TOTAL NIGERIA PLC

UNAUDITED FINANCIAL STATEMENTS -- 30 SEPTEMBER 2016

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TOTAL NIGERIA PLC

RESULTS AT A GLANCE
FOR THE PERIOD ENDED 30 SEPTEMBER

	30 September 2016	30 September 2015 Restated	Change
	₦'000	**₦'000**	**%**
Revenue	220,216,736	159,299,273	38
Profit before taxation	17,004,235	4,946,748	244
Profit after taxation	11,632,334	2,770,177	320
Share capital	169,761	169,761	-
Shareholders' funds	22,781,988	16,242,481	40
Total dividend	**3,395,218**	**679,044**	
Interim dividend - paid	1,018,565		
Interim dividend - proposed	2,376,652	679,044	
Final dividend - proposed			

	30 September 2016	30 September 2015 Restated	Change
PER SHARE DATA:			**%**
Based on 339,521,837 ordinary shares of 50 kobo each:			
Earnings per 50 kobo share (Naira) - basic	34.26	8.16	320
Stock exchange quotation (Naira)	295.00	150.00	97

Number of staff	487	479	2

At the Board of Directors meeting of 25 October 2016 an interim dividend (₦7.00 per share) was proposed for the period ended 30 September 2016

See Note 30.3

TOTAL NIGERIA PLC

STATEMENT OF FINANCIAL POSITION
AS AT

	Note	30 September 2016 ₦'000	31 December 2015 ₦'000
Non-current assets			
Property, plant and equipment	16	23,399,435	23,091,142
Intangible assets	15	82,512	132,610
Other receivables	18.1	1,097,919	559,960
Prepayments	19	3,102,322	3,743,473
Total non-current assets		**27,682,188**	**27,527,185**
Current Assets			
Inventories	17	41,497,000	17,391,520
Trade and other receivables	18	24,718,085	24,630,820
Prepayments	19	565,333	601,653
Cash and bank balances	23	22,140,714	13,502,377
Total current assets		**88,921,132**	**56,126,370**
Total assets		**116,603,320**	**83,653,555**
Equity			
Share capital	22	169,761	169,761
Retained earnings		22,612,227	16,072,720
Total Equity		**22,781,988**	**16,242,481**
Non-current liabilities			
Deferred tax liabilities	11.3	2,457,750	3,222,517
Deferred income	21.3	13,200	18,000
Employee benefits	12	206,694	220,618
Total non-current liabilities		**2,677,644**	**3,461,135**
Current liabilities			
Trade and other payables	21	83,724,219	48,260,504
Deferred income	21.2	149,962	227,147
Current tax liabilities	11.2	5,626,494	1,874,904
Borrowings	20	1,643,013	13,587,384
Total current liabilities		**91,143,688**	**63,949,939**
Total liabilities		**93,821,332**	**67,411,074**
Total equity and liabilities		**116,603,320**	**83,653,555**

See Note 30.3

These financial statements were approved by the Board of Directors of the Company on 25 October 2016 and signed on behalf of the Board by:

Wilfried J.Y. Konde - Executive Director (Finance and Development)

Rufa'i Sirajo - Director
FRC/2013/NSE/00000001547

Additionally certified by:

Bassey Okon- Head of Finance
FRC/2015/ICAN/00000011585

The notes on pages 6 to 42 form an integral part of these financial statements.

TOTAL NIGERIA PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER

	Note	30 September 2016	30 September 2015 Restated*
		₦'000	**₦'000**
Revenue	6	220,216,736	159,299,273
Cost of sales	10	(188,205,070)	(140,614,204)
Gross profit		**32,011,666**	**18,685,069**
Other income	9	814,615	807,267
Selling & distribution costs	10	(3,961,759)	(3,432,479)
Administrative expenses	10	(11,627,924)	(12,004,988)
Operating profit		**17,236,598**	**4,054,869**
Finance income	8	277,128	2,141,776
Finance costs	8	(509,491)	(1,249,897)
Net finance income/(costs)		**(232,363)**	**891,879**
Profit before tax		**17,004,235**	**4,946,748**
Income tax expense	11	(5,371,901)	(2,176,571)
Profit for the period		**11,632,334**	**2,770,177**
Other comprehensive income		-	-
Total comprehensive income for the year		**11,632,334**	**2,770,177**
Earnings per share			
Basic earnings per share	14	34.26	8.16

***See Note 30.3**

The notes on pages 6 to 42 form an integral part of these financial statements.

TOTAL NIGERIA PLC

STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2016

	Notes	Share capital ₦'000	Retained earnings ₦'000	Total equity ₦'000
Balance at 1 January 2016		169,761	16,072,720	16,242,481
Total comprehensive income for the period		-	11,632,334	11,632,334
Transactions with owners of the Company:				
Final dividend	13	-	(4,074,261)	(4,074,261)
Interim dividend	13	-	(1,018,565)	(1,018,565)
Total transactions with owners of the Company		-	(5,092,827)	(5,092,827)
Balance at 30 September 2016		**169,761**	**22,612,227**	**22,781,988**

For the year ended 31 December 2015

	Notes	Share capital ₦'000	Retained earnings ₦'000	Total equity ₦'000
Balance as at 1 January 2015		169,761	15,760,409	15,930,170
Total comprehensive income for the year		-	4,047,051	4,047,051
Transactions with owners of the Company:				
Final dividend	13	-	(3,055,696)	(3,055,696)
Interim dividend	13	-	(679,044)	(679,044)
Total transactions with owners of the Company		-	(3,734,740)	(3,734,740)
Balance at 31 December 2015		**169,761**	**16,072,720**	**16,242,481**

The notes on pages 6 to 42 form an integral part of these financial statements.

TOTAL NIGERIA PLC

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER

	Note	30 September 2016 ₦'000	31 December 2015 ₦'000
Profit for the period		11,632,334	4,047,051
Adjustments for:			
Depreciation	16	2,376,401	2,997,670
Amortisation	15	50,098	66,732
Provision for employee benefits		(13,924)	9,531
Gains on sale of PPE	9	(32,357)	(37,505)
Net foreign exchange gain	9	(5,789)	(20,135)
Net finance (income)/costs	8	232,363	(240,383)
Tax expense	11.1.1	5,371,901	2,448,339
Total Adjustments		7,978,693	5,224,249
Changes in:			
- Inventories		(24,105,480)	2,435,243
- Trade and other receivables		187,401	11,332,081
- Prepayments		139,512	(1,564,014)
- Trade and other payables		27,339,944	(10,579,687)
- Deferred income		(81,985)	201,471
Cash generated from operating activities		**23,090,418**	**11,096,394**
Forex differential and interest claim on PSF			1,716,896
Tax paid		(2,385,080)	(2,164,002)
Net cash generated from operating activities		**20,705,338**	**10,649,288**
Cash flows from investing activities			
Purchase of property, plant and equipment	16	(2,695,017)	(4,209,384)
Purchase of intangible assets	15	-	(27,434)
Interest on deposits and advances	8	181,804	158,366
Interest on bank	8	95,324	155,721
Proceeds from disposal of property, plant and equipment		261,507	72,926
Net cash used in investing activities		**(2,156,382)**	**(3,849,805)**
Cash flow from financing activities			
Interest paid	8	(509,491)	(1,790,600)
Trade finance loan	20	1,643,013	3,010,435
Dividends paid	13.1	(4,930,197)	(3,436,950)
Net cash used in financing activities		**(3,796,675)**	**(2,217,115)**
Net increase in cash and cash equivalents		**14,752,281**	**4,582,369**
Cash and cash equivalents at 1 January		2,925,428	(1,214,481)
Effect of movement in exchange rates on cash held		4,463,005	(442,460)
Cash and cash equivalents as at 30 September	23	**22,140,714**	**2,925,428**

The notes on pages 6 to 42 form an integral part of these financial statements.

TOTAL NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

1 The Company

Legal form:

The Company was incorporated as a private limited liability company in 1956 and was converted to a public company in 1978. The merger of the Company with Elf Oil Nigeria Limited which commenced globally in November 1999 was completed in Nigeria in 2002. With this development, the authorised, issued and fully paid share capital was ₦148,541,000 made up of 297,082,000 ordinary shares of 50k each. In 2003, to mark the completion of its corporate mergers, Total Group worldwide reverted to its former name Total and adopted a new logo with a unifying design to express its corporate ambition.

Accordingly, the Company changed its name from TotalFinaElf Nigeria Plc to Total Nigeria Plc in the same year. With the capitalisation of the bonus issue of 42,440,228 ordinary shares of 50k each in March 2004, the authorised share capital became ₦169,760,918 made up of 339,521,837 ordinary shares of 50k each. 61.72% of the Company's ordinary shares were held by Total Societe Anonyme up until 2013 when a restructuring was concluded and Total Raffinage Marketing became the shareholders of 61.72% of Total Nigeria Plc while the remaining 38.28% are held by some members of the general public.

	30 September 2016		31 December 2015	
	Number	**Holdings**	**Number**	**Holdings**
	'000	**%**	**'000**	**%**
Total Raffinage Marketing	209,560	61.72	209,560	61.72
Other shareholders	129,962	38.28	129,962	38.28
	339,522	**100.00**	**339,522**	**100.00**

No shareholder, except as disclosed above, held more than 10% of the issued share capital of the Company as at 30 September 2016 (2015: Nil).

Principal activities

The principal activity of the Company is the blending of lubricants as well as the sales and marketing of refined petroleum products.

Description of business

Total Nigeria Plc. ("the Company") is a subsidiary of Total Raffinage Marketing ("the Parent Company") in France and operates in the petroleum marketing and distribution business in Nigeria. The Company's registered office is situated at:

No. 4, Churchgate street
Victoria Island
Lagos state

TOTAL NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

2.0 Basis of preparation

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in conformity with the Financial Reporting Council of Nigeria Act and the Companies and Allied Matters Act. They were approved by the Board of Directors on 25 October 2016.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the provision for long service award which has been measured at the present value of the obligation (Note 12).

2.3 Functional and presentation currency

These financial statements are presented in Nigerian Naira, which is the Company's functional currency. All financial information presented in Nigerian Naira have been rounded to the nearest thousand unless otherwise stated.

2.4 Financial period

These financial statements cover the financial period from 01 January to 30 September 2016, with corresponding figures for the financial period from 01 January to 30 September 2015, and where appropriate from 01 January to 31 December 2015.

2.5 Going Concern

These financial statements have been prepared on a going concern basis.

2.6 Use of estimates and judgments

In preparing these financial statements, the directors have made certain judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(i) *Judgement*

Information about judgements made in applying accounting policies that have the most significant effects on amounts recognised in the financial statements is included in Note 23 with respect to cash balances held with Total Treasury.

(ii) *Assumptions and estimation uncertainties*

The directors have made certain decisions about assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in Note 12 of the financial statements as employee benefits - measurment of the Company's Long Service Award (LSA) scheme. These relate to the discount rate, mortality and inflation rate applied in the computation of the Company's liabilities.

3 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2017, and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated.

Effective for the financial year commencing 1 January 2018

- IFRS 15 *Revenue from Contracts with Customers*

Effective for the financial year commencing 1 January 2018

- IFRS 9 *Financial Instruments*

IFRS 14 Regulatory Deferral Accounts, Clarification of acceptable methods of depreciation and amortisation (Amendments to IAS 16 and IAS 38), Accounting for acquisitions of interests in joint operations (Amendments to IFRS 11), Equity Method in Separate Financial Statements (Amendments to IAS 27), Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Associates and Joint Ventures: Asset Transactions - Amendments to IFRS 10 and IAS 28), Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28), Agriculture: Bearer plants (Amendments to IAS 16 and IAS 41) are not applicable to the business of the Company and will therefore have no impact on future financial statements.

The directors are of the opinion that the impact of the application of the remaining Standards and Interpretations will be as follows:

NOTES TO THE FINANCIAL STATEMENTS

Standard/Interpretation not yet effective as at 30 September 2016		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 recognising 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 may not significantly impact the company on the basis that the considerations to be made will largely impact entities with long term contracts. The Company is yet to carry-out an assessment to determine the impact that the initial application of IFRS 15 could have on its business; as it cannot be established at this stage. However, the Company will adopt the standard for the year ending 31 December 2018.

Standard/Interpretation not yet effective as at 30 September 2016		Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
IFRS 9	*Financial Instruments*	July 2014	1 January 2018 Early adoption is permitted	On 24 July 2014, 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* . IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Company is yet to carry-out an assessment to determine the impact that the initial application of IFRS 9 could have on its business. However, the Company will adopt the standard for the year ending 31 December 2018.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Foreign currency transactions

Transactions denominated in foreign currencies are translated at the exchange rate on the transaction date. At each reporting date, monetary assets and liabilities are translated at the closing rate and the resulting exchange differences are recognised in profit or loss on a net basis as "Other income" (net exchange gain) or "Other expenses" (net exchange loss).

4.2 Revenue

Revenue is measured at the fair value of consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. It also excludes Value Added Tax.

(i) Sale of goods

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

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

(ii) Other income

The Company recognises income from commission on sales at its *bonjour* shops as well as the rental of some of its space for mast kiosks. The period of occupancy is the basis upon which rental income is recognised. Rental income is recognised in profit or loss on a straight line basis over the term of the lease.

4.3 Finance income and finance costs

The Company's finance income comprises interest income on funds invested and advances to employees as well as reimbursement of any foreign exchange loss and/or interest from Petroleum Product Pricing Regulatory Agency (PPPRA). Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Reimbursements of foreign exchange loss and/or interest from PPPRA are classified under Operating Activities in the Statement of Cash Flows while interest income on funds invested are classified under investing activities.

Finance costs comprises interest expense on borrowings and unwinding of discount on provisions. Interest expense are recognised in profit or loss using the effective interest method.

4.4 Income taxes

Income taxes disclosed in the statement of profit or loss and other comprehensive income include current tax expenses and deferred tax expenses.

Current Taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates statutorily or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The Company offsets the tax assets arising from withholding tax credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set-off the recognised amounts, and it intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would not be realised.

Deferred Tax

Deferred tax is recognised on temporary 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. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Future taxable profits are determined based on business plans for the Company as approved by the Board of Directors.

Deferred tax assets and liabilities are not recognised if the temporary difference arise from 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.

Total Nigeria Plc uses the liability method whereby deferred income taxes are recorded based on deductible/taxable temporary differences between the carrying amounts of assets and liabilities recorded in the statement of financial position and their tax bases, carry forwards of unused tax losses and unused tax credits.

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. Such reductions are reversed when the probability of future taxable profits improves.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in the statement of profit or loss and other comprehensive income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4.5 Earnings per share (EPS)

i *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

ii *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of Basic earnings per share to take into account:

- the after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares and,
- the weighted average number of additional shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

4.6 Property plant and equipment

i Recognition and measurement

Property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment under construction are disclosed as work in progress. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use including, where applicable, the cost of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

ii Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

iii Depreciation

Depreciation methods, useful lives and residual values are reviewed each financial year end and adjusted if appropriate.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Property, plant and equipment are depreciated to their residual values using the straight-line method over their useful lives for current and comparative periods as follows:

Type of asset	Useful lives
· Furniture, office equipment, computer equipments, machinery and tools	3 - 12 years
· Transportation equipment	5 - 20 years
· Storage tanks and related equipment	10 - 15 years
· Buildings	10 - 25 years
· Specialised complex installations and pipelines	10 - 30 years

Work in progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

4.7 Intangible assets

i Recognition and measurement

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets are computer software and software licenses with an estimated useful life of between 3 to 5 years. These are capitalised on the basis of acquisition costs as well as costs incurred to bring the assets to use.

ii Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific intangible asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

iii Amortisation of intangible assets

Amortisation is calculated on the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Amortisation methods, useful lives and residual values are reviewed each financial year end and adjusted if appropriate.

Development expenses are capitalised when the following can be demonstrated:
• The technical feasibility of the project and availability of adequate resources for completion of the asset.
• The ability of the asset to generate probable future economic benefits.
• The ability to measure reliably the expenditures attributable to the asset.

Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.
Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives, and is generally recognised in the profit or loss.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4.8 Technical assistance and management fees

Total Raffinage Marketing charges Total Nigeria Plc for General Assistance recorded and Total Outre Mer charges Total Nigeria Plc for Research & Development costs. The expenses are generally charged to profit or loss when the Company obtains approval from NOTAP with respect to these transactions.

4.9 Dividend

An accrual is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

4.10 Impairment

Non-derivative financial assets

Financial assets not classified at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes;

- Default or delinquency by a debtor
- Restructuring of an amount due to the Company on terms that the Company would not consider otherwise
- Indications that a debtor or issuer will enter bankruptcy
- Adverse changes in the payment status of the debtors
- Observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets

Financial assets measured at amortised cost

The Company considers evidence of impairment for these assets at both an individual asset and collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on timing of recoveries and the amount of loss incurred, and makes adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Non financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash flows from continuing use that are largely independent of the cash flows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.11 Financial instruments

i Non-derivative financial assets

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss, if any) are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risk and reward of ownership and does not retain control over the transfered asset. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company has only cash and cash equivalents as well as loans and receivables as non-derivative financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Short term receivables that do not attract interest are measured at original invoice amount where the effect of discounting is not material.

Loans and receivables comprise trade receivables, other receivables and employee loans.

ii Non-derivative financial liabilities

All financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company has the following non-derivative financial liabilities: borrowings, trade and other payables.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.12 Share capital

The Company has only one class of shares namely ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity.

4.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash balances with banks and Total Treasury as well as call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows. Bank overdrafts are shown within borrowings in current liabilities on the statement of finanancial position.

4.14 Statement of cash flows

The statement of cash flows is prepared using the indirect method. Dividends paid to ordinary shareholders are included in financing activities. Interest paid is also included in financing activities while interest received is included in investing activities. Forex differential and interest claim on PSF are included in operating activities.

4.15 Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less estimated cost to make the sale. The cost of blended products/lubricants includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Inventory values are adjusted for obsolete, slow-moving or defective items.

The basis of costing inventories are as follows:

Product Type	Cost Basis
Refined Petroleum Products (AGO, ATK, PMS, DPK, LPFO, LPG)	Weighted Average of all costs (WAC) incurred (for deregulated products adjusted by the value of subsidies due to/from PPPRA)
Packaging Materials, Lubricants, Greases, Special fuids and Car care	Weighted Average Cost
Inventories-in-transit	Purchase cost incurred to date

4.16 Provisions

Provisions comprise liabilities for which the amount and the timing are uncertain. They arise from environmental risks, legal and tax risks, litigation and other risks. A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event for which it is probable that an outflow of resources will be required and when a reliable estimate can be made regarding the amount of the obligation. Provisions are determined by discounting the expected future cash flow at a pre-tax rate that reflects current market assessment of the value and the risk specific to the liability. The unwinding of the discount is recognised in profit or loss as a finance cost.

4.17 Employee benefits

i Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Company 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 periods.

In line with the provisions of the Pension Reform Act 2014, the Company has instituted a defined contribution pension scheme for its permanent staff. Employees contribute 8% each of their Basic salary, Transport and Housing Allowances to the Fund on a monthly basis. The Company's contribution is 10% of each employee's Basic salary, Transport and Housing Allowances. Staff contributions to the scheme are funded through payroll deductions while the Company's contribution is recognised in profit or loss as staff costs in the periods during which services are rendered by employees.

Gratuity scheme

The Company operates a gratuity scheme for its employees in service before January 2001. This is funded by the Company monthly, at a rate of contribution of 9.5% of total annual emolument and paid to Fund Managers chosen by each employee.

The Company's obligation are extinguished once the amounts have been transferred to the Fund Managers.

ii Other long-term employee benefits

The Company's other long-term employee benefits represents a Long Service Award scheme instituted for all permanent employees. The Company's obligations in respect of this scheme is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Federal Government of Nigeria issued bonds that have maturity dates approximating the term of the Company's obligation. The calculation is performed using the Projected Unit Credit method. Remeasurements are recognised in profit or loss in the period in which they arise. This Scheme is not funded. The obligations are paid out of the Company's cash flows as and when due.

iii Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

iv Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

4.18 Government grant

Petroleum Products Pricing Regulatory Agency (PPPRA) subsidises the cost of importation of certain refined petroleum products whose prices are regulated in the Nigerian market. The subsidies are recognised when there is reasonable assurance that they will be recovered and the Company has complied with the conditions attached to receiving the subsidy. The subsidies are recognised in profit or loss as a reduction to the landing cost of the subsidised petroleum product.

4.19 Leases

Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Company seperates payment and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

If the Company concludes for a finance lease that is impracticable to separate the payment reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

Leased assets

Assets held by the Company under leases that transfer to the Company substantially all of the risk and reward of ownership are classified as finance lease. The leased assets are measured initially at an amount equal to the lower of the fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.
Any other type of lease is an operating lease, and is not recognised in the statement of financial position.

Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

4.20 Measurement of fair values

Some of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Executive Director, Finance & Development (EDFD) has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Board of Directors.

The EDFD regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the EDFD assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Audit Committee and the Board of Directors.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.
The Board has given the Company's Chief Executive Officer the power to assess the financial performance and position of the Company, allocate resources and make strategic decisions. Segment reports that are reported to the CEO includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Products and services from which reportable segments derive their revenues

Information reported to the Company's Chief Executive for the purposes of resource allocation and assessment of segment performance is focused on the sales channels for the company's products (petroleum products, lubricants and others). The principal sales channels are Network, General Trade and Aviation. The Company's reportable segments under IFRS 8 are therefore as follows: Network, General Trade and Aviation.

The following summary describes the operations of each reportable segment.

Reportable Segment	**Operations**
Network	Sales to service stations
General Trade	Sales to corporate customers excluding customers in the aviation industry
Aviation	Sales to customers in the aviation industry

Segment revenue reported below represents revenue generated from external customers. There were no inter-segment sales in the current period (2015: Nil). Performance is measured based on segment

5.1 **Segment profit or loss (key items)**

30 September 2016

		NETWORK		GENERAL TRADE		AVIATION		TOTAL
		₦'000		₦'000		₦'000		₦'000
Revenue	74%	162,563,222	16%	35,056,819	10%	22,596,694	100%	220,216,736
Gross profit	84%	27,011,600	17%	5,379,138	-1%	(379,073)	100%	32,011,666
Finance income	74%	205,752	20%	55,292	6%	16,084	100%	277,128
Finance cost	76%	(386,080)	23%	(117,413)	1%	(5,997)	100%	(509,491)
Depreciation and amortisation	83%	(1,990,916)	12%	(295,885)	5%	(109,074)	100%	(2,395,876)

30 September 2015

		NETWORK		GENERAL TRADE		AVIATION		TOTAL
		₦'000		₦'000		₦'000		₦'000
Revenue	71%	113,213,904	18%	28,711,813	11%	17,373,556	100%	159,299,273
Gross profit	79%	14,709,194	19%	3,625,994	2%	349,881	100%	18,685,069
Finance income	89%	1,900,087	11%	227,297	1%	14,391	100%	2,141,776
Finance cost	76%	(947,143)	22%	(279,613)	2%	(23,142)	100%	(1,249,898)
Depreciation	84%	(1,952,045)	13%	(296,074)	4%	(87,848)	100%	(2,335,967)

NOTES TO THE FINANCIAL STATEMENTS

5.2 Segment assets and liabilities

30 September 2016

		NETWORK ₦'000		GENERAL TRADE ₦'000		AVIATION ₦'000		TOTAL ₦'000
Non-current assets	84%	23,265,229	12%	3,183,786	4%	1,233,173	100%	27,682,188
Inventories	29%	12,025,549	9%	3,686,809	62%	25,784,642	100%	41,497,000
Receivables and prepayments	70%	17,749,140	22%	5,485,278	8%	2,049,000	100%	25,283,418
Cash and cash equivalents[1]	74%	16,344,197	16%	3,524,632	10%	2,271,885	100%	22,140,714
ASSETS	**60%**	**69,384,115**	**14%**	**15,880,504**	**27%**	**31,338,700**	**100%**	**116,603,320**
Addition to non-current assets	84%	130,270	12%	17,827	4%	6,905	100%	155,003
Payables, deferred income and current tax liabilities	88%	78,346,443	8%	7,405,133	4%	3,749,099	100%	89,500,675
Borrowings[1]	74%	1,212,866	16%	261,555	10%	168,591	100%	1,643,013
Non-current liabilities	90%	2,409,879	9%	229,638	1%	38,127	100%	2,677,644
LIABILITIES	**87%**	**81,969,188**	**8%**	**7,896,326**	**4%**	**3,955,817**	**100%**	**93,821,332**

31 December 2015

		NETWORK ₦'000		GENERAL TRADE ₦'000		AVIATION ₦'000		TOTAL ₦'000
Non current assets	84%	23,134,958	12%	3,165,959	4%	1,226,268	100%	27,527,185
Inventories	69%	12,025,549	21%	3,686,809	10%	1,679,162	100%	17,391,520
Receivables and prepayments	70%	17,713,376	22%	5,474,226	8%	2,044,871	100%	25,232,473
Cash and cash equivalents[1]	73%	9,857,628	17%	2,340,342	10%	1,304,407	100%	13,502,377
ASSETS	**75%**	**62,731,511**	**18%**	**14,667,335**	**7%**	**6,254,708**	**100%**	**83,653,555**
Addition to non-current assets	84%	1,973,641	12%	270,088	4%	104,613	100%	2,348,343
Payables, deferred income and current tax liabilities	88%	44,086,003	8%	4,166,912	4%	2,109,640	100%	50,362,555
Borrowings[1]	73%	9,919,689	17%	2,355,077	10%	1,312,618	100%	13,587,384
Non-current liabilities	90%	3,115,021	9%	296,831	1%	49,283.00	100%	3,461,135
LIABILITIES	**85%**	**57,120,713**	**10%**	**6,818,820**	**5%**	**3,471,541**	**100%**	**67,411,074**

[1]For the purpose of monitoring segment performance and allocating resouces between segments, cash and borrowings are allocated to reportable segments on the basis of the revenues earned by individual segments.

TOTAL NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

6 Revenue

An analysis of the Company's revenue is as follows:

	30 September 2016	30 September 2015
	₦'000	₦'000
Petroleum products	191,774,801	140,098,365
Lubricants and others	28,441,935	19,200,907
	220,216,736	159,299,273

7 Auditor's remuneration

The analysis of auditors' remuneration is as follows:

	30 September 2016	30 September 2015
	₦'000	₦'000
Statutory audit fees	17,082	16,085
Total audit fees	17,082	16,085
Other non-audit services	1,255	-
Total fees	18,337	16,085

7.1 Consultancy Fees

	30 September 2016	30 September 2015
	₦'000	₦'000
- Tax services	88,119	100,131
- Information technology services	282,011	196,860
- Litigation services	34,560	10,768
- Recruitment and remuneration services	7,552	2,715
- Other services	11,442	54,199
	423,684	364,673

8 Finance income/ (cost)

	30 September 2016	30 September 2015
Finance income:	₦'000	₦'000
Interest on loans and receivables	181,804	110,543
Interest on deposits	95,324	2,031,233
Total finance income	277,128	2,141,776
Finance costs		
Interest on bank overdrafts and loans	(509,491)	(1,249,897)
Total finance costs	(509,491)	(1,249,897)
Net finance income/(costs)	(232,363)	891,879

NOTES TO THE FINANCIAL STATEMENTS

		30 September 2016	30 September 2015
		₦'000	₦'000
9	**Other income**		
	Network income[1]	774,045	719,167
	Other sundry income[2]	2,424	45,526
	Gain / (loss) on sales of property, plant and equipment	32,357	32,112
	Net foreign exchange gain / (loss)	5,789	10,462
		814,615	807,267

[1]Network income represents income from Bonjour shop, rent, vendor management fees and other miscellaneous income.

[2]Other sundry income relates to royalties received

		30 September 2016	30 September 2015 Restated*
10	**Expenses by nature**	₦'000	₦'000
	Changes in inventory of lubes, greases and refined products	184,868,687	138,247,379
	Custom duties	1,127,132	958,480
	Transport of supplies	2,209,251	1,408,345
	Transportation of products	3,961,759	3,432,479
	Staff costs (Note 31(iii))	5,769,324	5,518,172
	Depreciation[1] (Note 16)	2,345,779	2,286,711
	Amortisation of software (Note 15)	50,097	49,256
	Rent	430,443	344,564
	Maintenance expenses	745,222	692,910
	Motor fuels and travelling expenses	539,898	473,332
	Communication, computer and stationery expenses	225,380	273,358
	Bank charges	67,967	155,814
	Business promotion and publicity	264,391	342,051
	Other expenses	22,555	270,099
	Security & guarding	197,764	227,005
	Impairment allowance	(130,826)	353,763
	Fees paid to professional consultants	127,509	180,323
	Consultancy fees (Note 7.1)	423,684	364,673
	Rental services	132,037	98,056
	Purchase of consumables	56,551	21,641
	Insurance	91,098	86,438
	Service charge	46,673	43,299
	Levies	137,388	70,402
	Entertainment expenses	35,577	76,719
	Engineering studies	26,147	42,197
	De-pollution and environment	4,928	18,120
	Auditor's fees	18,337	16,085
	Total cost of sales, selling & distribution costs and administrative expenses	203,794,753	156,051,671

[1] Amount excludes depreciation of prodcution cost centres ₦30M (September2015: ₦13M)

11 Income tax

Income tax expense

The tax charge for the period has been computed after adjusting for certain items of expenditure and income, which are not deductible or chargeable for tax purposes and comprises:

11.1.1 Amounts recognised in profit or loss

	30 September 2016	30 September 2015 Restated*
	₦'000	₦'000
Current tax expenses:		
Income tax	5,705,073	1,744,021
Education tax	431,597	161,513
Capital gains tax	-	-
Current year tax expense	6,136,669	1,905,534
Deferred tax		
Origination and reversal of temporary differences (Note 11.3)	(764,768)	271,037
Tax expense	5,371,901	2,176,571

11.1.2 Reconciliation of effective tax rate

	30 September 2016	30 September 2015 Restated*
	₦'000	₦'000
Profit before tax	**17,004,235**	**4,946,748**
Income tax using the statutory tax rate (30%)	5,101,271	1,484,024
Effect of:		
Education tax	431,597	161,513
Capital gains tax	-	
Non-deductible expenses	34,648	1,326,270
Tax incentives	(38,723)	(1,079,927)
Recognition of tax effect of previously unrecognised taxable income	-	-
Recognition of previously unrecognised temporary differences		271,037
Others	(156,891)	13,654
	5,371,903	**2,176,570**

11.2 Movement in current tax liability

	30 September 2016	31 December 2015
	₦'000	₦'000
Balance as at 1 January	1,874,904	2,045,508
Net provision for the period (Note 11.1.1)	6,136,669	1,993,398
Payments during the period	(2,168,946)	(1,683,717)
Withholding tax credit notes	(216,134)	(480,285)
Balance as at 30 September	**5,626,494**	**1,874,904**

TOTAL NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

11.3 Deferred taxation

Deferred tax assets and liabilities are attributable to the following;

	Assets		Liabilities		Net	
	September	December	September	December	September	December
	2,016	2015	2016	2015	2016	2015
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Property, plant and equipment	-	-	(3,097,609)	(3,365,814)	(3,097,609)	(3,365,814)
Provision for doubtful debts	-	93,101	(33,578)	-	(33,578)	93,101
Provision for employee benefits	-	2,860	-	-	-	2,860
Provision for inventory	-	25,870	(8,286)	-	(8,286)	25,870
Unrealised exchange differences	681,724	21,466	-	-	681,723	21,466
	681,724	143,297	(3,139,473)	(3,365,814)	(2,457,750)	(3,222,517)

Movement in deferred tax balances during the period;

	Balance 1 January 2015	Recognised in profit or loss	Balance 31 December 2015	Recognised in profit or loss	Balance 30 September 2016
	₦'000	₦'000	₦'000	₦'000	₦'000
Property, plant and equipment	(3,244,839)	(120,975)	(3,365,814)	268,205	(3,097,609)
Provision for doubtful debts	418,307	(325,206)	93,101	(126,679)	(33,578)
Provision for employee benefits	63,326	(60,466)	2,860	(2,860)	-
Provision for inventory	9,561	16,309	25,870	(34,155)	(8,285)
Unrealised exchange difference	(13,931)	35,397	21,466	660,256	681,722
	(2,767,576)	(454,941)	(3,222,517)	764,768	(2,457,750)

11.4 The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act CAP C21 LFN 2004 (as amended) and the tertiary education tax charge is based on the Tertiary Education Trust Fund Act, 2011. There are no unrecognised deferred tax assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS

12.0 Employee benefits

Employee benefits represents the Company's liability for long service awards. Staff who have attained the milestones for the specified number of years of service in the Company (i.e. 10 years, 15 years and 20 years) are rewarded with cash and gift items as long service awards.

13 Dividends

Declared dividends

The following dividends were declared by the Company during the period.

	30 September 2016	31 December 2015
	₦'000	**₦'000**
Prior year final dividend:		
₦12.00 per qualifying ordinary share (2014: ₦9.00)	4,074,261	3,055,696
Current year interim dividend:		
₦3.00 per qualifying ordinary share (2015: ₦2.00)	1,018,565	679,044
	5,092,827	**3,734,740**

13.1 Dividend payable

	30 September 2016	31 December 2015
	₦'000	**₦'000**
Balance as at 1 January	1,162,853	1,252,748
Final dividend (prior year)	4,074,261	3,055,696
Interim dividend (current year)	1,018,565	679,044
	6,255,680	4,987,488
Offset against related party balance		(387,685)
Dividend paid	(4,930,197)	(3,436,950)
Balance	1,325,483	1,162,853

14 Earnings per share (EPS) and dividend declared per share

Basic earnings per share

Basic earnings per share of ₦34.26 (September 2015: ₦8.16) is based on profit attributable to ordinary shareholders of ₦11.6billion (September 2015: ₦2.7 Billion), and on the 339,521,837 ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue during the period (September 2015: 339,521,837 ordinary shares).

	30 September 2016	30 September 2015
Earnings		
Profit for the period attributable to shareholders (expressed in Naira)	11,632,334,000	2,770,177,000
Number of shares		
Weighted average ordinary shares of 50 kobo each	339,521,837	339,521,837
Basic earnings per 50 kobo share (expressed in Naira)	34.26	8.16

The denominators for the purposes of calculating basic earnings per share are based on issued and paid ordinary shares of 50 kobo each.

15 Intangible assets

	Computer software
Cost	**₦'000**
Balance as 1 January 2016	375,939
Additions	-
Balance as at 30 September 2016	375,939
Amortisation	
Balance as 1 January 2016	(243,329)
Charge for the period[1]	(50,098)
Balance as at 30 September 2016	(293,427)
Carrying amount	
At 30 September 2016	**82,512**
At 31 December 2015	132,610

[1]Amortization of intangible assets are included in administrative expenses in the Profit or Loss

16 Property, plant and equipment

The movement on these accounts were as follows:

	Leasehold land and buildings	Plant, machinery and fittings	Office equipment and furniture	Computer equipment and other tangible assets	Motor vehicles	Capital work in progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost							
Balance as at 1 January 2016	15,517,498	12,053,383	587,577	8,093,341	1,478,544	4,192,846	41,923,189
Additions	279,012	282,988	3,375	224,562	125,417	1,779,663	2,695,017
Transfers (Note 16.1)	709,389	990,074	9,789	800,455	144,668	(2,654,375)	-
Disposals	(14,036)	(147,831)	(2,782)	(117,954)	(37,301)	-	(319,904)
Balance as at 30 September 2016	16,491,863	13,178,614	597,959	9,000,404	1,711,328	3,318,134	44,298,302
Accumulated depreciation and impairment							
Balance as at 1 January 2016	(4,063,390)	(6,624,643)	(515,694)	(6,703,249)	(925,071)	-	(18,832,047)
Charge for the period	(470,483)	(771,516)	(32,661)	(914,856)	(186,885)	-	(2,376,401)
Eliminated on disposals	13,456	75,244	2,573	188,725	29,583	-	309,581
Balance as at 30 September 2016	(4,520,417)	(7,320,915)	(545,782)	(7,429,380)	(1,082,373)	-	(20,898,867)
Carrying amount							
At 30 September 2016	**11,971,446**	**5,857,699**	**52,177**	**1,571,024**	**628,955**	**3,318,134**	**23,399,435**
At 31 December 2015	11,454,108	5,428,740	71,883	1,390,092	553,473	4,192,846	23,091,142

16.1 Transfers represent additions to other categories of PPE from previous years' work-in-progress as they become completed. Capital work in progress items include construction and other tangible asset awaiting completion.

17 Inventories

Inventories comprise:

	30 September 2016 ₦'000	31 December 2015 ₦'000
Raw materials	3,393,833	1,270,706
Goods in transit	2,470,363	3,848,157
Finished goods	34,756,761	11,924,801
Consumable equipment and spares	876,043	347,856
	41,497,000	**17,391,520**

18 Trade and other receivables

	30 September 2016 ₦'000	31 December 2015 ₦'000
Customers account	13,909,974	9,638,360
Due from related parties (Note 30.2)	377,654	96,932
	14,287,628	**9,735,292**
Other receivables[1]	4,059,410	3,362,739
Bridging claims	5,040,588	4,182,532
Pay As You Earn (PAYE)	4,976	-
Receivable from Petroleum Support Funds	-	6,187,404
Cardinal Stone Registrars (Unclaimed dividends)	1,325,483	1,162,853
	10,430,457	**14,895,528**
	24,718,085	**24,630,820**

[1]Other receivables include deposits made to other suppliers, short term employee loans and receivable from inventory owed by Major Oil Marketers Association of Nigeria (MOMAN).

18.1 Other receivables

Other receivables represents loans granted to Company employees, which are secured by employee retirement benefit obligations.

In the quarter, the carrying amount of employee loans was reclassified from non current prepayment and current prepayment. This reclassification was made to provide a better presentation of the carrying amount of employee receivables in the financial statements as a financial asset.

18.2 As at 30 September 2016, the ageing of trade receivables that were not impaired was as follows:

	30 September 2016 ₦'000	31 December 2015 ₦'000
Neither past due nor impaired	11,918,543	6,254,139
0 - 90 days past due	1,311,321	2,619,594
91 - 180 days past due	847,169	127,786
Above 180 days past due	210,594	733,773
	14,287,628	**9,735,292**

18.3 Ageing of impairments

The Company considers its receivables to be impaired when normal collection methods fail and the receivables are referred to the legal team/collection agents

18.4 Movement in the impairment allowance

	30 September 2016	31 December 2015
	₦'000	₦'000
Balance as at 1 January	1,864,528	1,394,356
Impairment losses recognised	582,646	1,442,325
Amounts written off during the period as uncollectible	-	(3,309)
Amounts recovered during the period	(713,472)	(968,844)
Balance as at 30 September	1,733,702	1,864,528

In determining the recoverability of a receivable, the Company considers changes in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the Company's diverse customer base.

19 Prepayments

Non-current and current prepayments mainly represent long term prepaid network assets, advance payment for rent and insurance expenses.

The long term prepaid network assets relate to amounts paid in advance for leased stations, as well as leased lands on which stations and other Company installations are built.

	30 September 2016	31 December 2015
20 Borrowings	**₦'000**	**₦'000**
Unsecured borrowings at amortised cost		
Bank overdrafts	-	10,576,949
Trade finance loan	1,643,013	3,010,435
Total borrowings	**1,643,013**	**13,587,384**

The principal features of the Company's borrowings are as follows:

- Bank overdrafts are repayable on demand. The average interest rate on bank overdrafts for the period was approximatey 16.1% per annum (September 2015:15.2% per annum). This was determined based on banks' cost of funding plus lenders' mark-up. These overdrafts are neither guaranteed nor is any collateral given on the balances.

  Trade finance loan represents short term borrowings obtained to fund letters of credits for product importation.

- The fair value of current borrowings approximates their carrying amount as at 30 September 2016, as the impact of discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS

21 Trade and other payables

	30 September 2016 ₦'000	31 December 2015 ₦'000
Trade payables :		
Amount due to related companies (Note 30.2)	40,017,605	8,539,857
Trade creditors	4,550,174	5,425,721
Bridging contribution	11,358,375	11,117,993
Payable to Petroleum Support Funds	819,958	-
Other suppliers [1]	6,518,583	2,234,310
	63,264,695	**27,317,881**
Other payables:		
Sundry creditors	6,288,102	3,832,754
Security deposits	5,816,530	5,039,985
Accrued liabilities	6,987,834	10,859,592
Unclaimed dividend (Note 13.1)	1,325,483	1,162,853
Pay As You Earn (PAYE)	-	38,893
Staff pension	38,432	8,220
Staff gratuity	3,143	326
	20,459,524	**20,942,623**
Total trade and other payables	**83,724,219**	**48,260,504**

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs.

Accrued liabilities principally comprise accrual for product bills and other charges for which invoices were not yet received at period end.

The Directors consider that the carrying amount of trade payables as at 30 September 2016 approximates their fair value.

[1]Other suppliers represents accruals made for transport costs related to products.

21.2 Deferred income (current)

	30 September 2016 ₦'000	31 December 2015 ₦'000
Rental services	129,974	212,325
Advance received for solar distribution	19,988	14,822
	149,962	**227,147**

21.3 Deferred income (non current)

	30 September 2016 ₦'000	31 December 2015 ₦'000
Rental services	13,200	18,000
	13,200	**18,000**

The deferred income represents amounts billed or collected in accordance with contractual terms in advance of when the goods are delivered or services rendered. These advance payments primarily relate to the rental income and prepaid revenue for goods and services yet to be rendered. The Company estimates this will be earned as revenue during the subsequent financial years.

22 Share capital

	30 September 2016 ₦'000	31 December 2015 ₦'000
Authorised, Issued and fully paid:		
339,521,837 ordinary shares of 50 kobo each	169,761	169,761

All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

23 Cash and cash equivalents

	30 September 2016 ₦'000	31 December 2015 ₦'000
Bank and cash balances	17,469,246	12,290,843
Cash balances with Total Treasury (Note 30.2)	4,671,467	1,211,534
Cash & cash equivalents in statement of financial position	22,140,714	13,502,377
Bank overdrafts (Note 20)	-	(10,576,949)
Cash & cash equivalents in statement of cash flows	22,140,714	2,925,428

The directors believe that the amounts held with Total Treasury qualify as cash and cash equivalents because they can be withdrawn at any time without penalty.

24 Commitments and contigent liabilities
Financial commitments

The Company did not charge any of its assets to secure liabilities of third parties.

The Directors are of the opinion that all known liabilities and commitments have been taken into account in the preparation of these financial statements. These liabilities are relevant in assessing the Company's state of affairs.

	30 September 2016	31 December 2015
Bonds	**₦'000**	**₦'000**
Total commitments given	198,350	1,173,492
Total commitments received	1,560,407	117,160

Commitments given primarily include bonds to Major Oil Marketers Association of Nigeria (MOMAN) for joint petroleum product importation in the ordinary course of business. No losses are anticipated in respect of these.

Commitments received include customers' guarantees.

Commitments received and given are held with local banks.

At 30 September 2016, the Company had contractual commitments for the acquisition of property, plant and equipment amounting to ₦6,404,502,535 (Dec 2015: ₦1,788,931,381).

Contingent liabilities

There are contingent liabilities in respect of legal actions against the Company amounting to approximately ₦1.2 trillion (Dec 2015: ₦17 billion). The Directors have not made provisions for these contingent liabilities as consultation with the Company's external solicitors has indicated that the likely outcome of the legal actions will favour the Company and as such no material losses will crystalise against the Company.

25 Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from prior period.

The capital structure of the Company consists of debt, which includes the borrowings disclosed in Note 20, cash and cash equivalents and equity attributable to equity holders, comprising issued capital, reserves and retained earnings.

The Company is not subject to any externally imposed capital requirements.

Gearing ratio

The gearing ratio is as follows:

	30 September 2016 ₦'000	31 December 2015 ₦'000
Borrowings	1,643,013	13,587,384
Cash and cash equivalents	(22,140,714)	(13,502,377)
Net Debt	(20,497,701)	85,007
Equity	22,781,988	16,242,481
Net debt to equity ratio	-89.97%	0.52%

Borrowing is defined mainly as long and short-term borrowings.
Equity includes all capital and reserves of the Company that are managed as capital.

26 Financial risk management

(i) Financial risk management objectives

The Company's Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk), credit risk and liquidity risk.

The Company's Treasury function reports monthly to the Group's Treasury, a section of the Group that monitor's risk and policies implemented to mitigate risk exposures.

(ii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company manages market risks by keeping costs low through various cost optimisation programs. Moreover, market developments are monitored and discussed regularly, and mitigating actions are taken where necessary.

Interest rate risk management

The Company is exposed to interest rate risk as it borrows funds at multiple interest rates. The risk is managed by the Company by constantly negotiating with the banks to ensure that interest rates 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:

	30 September 2016	31 December 2015
	₦'000	**₦'000**
Variable rate instruments		
Borrowings	1,643,013	13,587,384
	1,643,013	13,587,384

Sensitivity analysis for variable rate instruments

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

Change of 200 basis points or 2%

	Interest charged	Effect of increase/decrease in Interest rate	
	₦'000		**₦'000**
30 September 2016	509,491	'+/-2 %	84,405
31 December 2015	1,790,600	'+/-2 %	235,605

26 Financial Risk Management (cont'd)

Foreign exchange risk management

A movement in the exchange rate either positively or negatively by 1500 basis points is illustrated below. Such movements would have increased (decreased) the profit or loss 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

As at 30 September 2016

	Foreign currency	Naira balance	Exchange rate	Effect of increase/decrease in exchange rate	
	'000	'000			N '000
Trade receivables					
USD	2,490	784,910	315.22	'15%	117,736
Euro				'15%	-
Cash deposits					
USD	14,996	4,727,110	315.22	'15%	709,067
EURO	25	8,810	352.41	'15%	1,322
Trade payables					
USD	(98,922)	(31,182,663)	315.22	'15%	(4,677,399)
EURO	(13,210)	(4,655,336)	352.41	'15%	(698,300)
Net impact on profit or loss					
USD	**(81,436)**	**(25,670,643)**	**315.22**	**'15%**	**(3,850,596)**
EURO	**(13,185)**	**(4,646,526)**	**352.41**	**'15%**	**(696,980)**

As at 31 December 2015

	Foreign currency	Naira balance	Exchange rate	Effect of increase/decrease in exchange rate	
	'000	'000			N '000
Trade receivables					
USD	1,083	215,260	198.76	'15%	32,289
Euro	-	-	-	'15%	-
Cash deposits					
USD	5,593	1,111,680	198.76	'15%	166,752
EURO	563	122,402	217.41	'15%	18,360
Trade payables					
USD	(43,594)	(8,664,861)	198.76	'15%	(1,299,729)
EURO	(307)	(66,745)	217.41	'15%	(10,012)
Net impact on profit or loss					
USD	(36,918)	(7,337,921)	198.76	'15%	(1,100,688)
EURO	256	55,657	217.41	'15%	8,348

A decrease in exchange rate by 1500 basis points against the above currencies at the reporting period would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

Financial Risk Management (cont'd)

(iii) Liquidity risk management

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. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

			Contractual cashflows			
	Carrying amount	**Total**	**Less than 1 month**	**1 to 3 months**	**3 months to 1 year**	**1 to 5 Years**
30 September 2016	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Borrowings	1,643,013	1,643,013	-	1,643,013		-
Trade payables	63,264,695	63,264,695	11,068,757	40,017,605	11,358,375	-
Other Payables	20,109,159	20,109,159	7,189,865	6,755,298	6,163,996	-
	85,016,867	**85,016,867**	**18,258,622**	**48,415,915**	**17,522,371**	**-**
31 December 2015						
Borrowings	13,587,384	13,587,384	10,576,949	3,010,435	-	-
Trade payables	27,317,881	27,317,881	7,660,031	8,539,857	11,117,993	-
Other Payables	18,059,468	18,059,468	6,457,015	6,066,742	5,535,711	-
	58,964,733	**58,964,733**	**24,693,995**	**17,617,034**	**16,653,704**	**-**

The Company manages liquidity risk by maintaining reserves, banking facilities by monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities. Below is a listing of financing facilities that the Company has at its disposal to further reduce liquidity risk.

Financing facilities
Unsecured bank loans which are revolving trade loan with a tenure of 1yr and overdrafts payable at call are are reviewed annually.

	30 September 2016	**31 December** 2015
	₦'000	₦'000
Amount used	1,643,013	13,587,384
Amount unused	56,356,987	44,412,616
Total Facilities	58,000,000	58,000,000

Financial Risk Management (cont'd)

(iv) 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 e.g. security deposits, as a means of mitigating the risk of financial loss from defaults. The Company uses other publicly available financial information and its own trading records to rate its major customers. Credit exposure is controlled by setting credit limits that are routinely reviewed and approved by the management.

The company is issued bank guarantees in its favour for transactions with certain customers. These guarantees are held with Nigerian banks against the eventuality of a default. Existing guarantees at the reporting date have been disclosed as commitment received under Note 24.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

The credit policy of Total Nigeria Plc. is set in accordance with the sales channel that the Customer belongs to:

Network Channel: Credit is extended to dealers who operate the Company Owned, Dealer Operated Service Station (CODO) and some of the Dealer Owned, Dealer Operated service stations (DODO) who specifically apply to operate under the DODO credit scheme. Under both CODO and DODO credit schemes, credit is extended to each dealer to cover the working capital needs of the station. Each day's sales proceeds are lodged into the Company's bank accounts at least twice daily. The Company's financial risk exposure is covered by retentions from dealers income to increase the security deposit, as well as retention of title over physical stock in the station in event of non payment.

General Trade (GT) Channel: Credit for the GT customers is set at the monthly average sales to the customer for a period of one year or six months after proper financial and qualitative analysis. The approved credit limit is extended for 30 days or 45 days in rare occassions for blue chip companies.

Aviation Channel: Most of the customers are on a cash and carry basis with the exception of a few companies with 15 days credit limit. Credit is given only after a period of three months sales to the customer. Sales to international customers are based on a contract of one year and credit amount is based on expected turnover. Sales to international customers are guaranteed by Air Total International, a related party and the risk of loss in this circumstance is nil.

The credit risk on liquid funds is limited because most of the counterparties are banks with high credit-ratings assigned by international credit-rating agencies or Total Treasury, a related entity within the Group.

Analysis of trade receivables by performing and past due is as follows;

At 30 September 2016

	Fully Performing	**Past Due**	**Total**
	₦'000	**₦'000**	**₦'000**
Network	6,320,856	-	6,320,856
General Trade	3,698,313	2,772,347	6,470,660
Aviation	1,496,112	-	1,496,112
Trade receivables	**11,515,281**	**2,772,347**	**14,287,628**

As at 31 December 2015

	Fully Performing	**Past Due**	**Total**
	₦'000	**₦'000**	**₦'000**
Network	3,713,209	-	3,713,209
General Trade	1,808,833	3,168,450	4,977,283
Aviation	732,097	312,703	1,044,800
Trade receivables	**6,254,139**	**3,481,153**	**9,735,292**

TOTAL NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

Financial Risk Management (cont'd)

The maximum exposure to credit risk for trade and other receivables at the reporting date by type of counterparty was:

	30 September 2016	31 December 2015
	₦'000	₦'000
Customers	13,909,974	9,638,360
Due from related parties	377,654	96,932
Due from regulators (Government entities)	5,040,588	10,369,936
Other receivables	5,541,105	4,414,839
	24,869,321	**24,520,067**

Due from related parties

The Company has transactions with its parent and other related parties who are related to the Company by virtue of being members of the Total Group. Amounts receivable from members of the Group are not impaired except the member is facing bankruptcy. In the directors' view, all amounts are collectible. No impairment was recorded with respect to amounts due to related parties in the current quarter (December 2015: Nil).

Due from Government entities

This comprises amount due from PPPRA with respect to subsidies/PSF receivable on imported products as well as amounts receivable from PEF with respect to bridging claims.

Determination of amounts due are based on existing regulations/ guidelines and impairment is only recognized when changes occur in the regulations/ guidelines that prohibit or limit recovery of previously recognized amounts.

Other receivables

Other receivables includes staff debtors and other sundry receivables. The Company reviews the balances due from this category on a periodic basis taking into consideration functions such as continued business/employment relationship and ability to offset amounts against transactions due to these parties.

NOTES TO THE FINANCIAL STATEMENTS

Financial Risk Management (cont'd)

27 Classification of financial instruments

Accounting Classifications and fair values

The Directors consider that the fair value of financial assets and liabilities are not significantly different from their carrying values.

The classification of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are shown in the table below. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

At 30 September 2016

	Carrying amount		
	Loans and receivables	**Other financial liabilities**	**Total**
	₦'000	**₦'000**	**₦'000**
Financial assets not measured at fair value			
Trade and other receivables	22,135,394	-	22,135,394
Cash and cash equivalents	22,140,714	-	22,140,714
	44,276,108	-	44,276,108
Financial liabilities not measured at fair value			
Borrowings	-	1,643,013	1,643,013
Trade and other payables	-	83,373,854	83,373,854
	-	85,016,867	85,016,867

As at 31 December 2015

	Carrying amount		
	Loans and receivables	**Other financial liabilities**	**Total**
	₦'000	**₦'000**	**₦'000**
Financial assets not measured at fair value			
Trade and other receivables	22,320,181	-	22,320,181
Cash and cash equivalents	13,502,377	-	13,502,377
	35,822,559	-	35,822,559
Financial liabilities not measured at fair value			
Borrowings	-	13,587,384	13,587,384
Trade and other payables	-	45,377,349	45,377,349
	-	58,964,733	58,964,733

28 Assets pledged as security

As at the period ended 30 September 2016 there were no assets pledged as security (Dec 2015: Nil).

29 Events after the reporting date

There were no events after the reporting date that could have a material effect on the financial position of the Company at 30 September 2016 and on the profit for the period ended on that date that have not been taken into account in these financial statements.

30 Related party transactions

As at the period ended 30 September 2016, the Parent Company Total Raffinage Marketing (incorporated in France) owned 61.72% of the issued shares of Total Nigeria PLC. The Ultimate Parent Company and ultimate controlling party is Total S.A (incorporated in France).

30.1 Trading transactions

During the period, the Company entered into the following transactions with related parties, who are members of the Total Group, as shown below:

	Sale of goods		Purchase of goods		Others	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Total Outré Mer	-	-	93,615,723	42,838,719	6,456,850	1,295,366
Total Oil Trading	-	-	-	1,204,527	-	-
Total E&P Nigeria	609,201	2,126,469	-	-	-	-
Total Lubricants	275,784	437,853	-	-	-	-
Total Access to Solar	-	-	144,464	245,344	-	-
Air Total international	-	-	-	-	-	-
Total SA	-	-	-	-	103,711	123,985
Total Gestion International	-	-	-	-	96,804	73,932
Total Raffinage Marketing	-	-	-	-	419,051	658,893
	884,985	2,564,322	93,760,187	44,288,590	7,076,417	2,152,176

30.2 Outstanding balance

The following amounts were outstanding at the reporting date:

	Amounts owed by related parties		Amounts owed to related parties	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	₦'000	₦'000	₦'000	₦'000
Total Outre Mer	-	-	39,377,185	7,976,662
Total E&P Nigeria	350,595	88,736	-	-
Air Total International	-	-	-	-
Total SA	-	-	52,678	22,077
Total Gestion International	-	-	36,034	4,400
Total Access to Solar	-	-	45,097	8
Total Ghana	-	-	-	-
Total Oil Trading	-	-	34,166	21,540
Total Raffinage Marketing	-	-	472,445	515,170
Total Lubrifiants	27,059	8,196	-	-
	377,654	96,932	40,017,605	8,539,857
Total Treasury[1]	4,671,467	1,211,534	-	-
	5,049,121	1,308,466	40,017,605	8,539,857

[1] Included in the analysis above is the balance of funds held with Total Treasury as at period end amounting to ₦ 4.6billion (Dec 2015: ₦1.2 billion). This has however been classified along with cash and cash equivalents in the statement of financial position. See Note 23.

30.3 Technical service agreement and reallocated production cost

Technical service agreement

The Company has existing General Assistance and Cost Sharing contracts with Total Oute Mer (TOM) and Total Raffinage Marketing (TRM) respectively.

Under the General Assistance agreement, Total Nigeria Plc. agreed that it would pay the following indirect costs borne by TOM for: helping TNPLC and its business units to meet Health, Safety, Environment and Quality commitment and to integrate the Sustainable Development approach in her action plans; Supervision of the support functions (finance, legal, Information Systems, General Affairs); Financial, Credit and Risk management; Provision of assistance and legal advice for the preparation, implementation and drafting of agreements of all kinds as well as the settlement of disputes; Connection with the DARAG (Group Insurance division) as regards insurance notably within the frame of the overall damage, aviation, storage depots; Provision of appropriate Information Technology solutions, Information Technology Skills transfer, and security of information; Supervision of all commercial development activities (Marketing Specialties, Regional Specialty Managers, Marketing General Trade, Retail Network and Fuel Card and Marketing Communication); Definition and implementation of communication policies in line with business strategies; Definition and provision of advertising, animation and promotion tools, animation and promotion specifically adapted to Total Nigeria Plc; and Validation of the Nigerian campaigns as regards the standards of the group

Under the Cost Sharing agreement, Total Nigeria Plc. agreed that the costs borne by TRM for the centralisation of research work for the benefit of Member Companies will be shared among the Member Companies according to the expected benefit that each Member Company seeks from such research costs.

The above agreements are required to be registered with the National Office for Technology Acquisition and Promotion (NOTAP) in accordance with the provisions of the NOTAP Act. In the years prior to 2015, these agreements with TOM and TRM were expected to be registered by NOTAP and on that basis an accrual was recorded in the financial statements.

The Financial Reporting Council (FRC) has, prior to finalization of these financial statements, issued a rule that obligations arising from agreements within the scope of NOTAP that have not been registered by NOTAP should not be accrued for in a Company's financial statements. Similarly, the judgment of the Federal High Court (FHC) Lagos dated 14 December 2015 on the interpretation of the NOTAP Act maintained that any contract within the purview of NOTAP Act, which is not registered by NOTAP is illegal, void and unenforceable.

The rule issued by the FHC has led to a reassessment of the accounting treatment adopted by the Company for the obligations arising from these agreements in the current and previous years. Since the agreements have not been registered by NOTAP, no charges related to the General Assistance and Cost Sharing Agreements have been recognized in the 2016 financial statements and charges recognized in the previous years' financial statements have been reversed.

Reallocated production cost

The company had in prior years reported the production operating cost and depreciation as administrative expenses. In this financial period, management has reclassified these production cost into the cost of sales in line with IFRS. This reclassification has no impact on the reported profit for the period.

Statement of profit or loss and other comprehensive income (Extract)

For the period ended 30 September 2016	**As previously reported**	**Adjustments**	**As restated**
	₦'000	**₦'000**	**₦'000**
Cost of sales	(140,105,984)	(508,220)	(140,614,204)
Selling & distribution costs	(3,511,956)	79,477	(3,432,479)
Administrative expenses	(13,370,875)	1,365,887	(12,004,988)
Income tax expense	(1,876,685)	(299,886)	(2,176,571)
Others (including tax)	17,380,479	-	17,380,479
Profit for the period	**2,132,919**	**637,257**	**2,770,177**
Other comprehensive income	-	-	-
Total comprehensive income for the period	**2,132,919**	**637,257**	**2,770,177**

31 Information regarding employees

(i) The table below shows the number of staff of the Company whose emoluments during the period excluding pension contributions were within the ranges stated:

	30 September 2016	31 December 2015
	Number	**Number**
₦1,500,001 - ₦2,500,000	36	4
₦2,500,001 - ₦3,500,000	14	2
₦3,500,001 - ₦4,500,000	28	8
₦4,500,001 - ₦5,500,000	51	27
₦5,500,001 - ₦6,500,000	103	38
₦6,500,001 - ₦7,500,000	92	81
₦7,500,001 - ₦8,500,000	64	91
₦8,500,001 - ₦9,500,000	24	85
₦9,500,001 and above	75	141
	487	**477**

(ii) The average number of persons employed in the financial period and the staff costs were as follows:

	30 September 2016	31 December 2015
	Number	**Number**
Managerial staff	119	111
Senior staff	345	344
Junior staff	23	22
	487	**477**

(iii) The related salaries and wages amounted to ₦5.7billion (September 2015: ₦5.5billion).

Staff costs relating to the above were:

	30 September 2016	30 September 2015
	₦'000	**₦'000**
Salaries and wages	5,161,543	4,781,833
Termination benefits	2,695	186
Pension and social benefit	323,435	348,669
Medical expenses	146,334	125,261
Training expenses	61,304	118,971
Provision for long service award.	-	14,353
Staff welfare expenses	74,013	128,899
	5,769,324	5,518,172