,824,770**	**13,537,907**	**17,709,653**

The notes on pages 21 to 53 form part of these financial statements.

	Note	2015 N'000	2014 N'000
Profit before tax		3,448,398	1,532,174
Adjustments to reconcile profit before tax to net cash provided:			
Interest from bank deposits	7	(1,719)	(4,290)
Interest on delayed subsidy payment	7	(2,544,932)	-
Interest on bank overdraft	11	3,751,819	2,302,925
Accretion expense	11	5,689	4,842
Depreciation of property, plant and equipment	15	1,329,065	1,411,022
Depreciation of investment property	16	49,650	49,650
Amortisation of intangible assets	17	10,614	10,614
Withholding tax credit	13	(44,948)	(22,191)
Changes in working capital:			
(Increase)/decrease in inventories		(34,092)	5,119,231
Decrease/(increase) in trade and other receivables		16,483,649	(6,269,830)
Decrease in trade and other payables		(14,266,522)	(5,050,204)
Increase in distributors' deposits		3,350	1,950
Cash generated by/(used in) operations		8,190,022	(914,107)
Tax paid		(2,153,497)	(750,000)
Value added tax paid		(408,909)	(211,308)
Net cash generated/(used) in operating activities		**5,627,615**	**(1,875,415)**
Cashflows from investing activities			
Purchase of property, plant and equipment	15	(571,139)	(504,775)
Interest received	7	2,546,651	4,290
Net cash generated by/(used in) investing activities		**1,975,512**	**(500,485)**
Cashflows from financing activities			
Interest paid	11	(3,757,508)	(2,302,925)
Dividends paid	24	(693,952)	(2,775,808)
Net cash used in financing activities		**(4,451,460)**	**(5,078,733)**
Net increase/(decrease) in cash and cash equivalents		**3,151,668**	**(7,454,633)**
Cash and cash equivalents at 1 January		8,502,977	15,957,610
Cash and cash equivalents at 31 December	22	**11,654,645**	**8,502,977**

The notes on pages 21 to 53 form part of these financial statements.

1. The Company

Conoil Plc ("The Company") was incorporated in 1960. The Company's authorised share capital is 700,000,000 ordinary shares of 50k each.

The Company was established to engage in the marketing of refined petroleum products and the manufacturing and marketing of lubricants, household and industrial chemicals.

1.1 Composition of Financial Statements

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

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

Additional information provided by the management includes:

- Value added statement
- Five-year financial summary

1.2 Financial period

These financial statements cover the financial year from 1 January 2015 to 31 December 2015 with comparative figures for the financial year from 1 January 2014 to 31 December 2014.

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

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 2016

- IAS 1 (Amendments) - Disclosure Initiative

Effective for the financial year commencing 1 January 2016

- IAS 19 (Amendment) - Defined Benefit Plans: Employee Contributions

Effective for the financial year commencing 1 January 2016

- IAS 16 and IAS 41 - Agriculture: Bearer plants

Effective for the financial year commencing 1 January 2016

- IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation

Effective for the financial year commencing 1 January 2016

- IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations

Effective for the financial year commencing 1 January 2016

- IFRS 7 - Financial Instruments Disclosure

Effective for the financial year commencing 1 January 2018

- IFRS 9 Financial Instruments

Effective for the financial year commencing 1 January 2018

- IFRS 15 Revenue from Contracts with Customers

Effective for the financial year commencing 1 January 2019

- IFRS 16 - Leases

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

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

Standard/Interpretation not yet effective as at 31 December 2015		Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
IAS 1	Disclosure Initiative	December 2014	1 January 2016 Early adoption is permitted	The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements. This standard will have an impact on the disclosure requirement of the financial statement. The Company will adopt the amendments for the year ending 31 December 2016.
IAS 19	Defined Benefit Plans: Employee Contributions	September 2014	1 January 2016	The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans. The directors of the Company do not anticipate that the application of these amendments to lAS 19 will have any impact on the Company's
IAS 16 and IAS 41	Agriculture: Bearer plants	July 2014	1 January 2016	Amendments define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41. The directors of the Company do not anticipate that the application of these amendments to lAS 16 and lAS 41 will have a material impact on the Company's financial statements as the Company is not engaged in agricultural activities.
IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	July 2014	1 January 2016	The amendment to IAS 16 clarifies that a depreciation method of property, plant and equipment that is based on revenue is not appropriate. The amendment to IAS 38 introduces the rebuttable presumption that revenue is not an appropriate basis for the amortization of intangible assets. This presumption can be overcome only in the following two cases: • If the intangible asset can be expressed as a measure of revenue. This would be the case, for example, if the contractual term of a concession to extract natural resources were linked not to a specific period but to the total revenue generated by extracting the natural resources. • If revenue and the consumption of the economic benefit are highly correlated. The directors of the Company do not anticipate that the application of these amendments to IFRS 16 will have any impact on the Company's financial statements.

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

Standard/Interpretation not yet effective as at 31 December 2015		Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	September 2014	1 January 2016 Early adoption is permitted	The amendment provides for the inclusion of special guidance in IFRS 5 for cases where an entity reclassifies an asset from the 'held for sale' category to the 'held for distribution' category or vice versa. Guidance will also be introduced for cases where 'held for distribution' accounting is ceased. The directors of the Company do not anticipate that the application of these amendments to IFRS 16 will have any impact on the Company's financial statements.
IFRS 7	Financial Instruments Disclosure	September 2014	1 January 2016 Early adoption is permitted	Clarification is provided regarding under which conditions the management of a transferred financial instrument is a continuing involvement and thus has to be reported. Furthermore, the disclosures on offsetting financial assets and financial liabilities do not specifically have to be included in all interim reporting pursuant to IAS 34. The directors of the Company do not anticipate that the application of these amendments to IFRS 16 will have any impact on the Company's financial statements.
IFRS 9	Financial Instruments	July 2014	1 January 2018 Early adoption is permitted	The IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. This standard will have a significant impact on the Company, which include changes in the measurement bases of the Company's financial assets to amotised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debts recognised in the Company. The amendments apply retrospectively. The Company will adopt the amendments for the year ending 31 December 2018

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

Standard/Interpretation not yet effective as at 31 December 2015		**Date issued by IASB**	**Effective date Periods beginning on or after**	**Summary of the requirements and assessment of impact**
IFRS 15	Revenue from contract with customers	May 2014	1 January 2018 Early adoption is permitted	This standard replaces IAS 11 construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving advertising Services. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five –step analysis of transactions to determine whether, how much and when revenue is recognised. This new standard will most likely have a significant impact on the Company, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognized. The Company will adopt the amendments for the year ending 31 December 2018.
IFRS 16	Leases	January 2016	1 January 2019	Under IFRS 16, the distinction made up to now between operating leases and finance leases will no longer apply with respect to the lessee. For all leases, the lessee recognizes a right of use to an asset and a lease liability. The right of use is amortized over the contractual term in line with the rules for intangible assets. The lease liability is recognized in accordance with the rule for financial instruments pursuant to IAS 39 (or IFRS 9 in future). Write-downs on the asset and interest on the liability are presented separately in the income statement. There are exemptions when accounting for short-term leases and low-value leased assets. The disclosures in the notes to the financial statements will be extended and should provide a basis for users to assess the amount, timing as well as uncertainties in relation to leases. For lessors, however, the rules in the new standard are similar to the previous rules in IAS 17. They will continue to classify leases either as a finance lease or an operating lease. The directors of the Company do not anticipate that the application of these amendments to IFRS 16 will have any impact on the Company's financial statements.

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).

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 from the sale of goods is recognised when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

3.3.2 Interest revenue

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

3.3.3 Service income

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

3.4 Foreign currency translation

The financial statements of the Company are prepared in Nigerian Naira which is its functional currency and presentation currency.

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

3. Significant accounting policies (Continued)

3.5 Pensions and other post-employment benefits

The Company operates a defined contribution pension plan for its employees and pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years.

In addition, payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The Company also operated a gratuity scheme for its qualified employees prior to 2008 which it has discontinued.

3.6 Taxation

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

3.6.1 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.

3. Significant accounting policies (Continued)

3.7 Property, plant and equipment (Continued)

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

Leasehold land and buildings	20 - 50 Years
Plant and machinery	5 - 10 Years
Motor vehicles	2 - 5 Years
Furniture, fittings and equipment:	
- Office furniture	3 - 12 Years
- Office equipment	5 - 15 Years
- Computer equipment	2 - 10 Years
Intangible Assets - Software	5 - 10 Years

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

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

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

3. Significant accounting policies (Continued)

3.10 Impairment of long lived assets

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

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

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

3.11 Non-current assets held for sale

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

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

3.12 Inventories

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

3.13 Cash and cash equivalents

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

3.14 Provisions

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

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

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

3. Significant accounting policies (Continued)

3.14 Provisions

i. Onerous contracts

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

ii. Restructuring

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

3.15 Financial instruments

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument.

3.15.1 Financial assets

i. Recognition

a. Initial recognition and measurement

Financial assets within the scope of IAS 39 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments and available for sale financial assets. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus (in the case of investments not at fair value through profit or loss) directly attributable transaction costs.

The Company's financial assets include cash and short-term deposits, trade and other receivables and loan and other receivables.

b. Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in statement of profit or loss. The losses arising from impairment are recognised in statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and at hand and short term deposits with an original maturity of three months or less, but exclude any restricted cash which is not available for use by the Company and therefore is not considered highly liquid.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

3. Significant accounting policies (Continued)

3.15 Financial instruments

3.15.1 Financial assets

ii. Derecognition

A financial asset (or, where an applicable part of a financial asset or part of a Company of similar financial assets) is derecognised when:

- The right to receive cash flows from the asset have expired.
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a passthrough arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

iii. Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

iv. Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the statement of profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in statement of profit or loss.

3. Significant accounting policies (Continued)

3.15 Financial instruments

3.15.2 Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

Financial liabilities are classified as financial liabilities at fair value through profit or loss; derivatives designated as hedging instruments in an effective hedge; or as financial liabilities measured at amortised cost, as appropriate. Financial liabilities include trade and other payables, accruals, most items of finance debt and derivative financial instruments. The Company determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

For financial liabilities at fair value through profit or loss, derivatives, other than those designated as effective hedging instruments, are classified as held for trading and are included in this category. These liabilities are carried on the statement of financial position at fair value with gains or losses recognised in the income statement.

For financial liabilities measured at amortised cost, all other financial liabilities are initially recognised at fair value. For interest-bearing loans and borrowings this is the fair value of the proceeds received net of issue costs associated with the borrowing. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognised respectively in interest and other revenues and finance costs. This category of financial liabilities includes trade and other payables and finance debt.

i. Recognition

a. Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings. The Company determines the classification of its financial liabilities at initial recognition. The Company's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, financial guarantee contracts, and derivative financial instruments.

b. Interest-bearing loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised, as well as through the EIR method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance cost in statement of profit or loss.

ii. Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in statement of profit or loss.

3.15.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3. Significant accounting policies (Continued)

3.15 Financial instruments

3.15.4 Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include: using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation model.

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

In making its judgment, management considered the detailed criteria for the recognition of revenue from the sale of goods set out in IAS 18 Revenue and in particular, whether the entity had transferred to the buyer the significant risks and rewards of ownership of the goods. Based on the acceptance by the customer of the liability of the goods sold, the directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate.

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 sellability of the product and the net realizable value of such products. Accordingly, allowance for impairment, if any, is made where the net realisable value is less than cost based on best estimates by the management.

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

4.2.5 Valuation of financial liabilities

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

4.2.6 Impairment on non-current assets

Determining whether non-current assets are impaired requires an estimation of the value in use of the cashgenerating 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 - see Note 7)

	2015	2014
	N’000	N’000
Revenue from sale of petroleum products	82,919,220	128,352,674

5.1 All the sales were made within Nigeria.

6. Segment information

The reportable segments of Conoil Plc are strategic business units that offer different products. The report of each segment is reviewed by management for resource allocation and performance assessment.

Operating segments were identified on the basis of differences in products. The Company has identified three operating and reportable segments: White products, Lubricants and Liquefied Petroleum Gas (LPG). The White products segment is involved in the sale of Premium Motor Spirit (PMS), Aviation Turbine Kerosene (ATK), Dual Purpose Kerosene (DPK), Low-pour Fuel Oil (LPFO) and Automotive Gasoline/grease Oil (AGO). The products under the lubricants segment are Lubricants transport, Lubricants industrial, Greases, Process Oil and Bitumen. Products traded under LPG segment are Liquefied Petroleum Gas - Bulk, Liquefied Petroleum Gas - Packed, cylinders and valves.

6. Segment information (Continued)

The segment results for the year ended 31 December 2015 are as follows:

	White Products N'000	%	Lubricants N'000	%	LPG N'000	%	Total N'000	%
Turnover	76,001,664	92	6,917,544	8	11	0	82,919,220	100
Cost of sales	(66,798,323)	94	(4,583,130)	6	(9)	0	(71,381,462)	100
Gross profit	**9,203,341**		**2,334,414**		**3**		**11,537,758**	

The segment results for the year ended 31 December 2014 are as follows:

	White Products N'000	%	Lubricants N'000	%	LPG N'000	%	Total N'000	%
Turnover	120,260,635	94	8,020,923	6	71,116	0	128,352,674	100
Cost of sales	(108,832,372)	95	(5,664,915)	5	(65,915)	0	(114,563,202)	100
Gross profit	**11,428,263**		**2,356,008**		**5,201**		**13,789,472**	

2015 segment cost of sales - Analysis

	White Products N'000	Lubricants N'000	LPG N'000	Total N'000
Stock at 1 January	2,944,921	2,554,368	4,012	5,503,301
Purchases	66,765,963	4,657,851	-	71,423,814
Stock at 31 December	(2,912,559)	(2,629,090)	(4,003)	(5,545,653)
	66,798,323	**4,583,130**	**9**	**71,381,462**

2014 segment cost of sales - Analysis

	Products N'000	Lubricants N'000	LPG N'000	Total N'000
Stock at 1 January	6,487,143	4,178,495	14,364	10,680,002
Purchases	105,290,150	4,040,788	55,563	109,386,501
Stock at 31 December	(2,944,921)	(2,554,368)	(4,012)	(5,503,301)
	108,832,372	**5,664,915**	**65,915**	**114,563,202**

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 Glo cards stock and provision for stock loss.

	2015	2014
7. Other operating income		
Rental income:	**N'000**	**N'000**
Rental income (Note 7.1)	41,670	105,564
Service income (Note 7.2)	130,117	63,583
Interest income:		
Interest from bank deposits (Note 7.3)	1,719	4,290
Interest on delayed subsidy payment (Note 7.4)	2,544,932	-
	2,718,438	**173,437**

7.1 Rental income

Rental income represents income received from letting out the Company's property.

7.2 Service income

Service income represents commissions received from dealers for the use of the Company's properties at service stations. The dealers use the properties for the sale of Conoil's products.

7.3 Interest income from bank deposits

Income from bank deposits represents interest received on deposits with banks.

7.4 Interest on delayed subsidy payment

Interest income on delayed subsidy payments represents net interest cost claims received from PPPRA arising from delayed subsidy payments relating to products imported.

8. Other gains and losses	**2015**	**2014**
	N'000	**N'000**
Exchange gain	2,533,281	693,693
Glo recharge card	-	4,318
Provision for dormant trade debts written back	-	3,167
Provision for stock loss no longer required	-	60,000
	2,533,281	**761,178**

9. Distribution expenses		
Freight costs	2,320,854	2,248,700
Marketing expenses	376,983	479,455
	2,697,837	**2,728,155**

10. Administration expenses	**2015**	**2014**
	N'000	**N'000**
Staff cost	1,994,046	2,036,324
Depreciation of property, plant and equipment	1,329,065	1,411,022
Provision for litigation claims	900,000	375,000
Rent and rates	838,923	849,384
Provision for long outstanding bridging claims	354,155	274,495
Repairs and maintenance	266,364	176,423
Insurance	198,217	223,025
Pension fund - employer's contribution	122,270	75,099
Security services	79,576	92,209
Bank charges	76,260	67,150
Throughput others	74,655	70,830
Travelling	68,223	50,582
Provision for bad and doubtful debts	60,000	1,802,086
Postages, telephone and telex	59,600	60,532
Consumables, small tools and equipment	54,545	46,749
Own used oil	52,661	69,436
Depreciation of investment property	49,650	49,650
Directors' remuneration	45,020	50,603
Water and electricity	41,452	27,967
Annual General Meeting	39,416	45,000
Legal and professional charges	29,743	47,669
Audit fee	26,000	30,000
Subscriptions	21,022	8,992
Vehicle, plant and equipment running	16,002	11,079
Staff training and welfare	12,567	33,765
Amortisation of intangible asset	10,614	10,614
Health safety and environmental expenses	8,543	19,272
Medical	6,322	3,897
Printing and stationery	6,213	5,765
Entertainment and hotels	2,982	3,589
Provision for long outstanding staff loans	-	101,504
Other expenses	41,624	26,279
	6,885,734	**8,155,991**

11. Finance cost		
Interest on bank overdraft	3,751,819	2,302,925
Accretion expense (Note 28)	5,689	4,842
	3,757,508	**2,307,767**

Bank overdrafts are repayable on demand. The average effective interest rate on bank overdrafts approximates 17.75% (2014: 17.5%) per annum and are determined based on NIBOR plus lender's mark-up. The overdraft was necessitated by delay in payment of subsidy claims by 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

	2015	2014
This is stated after charging/(crediting) the following:	N'000	N'000
Depreciation of property, plant and equipment	1,329,065	1,411,022
Depreciation of investment property	49,650	49,650
Director's emoluments	45,020	50,603
Auditors remuneration	26,000	30,000
Amortisation of intangible asset	10,614	10,614
Exchange gain	(2,533,281)	(693,693)

13. Taxation

13.1 Income tax recognised in profit or loss

	2015	2014
Current tax		
Income tax	1,654,561	1,505,690
Education tax	121,946	111,887
Adjustments in relation to the current tax of prior years	-	98,891
Deferred tax		
Deferred tax (credited)/charged in the current year	(635,668)	(1,018,715)
Total income tax expense recognised in the current year	1,140,840	697,753
At 1 January	3,770,483	2,826,206
Payment during the year	(2,153,497)	(750,000)
Withholding tax utilised during the year	(44,948)	(22,191)
Transfer to deferred tax (Note 13.1)	635,668	1,018,715
Per statement of financial position	**3,348,545**	**3,770,483**
Balance above is made up of :		
Company income tax	3,139,540	3,600,204
Education tax	208,724	169,999
Capital gains tax	280	280
	3,348,544	**3,770,483**

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

	2015	2014
Profit before tax from operations	**3,448,398**	**1,532,174**
Expected income tax expense calculated at 30% (2014: 30%)	1,034,519	459,652
Education tax expense calculated at 2% (2014: 2%) of assessable profit	121,946	111,887
Effect of expenses that are not deductible in determining taxable profit	794,673	1,218,651
Investment allowance	(15,626)	(1,666)
Effect of capital allowance on assessible profit	(159,005)	(170,947)
Timing difference recognised as deferred tax asset	(635,668)	(1,018,715)
Income tax expense recognised in profit or loss	**1,140,840**	**598,862**
Adjustments recognised in the current year in relation to the tax of prior years	-	98,891
	1,140,840	**697,753**

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.

The adjustments in relation to the tax of prior year is as a result of additional tax assessment levied by Federal Inland Revenue Service in 2014 in respect of 2013 year of assessment.

13. Taxation (Continued)

13.2 Deferred tax

	2015	2014
Deferred tax assets and liabilities are attributable to the following;	N'000	N'000
Deferred tax assets	1,994,988	1,599,035
Deferred tax liabilities	(693,515)	(933,230)
Deferred tax assets (net)	1,301,473	665,805

Deferred tax assets

	Property, plant and equipment	Provisions and others	Total
	N'000	N'000	N'000
Balance at 1 January 2015	-	(1,599,035)	**(1,599,035)**
Charged to profit or loss	-	(395,953)	**(395,953)**
Balance at 31 December 2015	**-**	**(1,994,988)**	**(1,994,988)**

Deferred tax liabilities

	Property, plant and equipment	Provisions and others	Total
	N'000	N'000	N'000
Balance at 1 January 2015	933,230	-	**933,230**
Charged to profit or loss	(239,714)	-	**(239,714)**
Balance at 31 December 2015	**693,515**	**-**	**693,515**

Deferred tax as at 31 December 2015 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.

	2015	2014
Earnings	**N'000**	**N'000**
Earnings for the purposes of basic earnings per share being net profit attributable to equity holders of the Company	2,307,558	834,421
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	**2015 Kobo per share**	**2014 Kobo per share**
From continuing operations	333	120

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

15. Property, plant and equipment	Freehold land	Freehold buildings	Plant & machinery	Furniture & fittings	Motor vehicles	Computer equipment	Total
Cost:	**₦ '000**	**₦ '000**	**₦ '000**	**₦ '000**	**₦ '000**	**₦ '000**	**₦ '000**
As at 1 January 2014	147,766	4,900,233	11,014,733	4,144,929	1,317,178	984,960	22,509,799
Additions	-	365,387	46,662	12,400	71,450	8,876	504,775
At 31 December 2014	147,766	5,265,620	11,061,395	4,157,329	1,388,628	993,836	23,014,574
Additions	-	30,335	512,766	19,938	-	8,100	571,139
At 31 December 2015	**147,766**	**5,295,955**	**11,574,161**	**4,177,267**	**1,388,628**	**1,001,936**	**23,585,713**
Accumulated depreciation and impairment loss:							
As at 1 January 2014	-	3,103,862	8,296,706	4,087,253	1,272,348	915,997	17,676,166
Charge for the year	-	263,281	981,176	52,692	91,521	22,352	1,411,022
At 31 December 2014	-	3,367,143	9,277,882	4,139,945	1,363,869	938,349	19,087,188
Charge for the year		264,798	1,020,137	12,878	17,863	13,390	1,329,065
At 31 December 2015	**-**	**3,631,941**	**10,298,019**	**4,152,823**	**1,381,732**	**951,739**	**20,416,253**
Carrying amount							
At 31 December 2015	**147,766**	**1,664,014**	**1,276,142**	**24,444**	**6,897**	**50,197**	**3,169,460**
At 31 December 2014	**147,766**	**1,898,477**	**1,783,513**	**17,384**	**24,759**	**55,487**	**3,927,386**

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 2015 (2014: nil)

16. Intangible assets

	2015	2014
Computer software:	**N'000**	**N'000**
Cost:		
As at 1 January	106,136	106,136
Additions during the year	-	-
At 31 December	**106,136**	**106,136**
Accumulated amortisation:		
As at 1 January	21,228	10,614
Charge for the year	10,614	10,614
At 31 December	**31,842**	**21,228**
Carrying amount		
At 31 December	**74,294**	**84,908**

17. Investment property

	2015	2014
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	546,150	496,500
Charge for the year	49,650	49,650
At 31 December	**595,800**	**546,150**
Carrying amount		
At 31 December	**397,200**	**446,850**

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

18. Other financial assets

	2015	2014
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

	2015	2014
	N'000	**N'000**
Current		
Prepaid rent and insurance	189,116	246,004
	189,116	**246,004**
Non-current		
Prepaid rent	97,104	100,359
	97,104	**100,359**

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.

		2015	2014
20.	**Inventories**	**N'000**	**N'000**
	White products (Note 20.1)	2,912,559	2,944,921
	Lubricants	2,629,090	2,554,368
	LPG	4,003	4,012
	Glo recharge card	4,635	12,894
		5,550,287	**5,516,195**

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).

		2015	2014
21.	**Trade and other receivables**	**N'000**	**N'000**
	Trade debtors	6,438,927	7,642,572
	Allowance for bad and doubtful debts	(4,484,944)	(4,424,944)
		1,953,983	3,217,628
	Receivable from Petroleum Support Fund	14,811,209	19,096,135
	Bridging claims receivable (Note 21.3)	7,665,737	16,789,362
	Advance to related company (Note 33)	3,347,901	5,108,750
	Advance for product supplies	125,894	116,328
	Withholding tax recoverable (Note 21.4)	22,147	22,147
	Other debtors (Note 21.1)	97,478	97,505
		28,024,349	**44,447,855**

21.1	**Other debtors balance includes :**		
	Advance deposits	391,656	393,735
	Insurance claims receivables	29,835	29,835
	Employee advances	12,931	10,879
	Provision for doubtful advance deposits	(336,944)	(336,944)
		97,478	**97,505**

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 occurence of any situation judged by management to impede full recovery of the trade debt.

The Company does not hold any collateral over these balances.

	2015	2014
Ageing of trade debtors	**N'000**	**N'000**
Current	1,477,743	2,234,813
Less than 90 days	353,354	637,910
91 - 180 days	119,690	231,855
181 - 360 days	63,196	365,243
Above 360 days	4,424,944	4,172,751
Total	**6,438,927**	**7,642,572**

	2015	2014
21. Trade and other receivables (Continued)	**N'000**	**N'000**
Ageing of allowance for bad and doubtful debts		
Less than 90 days	16,433	46,212
91 - 180 days	11,969	23,360
181 - 360 days	31,598	182,621
Above 360 days	4,424,944	4,172,751
Total	**4,484,944**	**4,424,944**

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

	2015	2014
Allowance for bad and doubtful debts	**N'000**	**N'000**
As at 1 January	4,424,944	2,622,858
Provision for the year	60,000	1,802,086
As at 31 December	**4,484,944**	**4,424,944**

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.

	2015	2014
21.4 Withholding tax recoverable	**N'000**	**N'000**
As at 1 January	22,147	37,742
Addition during the year	44,948	6,596
Amount utilised during the year	(44,948)	(22,191)
As at 31 December	**22,147**	**22,147**

	2015	2014
22. Cash and cash equivalents		
Cash and bank	29,890,557	31,158,085
Bank overdraft	(18,235,913)	(22,655,108)
Cash and cash equivalents	**11,654,645**	**8,502,977**

The Company did not have any restricted cash at the reporting date (2014: nil).

	2015	2014
23. Share capital		
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	3,824,770	3,824,770

	2015	2014
24. Retained earnings	**N'000**	**N'000**
At 1 January	11,924,301	13,865,688
Dividend declared and paid	(693,952)	(2,775,808)
Profit for the year	2,307,558	834,421
At 31 December	**13,537,907**	**11,924,301**

At the Annual General Meeting held on 23 October 2015, the shareholders approved that dividend of 100 kobo per share be paid to shareholders (total value N694 million) for the year ended 31 December 2014. In respect of the current year, the Directors proposed that a dividend of 300 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.

	2015	2014
24.1 Dividend	**N'000**	**N'000**
Summary		
As at 1 January	50	50
Dividend declared	693,952	2,775,808
Dividend - Sterling Registrars	8,877	-
	702,879	2,775,858
Payments - Meristem Registrars	(693,952)	(2,775,808)
As at 31 December	**8,927**	**50**

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	2015
			N
Dividend No. 13	2003	46,598	29,196,193
Dividend No. 14	2004	72,241	104,275,262
Dividend No. 15	2005	92,463	105,116,292
Dividend No. 16	2006	101,402	142,001,941
Dividend No. 17	2007	113,250	200,742,078
Dividend No. 18	2008	108,731	175,189,409
Dividend No. 19	2009	106,924	67,225,526
Dividend No. 20	2010	117,897	138,969,836
Dividend No. 21	2011	118,373	184,005,151
Dividend No. 22	2012	120,890	221,324,331
Dividend No. 23	2013	108,772	86,841,032
Dividend No. 24	2014	107,181	316,867,532
Dividend No. 25	2015	123,798	90,107,999
			1,861,862,583

24.3 Dividend per share is based on the issued and fully paid up shares as at 31 December 2015.

		2015	2014
25.	**Borrowings**	**N'000**	**N'000**
	Unsecured borrowing at amortised cost		
	Bank overdraft	18,235,913	22,655,108

Bank overdrafts are repayable on demand. The average effective interest rate on bank overdrafts approximates 17.75% (2014: 17.5%) per annum and is determined based on NIBOR plus lender's mark-up.

There is no security or pledge on the Company's assets with respect to the borrowings.

		2015	2014
26.	**Trade and other payables**	**N'000**	**N'000**
	Trade creditors - Local	7,780,095	5,202,608
	Bridging contribution (Note 26.2)	7,368,705	14,449,965
	Trade creditors - Imported	5,637,815	18,725,667
	Value added tax payable	1,255,145	1,338,719
	Withholding tax payable	710,099	984,883
	PAYE payable	202,582	168,167
	Staff Pension and similar obligations (Note 26.3)	18,638	10,682
	Unclaimed dividend (Note 24.1)	8,927	50
	Other creditors and accruals (Note 26.1)	5,877,835	2,660,220
		28,859,842	**43,540,961**
26.1	**Other creditors and accruals**		
	Non-trade creditors (Note 26.4)	3,176,522	744,749
	Litigation claims	1,395,454	495,454
	Rent	631,689	645,452
	Insurance premium	361,669	448,895
	Employees payables	186,769	112,605
	Lube incentives	50,671	99,390
	Surcharges	49,060	83,675
	Audit fees	26,000	30,000
		5,877,835	**2,660,220**

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.

		2015	2014
26.3	**Staff pension**	**N'000**	**N'000**
	At 1 January	10,682	11,329
	Contributions during the year	221,173	139,517
	Remittance in the year	(213,217)	(140,164)
	At 31 December	**18,638**	**10,682**

26.4 Non-trade creditors represent sundry creditors balances for various supplies and contracts carried out but unpaid for as at 31 December 2015

	2015	2014
27. Distributors' deposit	**N'000**	**N'000**
At 1 January	498,347	496,397
New deposits	8,100	10,450
Refunds	(4,750)	(8,500)
At 31 December	**501,697**	**498,347**

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:

	2015	2014
	N'000	**N'000**
At 1 January	32,511	27,669
Accretion	5,689	4,842
Balance at 31 December	**38,200**	**32,511**

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

	2015	2014
Financial asset		
Loans and receivables:	**N'000**	**N'000**
Cash and bank balance	29,890,557	31,158,085
Loans and receivables	27,926,872	44,425,708
	57,817,429	**75,583,793**
Financial liabilities		
Financial liabilities at amortized cost:		
Trade and other payables	26,692,016	41,049,192
Borrowings	18,235,913	22,655,108
	44,927,929	**63,704,300**

29.3 Fair value of financial instruments

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

30. Financial risk management

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

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

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

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

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

30.1 Financial risk management objectives

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

30.2 Interest rate risk management

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

Interest rate risk

Sensitivity Analysis

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

	Average rate	**2015**	**2014**
Variable rate instruments:		**N'000**	**N'000**
Financial assets	0	-	-
Bank overdrafts	17.75%	18,235,913	22,655,108
		18,235,913	**22,655,108**

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 2015	3,751,819	+/-2	394,892
31 December 2014	2,302,925	+/-2	242,391

30. Financial risk management (Continued)

30.3 Foreign currency risk

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

The carrying amounts of the Company's foreign denominated monetary assets and monetary liabilities as at 31 December 2015 are as follows:

Assets	**2015**	**2014**
Loans and receivables:	**N'000**	**N'000**
Cash and bank balance	29,479,827	29,998,313
Loans and receivables	3,347,901	5,599,675
	32,827,728	**35,597,988**
Liabilities		
Financial liabilities at amortized cost:		
Trade and other payables	5,637,815	18,725,667
	5,637,815	**18,725,667**

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 2015

	Foreign Currency	**Naira Balance**	**Exchange Rate**	**Effect of Increase/ Decrease in Exchange Rate**
	US$'000	**N'000**		**N'000**
USD	150,034	29,479,827	196.5	589,597

Effect in thousands of Naira
31 December 2014

	Foreign Currency	**Naira Balance**	**Exchange Rate**	**Effect of Increase/ Decrease in Exchange Rate**
	US$'000	**N'000**		**N'000**
USD	179,094	29,998,313	167.5	599,966

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. Financial risk management (Continued)

30.5 Liquidity risk management

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

Financing facilities

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

	2015	2014
	N'000	N'000
Amount used	18,235,913	22,655,108
Amount unused	22,184,087	17,764,892
	40,420,000	**40,420,000**

Liquidity and interest risk tables

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

31 December 2015	Weighted Average Effective Interest rate	0 - 3 Months	3 month -1 year	Total
	%	N'000	N'000	N'000
Trade and other payables	-	28,859,842	-	28,859,842
Borrowings	17.75	18,235,913	-	18,235,913
		47,095,755	**-**	**47,095,755**

31 December 2014	Weighted Average Effective Interest rate	0 - 3 Months	3 month -1 year	Total
	%	N'000	N'000	N'000
Trade and other payables	-	41,049,192	-	41,049,192
Borrowings	17.50	22,655,108	-	22,655,108
		63,704,300	**-**	**63,704,300**

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:

	2015	2014
	N'000	N'000
Debt	18,235,913	22,655,108
Equity	17,709,653	16,096,047
Net debt to equity ratio	**1.03**	**1.41**

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 2015	Sales of Goods	Purchase of Goods	Balance due (to)/from	Deposits	Overdraft and Term loan
	N'000	N'000	N'000	N'000	N'000
Sterling Bank Plc	-	-	-	-	(15,990,302)
Globacom Mobile Limited	-	(33,577)	10,031	-	-
Conoil Producing Limited	1,183,533	-	-	-	-
Southern Air Limited	47,993	-	28,367	-	-
Proline (WA) Ltd	-	(309,352)	(39,938)	-	-
Synopsis Limited	-	-	-	3,347,901	-
	1,231,526	**(342,929)**	**(1,540)**	**3,347,901**	**(15,990,302)**

31 December 2014	Sales of Goods	Purchase of Goods	Balance due (to)/from	Deposits	Overdraft and Term loan
	N'000	N'000	N'000	N'000	N'000
Sterling Bank Plc	-	-	-	-	(9,263,608)
Globacom Mobile Limited	23,258	(41,998)	24,263	-	-
Conoil Producing Limited	1,245,420	-	-	-	-
Southern Air Limited	65,706	-	21,914	-	-
Proline (WA) Ltd	-	(293,597)	(26,972)	-	-
Synopsis Limited	-	-	-	5,108,750	-
	1,334,384	**(335,595)**	**19,205**	**5,108,750**	**(9,263,608)**

32. Related party transactions (Continued)

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

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

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

As at 31 December 2015, N10.0 million (2014: N24.3 million) was outstanding from Globacom Mobile Limited, N28.4 million (2014: N21.9 million) from Southern Air Limited and N39.9 million (2014: N27.0 million) to Proline (WA) Limited.

Synopsis imports products and equipment on behalf of Conoil Plc. During the year, no product was imported by Synopsis on behalf of the Company. As at 31 December 2015, N3.4 billion (2014: N5.1 billion) was outstanding as advance to Synopsis Enterprises Limited for importation of product.

The Company also maintains an overdraft facility with Sterling Bank Plc, to augment working capital requirements specifically for the purchase of petroleum products from its various suppliers. As at 31 December 2015, the Company had N16.0 billion (2014: N9.3 billion) outstanding to Sterling Bank Plc. Interest paid in 2015 was N1.8 billion (2014: N925.8 million).

33. Capital commitment

There were no capital commitments as at 31 December 2015 (2014: nil).

34. Financial commitment

As at 31 December 2015, the Company had no outstanding letters of credit. (2014: N15.29 billion).

35. Contingent liabilities

The Company is currently in litigation with one of its former suppliers of Automotive Gas Oil (AGO). The commercial dispute, which arose in 2008 has been through the High Court and Court of Appeal, and is currently at the Supreme Court. The amount being claimed by the supplier as breach of contract is $43,262,497 (N8.5 billion). Whereas the judgments of the lower courts have been in favor of the supplier, the Directors, on the advice of the external solicitors, are of the opinion that the judgment of the lower court will be upturned by the Supreme Court.

There are also a number of other legal suits outstanding against the Company estimated at N4.5 billion. On the advice of the Solicitors, the Board of Directors is also of the opinion that no material losses are expected to arise therefrom. However, a provision of N1.4bn has been made in these financial statements to mitigate any possible future loss.

36. Post balance sheet events

The Federal Government of Nigeria announced new price regime for Premium Motor Spirit (PMS) on 11 May 2016, allowing any entity to import PMS into the Country and sourcing foreign exchange from secondary sources. This development may put an end to the subsidy regime of PMS in the country. However, the Company received N11.3 billion from the Petroleum Products Pricing Regulatory Agency (PPPRA) between January 2016 and April 2016 as part of the outstanding subsidy receivable from the Federal Government.

The Company made additional advance of N17.36 billion ($103.6million) (2014: N13.85billion ($70.5million) to Synopsis Enterprises Limited, a related Company, subsequent to the year end. The terms and conditions of the advance had not been agreed as at the date of signing these financial statements.

There are no other post balance sheet events that could have had any material effect on the state of affairs of the Company at 31 December 2015 and on the total comprehensive income for the year ended on that date that have not been taken into account in these financial statements.

37. Information on directors and employees

37.1 Employment costs:

	2015 N'000	2014 N'000
Employment cost including directors' salaries and wages, staff training and benefit scheme	2,180,226	2,199,688

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

	2015 Number	2014 Number
Up to 1,000,000	14	15
N1,000,001 - N2,000,000	26	32
N2,000,001 - N3,000,000	35	70
N3,000,001 - N4,000,000	33	36
N4,000,001 - N5,000,000	21	22
N5,000,001 - Above	73	78
	202	**253**

37.3 Average number of employees during the year:

Managerial staff	22	23
Senior staff	163	212
Junior staff	17	18
	202	**253**

37.4 Directors' emoluments:

	2015 N'000	2014 N'000
Emoluments of the chairman	-	-
Directors' fees	500	600
Emoluments of executives	44,520	50,003
	45,020	**50,603**

37.5 The emoluments of the highest paid Director were N24million (2014: N24million)

	2015 Number	2014 Number
37.6 Directors receiving no emolument	6	6

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

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

STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 ₦'000	%	2014 ₦'000	%
Revenue	82,919,220		128,352,674	
Other operating income	2,718,438		173,437	
Other gains and losses	2,533,281		761,178	
	88,170,939		129,287,289	
Bought in materials and services:				
Imported	(24,413,284)		(88,695,981)	
Local	(53,617,862)		(34,099,108)	
Value added	**10,139,793**	**100**	**6,492,200**	**100**
Applied as follows:				
To pay employees' salaries, wages, and social benefits:				
Employment cost including Directors salaries and wages, staff training and benefit scheme	2,180,226	22	2,199,688	34
To pay providers of capital:				
Interest payable and similar charges	3,757,508	37	2,307,767	36
To pay government:				
Taxation	1,140,840	11	697,753	10
To provide for maintenance and development				
Depreciation	1,389,329	14	1,471,286	23
Deferred tax	(635,668)	(6)	(1,018,715)	(16)
Retained earnings	2,307,558	23	834,421	13
Value added	**10,139,793**	**100**	**6,492,200**	**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.

Statement of financial position

	2015	2014	2013	2012	2011
Assets	N'000	N'000	N'000	N'000	N'000
Property, plant and equipment	3,169,460	3,927,386	4,833,632	6,393,790	7,319,303
Other non-current assets	568,598	632,117	837,588	754,915	818,097
Other financial assets	10	10	10	10	10
Total current assets	63,654,309	81,368,139	76,700,796	75,947,260	53,717,905
Deferred tax assets	1,994,988	665,805	-	-	-
Total assets	**69,387,365**	**86,593,457**	**82,372,026**	**83,095,975**	**61,855,315**
Liabilities					
Total current liabilities	50,444,300	69,966,552	63,457,616	65,117,277	42,862,554
Non-current liabilities	539,897	530,858	524,066	943,491	903,484
Deferred tax liabilities	693,515	-	352,910	1,373,912	1,408,083
Total liabilities	**51,677,712**	**70,497,410**	**64,334,592**	**67,434,680**	**45,174,121**
Equity					
Share capital	346,976	346,976	346,976	346,976	346,976
Share premium	3,824,770	3,824,770	3,824,770	3,824,770	3,824,770
Retained earnings	13,537,907	11,924,301	13,865,688	11,489,549	12,509,448
Total equity	**17,709,653**	**16,096,047**	**18,037,434**	**15,661,295**	**16,681,194**
Equity and liabilities	**69,387,365**	**86,593,457**	**82,372,026**	**83,095,975**	**61,855,315**
Revenue and profit					
Revenue	82,919,220	128,352,674	159,537,133	149,993,261	157,512,072
Profit before taxation	3,448,398	1,532,174	4,575,824	1,148,819	4,382,357
Taxation	(1,140,840)	(697,753)	(1,505,733)	(433,838)	(1,385,043)
Profit after taxation	2,307,559	834,421	3,070,091	714,981	2,997,314
Profit for the year retained	**2,307,558**	**834,421**	**3,070,091**	**714,981**	**2,997,314**
Earnings per share (Kobo)	333	120	442	103	432
Dividend per share (Kobo)	300	100	400	100	250
Net Asset per share (Kobo)	2,552	2,319	2,599	2,257	2,404

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.