TOTAL NIGERIA PLC

ANNUAL REPORT

31 December 2016

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CORPORATE PROFILE

Total Nigeria Plc was incorporated in 1956 and was listed on the Nigerian Stock Exchange in 1979. Our first petrol station was commissioned at Herbert Macaulay Street, Yaba, Lagos in 1956. Today we have over 500 Service Stations, 5 LPG bottling plants and 3 Lubricants blending plants. We operate out of 5 aviation storage facilities and have other facilities spread across the country. We are a market leader, reference point and pacesetter in the downstream sector of the oil and gas industry.

Total S.A which holds 62% of Total Nigeria Plc is a publicly-traded oil company with businesses in exploration and production, refining, marketing and trading. It is also a major player in the chemicals sector.

Total S.A.'s oil and gas production of more than two million barrels of oil equivalent per day is underpinned by proven reserves of more than eleven billion barrels of oil equivalent and a portfolio of geographically diversified assets that is among the fastest growing in the industry. As Europe's leading refiner and marketer, the Total Group directly operates 9 refineries; its retail network comprises over 16,000 service stations mainly in Europe and Africa which distribute motor fuels, lubricants and LPG under the internationally recognized TOTAL brand.

TOTAL NIGERIA PLC

RC 1396

Mission Statement

We are in business to ensure total customer satisfaction by the creation of quality products and services delivered with a strong commitment to safety and respect for the environment.

This objective drives all our corporate actions and the mutual acknowledgement of them by our partners forms the basis for our business relationships.

To sustain this objective and our leadership of the market, our commitment is to build and sustain a work culture firmly rooted in professionalism, respect for employees, internal efficiency and dedicated services.

Jean-Philippe Torres
Managing Director

TOTAL NIGERIA PLC
COMPANY REGISTRATION NO. 1396

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS*

DIRECTORS

Mr. S. Mittelman	-	Chairman	(French)
Mr. J-P Torres	-	Managing Director	(French)
Mr. B. Dormoy	-	Executive Director	(French)
Prince (Dr.) J. Nnamani	-	Executive Director	
Chief F. Majekodunmi			
Ms. T. Ibru			
Engr. A.R. Sirajo			
Mr. F. Colmet-Daage		(French)	
Mr. O. Hahn		(French)	

COMPANY SECRETARY
O. A. Popoola-Mordi

REGISTERED OFFICE
Total House
4 Churchgate Street,
Victoria Island,
Lagos.
Telephone No. 01 4617041-2

REGISTRARS
CardinalStone Registrars Limited
358 Herbert Macaulay Way,
Yaba,
Lagos.
Telephone No. 01 7120090, 01 7924462

AUDITORS
KPMG Professional Services
KPMG Tower,
Bishop Aboyade Cole Street,
Victoria Island,
Lagos.
Nigeria
Telephone No. 01 2718955

BANKERS
Access Bank Plc
Citibank Nigeria Limited
Diamond Bank Plc
Ecobank Nigeria Limited.
First Bank of Nigeria Plc
Guaranty Trust Bank Plc
Stanbic IBTC Bank Nigeria Plc
Standard Chartered Bank Nigeria Limited
Union Bank of Nigeria Plc
United Bank for Africa Plc
Unity Bank Plc
Wema Bank Plc
Zenith Bank Plc

***As at 10th March, 2017**

CORPORATE DIRECTORY

HEAD-OFFICE

TOTAL HOUSE
4, Churchgate Street,
Victoria Island, Lagos.
P.M.B 2143, Lagos
Tel: 01 4631681-5
01 4617041 – 2
TOTAL CARD: 01- 4617044

AIR TOTAL
IKEJA Tel: 01 7746082
JUHI Tel: 01 7744537
ABUJA Tel: 08113624144

TERRITORIAL OFFICES

WESTERN
Total Nigeria Plc
6, Bonny Road, Apapa, Lagos.
Tel: 01- 4618913

EASTERN
Total Nigeria Plc
Plot 124, Trans-Amadi
Industrial Layout,
Port-Harcourt.
Tel: 01- 4619180

NORTHERN
Total Nigeria Plc
Total House,
Plot 247, Herbert Macaulay Way,
Central Business District, Abuja.
Tel: 01- 4618914

SALES AREA OFFICES

ABUJA
Total Nigeria Plc
Total House
Plot 247, Herbert Macaulay Way.
Central Business District, Abuja
Tel: 01- 4618914

KANO
Total Nigeria Plc.
181, Airport Road,
P.O.Box 21, Kano.
Tel: 01- 4619183

BENIN
Total Nigeria Plc
8/10, Akpakpava Street
P.O.Box 20, Benin City.
Tel: 01- 4619189

LAGOS SOUTH
Total Nigeria Plc
6, Bonny Road, Apapa, Lagos
Tel: 01- 4618913

IBADAN
Total Nigeria Plc
Mokola Roundabout
P.O. Box 868, Ibadan
Tel: 01- 4619188

LAGOS NORTH
Total Nigeria Plc
3, Steve Ajose Street
Former SCOA Yard,
Behind Elida Hotel,
Kirikiri, Lagos
Tel: 01- 4619182

KADUNA
Total Nigeria Plc
2, Kachia Road,
P.O.Box 1433, Kaduna
Tel: 01- 4619187

PORT HARCOURT
Total Nigeria Plc
Plot 124 Trans-Amadi Industrial
Layout,
Port Harcourt.
Tel: 01- 4619180

TOTAL NIGERIA PLC

RESULTS AT A GLANCE

FOR THE YEAR ENDED 31 DECEMBER, 2016

	2016	2015	Change
	₦'000	₦'000	%
Revenue	290,952,520	208,027,688	40
Profit before taxation	20,353,076	6,495,390	213
Profit for the year	14,797,095	4,047,051	266
Share capital	169,761	169,761	-
Shareholders' funds	23,570,097	16,242,481	45
Total dividend [1]	**5,771,870**	**4,753,305**	
Interim dividend - paid	3,395,218	679,044	
Final dividend - proposed	2,376,652	4,074,261	

	2016	2015	Change
PER SHARE DATA:			%
Based on 339,521,837 ordinary shares of 50 kobo each:			
Earnings per 50 kobo share (Naira) - basic	*43.58*	*11.92*	*266*
Dividend per 50 kobo share (Naira)[1]	*17.00*	*14.00*	*21*
Dividend cover (times)	*2.56*	*0.85*	*201*
Stock exchange quotation (Naira)	*299.00*	*147.01*	*103*
Number of staff	486	477	2

[1]Interim dividend of ₦10.00 per share was paid during the year. At the board of directors meeting of 10 March 2017, a final dividend of ₦7.00 was proposed for the year ended 31, December 2016 (2015 :₦12.00)

BOARD OF DIRECTORS PROFILE

MR. STANISLAS MITTELMAN: Mr. Mittelman graduated with a Master's degree from EDHEC Lille Business School in France. He previously worked as a Salesman in Network stations in Paris and was transferred to Nigeria to head the project team that upgraded over 400 network stations in Nigeria. He served in Vietnam as TOTAL's representative in an LPG joint venture and was posted to work as General Manager, TOTAL Zimbabwe and then as General Manager (Specialties), in the UK, a position he held before his appointment in 2007 as Executive Vice President for West Africa and Chairman of all subsidiaries in West Africa. In 2012 he was appointed Vice President Strategy Division Total Marketing and Services in charge of M & A and Corporate Planning. In 2015, he was appointed Vice President Total Marketing, France and in 2016 he was appointed Senior Vice President Africa Middle/East and a director of Total Nigeria Plc. He is the Chairman of the Board.

MR. JEAN-PHILIPPE TORRES: Mr. Torres is a finance graduate of the University of Lille. He obtained a Masters in finance from the Ecole Supérieure de Commerce de Tours in France and a Master of Science in Management from the IÉSEG School of Management, Lille. He started his working career as an Analyst in the French Ministry for Economy and Finance. He joined the Total Group in 1992 as a Financial Controller in the Combustible Fuels Division of Elf Antar France. In 1993 he moved to Elf Raffinage Distribution as Treasurer in charge of the African affiliates. In 1995 he was the Sales and Marketing Manager for Elf Oil Zaire, and went on to hold a similar position in Senegal in 1997. Thereafter in 1999 he was appointed General Manager of TotalFinaElf Gambia. In 2001, he was appointed Managing Director of Total Togo and Total Benin and in 2004, Managing Director of Fina Congo. In 2007 he was appointed Strategy and M&A Senior Project Manager, Strategy & Development Division, Total Raffinage Marketing, Paris. In 2011 he was appointed General Manager Retail and Fuel Cards of Total Germany. In 2014 Mr. Torres became the Executive Vice-President North & Central America of Total Marketing & Services, Americas Division. He was appointed Managing Director of Total Nigeria Plc in 2016.

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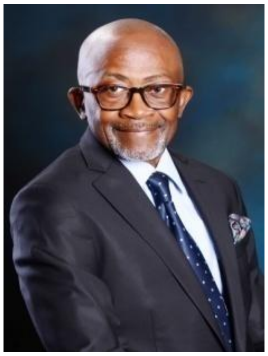
PRINCE (DR.) JEFFERSON NNAMANI: Prince Jefferson Nnamani is a graduate of Political Science and Administration with a Masters in Public Administration (MPA) from the University of Maiduguri, Borno State, Nigeria. In his over 26 years career with Total Nigeria Plc, he has served the Company in various capacities starting as a Sales Representative in Borno State, Industrial Sales Executive in Lagos, Senior Network Inspector, Lagos Region, Sales Executive, Eastern Region, Regional Manager North Central, Regional Manager, Lagos and Western Region, Territorial Sales Manager, West, General Manager, Sales and in 2011 he was appointed General Manager Strategy, a position he held until his appointment on the 30th of April 2015 as Executive Director, Strategy. Jeff has also served on the Board of Nicon Insurance Corporation and the Governing Council, Yaba College of Technology. Jeff is a fellow of the Institute of Credit Administrators of Nigeria and a Member of the Institute of Directors of Nigeria. He was appointed to the Board as an Executive Director in 2015.

Mr. Bruno Dormoy: Mr. Bruno Dormoy is a graduate of CSG Business School Paris in France and has a masters of marketing degree from Lovanium International Management Centre, Belgium. He started his career in 1984 in Fina France as a treasury assistant. By 1995 he had risen to become the Administrative and Financial manager in the lubricant Division of Fina France. After the merger with Total, in 1999 he became the Customer Service manager Air Total in the Refining and Marketing Division a position he held until year 2000 when he was appointed the IT Business Manager in the Business and Development Department at Air Total. In 2003, he moved to Total Poland as Chief Financial officer, a position he held until 2007 when he was transferred to Spain as Chief Financial Officer. In 2012 he was appointed Vice President Control Finance and Performance Europe Division. In 2016, Mr. Dormoy was appointed as an Executive Director of Total Nigeria Plc.



CHIEF FELIX MAJEKODUNMI: Chief Felix Majekodunmi obtained a first degree in Mechanical Engineering from the Thames Polytechnic (Greenwich University) London in 1974, and a Certified Diploma in Accounts and Finance (CDipAF) London in 1986. Chief Majekodunmi began his career in 1974 as Operations Engineer with the British Petroleum (BP) Nigeria Ltd. Thereafter, he held various managerial positions in BP. He joined Total Nigeria Plc in 1985 as the Supply and Distribution Manager and rose to the position of Chief Operating Officer. In 1998, he was appointed the Managing Director (MD) and Chief Executive Officer (CEO) Total Tanzania Ltd., a position he held until 2001 when he was appointed the MD and CEO, Total Ghana Ltd. He subsequently became the Managing Director and Chief Executive Officer for Mobil Ghana Ltd, Total Petroleum Ghana Ltd and Total Kenya Ltd respectively. He is a member of several professional bodies including the Institute of Mechanical Engineers (United Kingdom) and the Nigerian Institute of Engineers. He currently runs his private business. He was appointed to the Board in 2010.

MS. TEJIRO IBRU: Ms. Tejiro Ibru obtained a Masters in Engineering and a Masters in Finance from Imperial College, London and started her career with Deloitte & Touche Petroleum Services Group, London. In 2005, she joined Oceanic Bank International Plc as Head of the International Banking Group and later as Head of the Project Management Office. In 2010, she was appointed the Head of Corporate Services of Destiny Dredgers International Limited and in 2014 she joined Dorman Long Engineering Limited as Head of the Programme Management Office. In 2015, she joined Midwestern Oil and Gas Company Limited as a Corporate Finance Analyst. She is an Associate of the Royal School of Mines, Imperial College. She was appointed to the Board in 2010.

ENGR. RUFA'I SIRAJO: Engr. Rufa'i Sirajo obtained a National Diploma in Electrical/Electronic Engineering from the Federal Polytechnic Mubi, Adamawa State, a Higher National Diploma in Electronics/Telecommunications Engineering from Kaduna Polytechnic, Kaduna State, a Post Graduate Diploma in Electrical Engineering from Bayero University, Kano and an MBA degree from the University of Calabar. He commenced his working career in 1986 as Engineering Superintendent (Electrical) at Geotechnical Services Limited from where he moved on to Northern Cables Processing and Manufacturing Company Limited as Quality Control Supervisor. He is currently the Managing Director/Chief Executive Officer of Afri-International Projects Consulting Limited. He is registered with The Council for the Regulation of Engineering in Nigeria (COREN); he is a Member of the Society of Engineers (MNSE), and is also a Member of the Solar Energy Association of Nigeria. He was appointed to the Board in 2012.

MR. FABIEN COLMET DAAGE: Mr. Fabien Colmet Daage is a graduate of Engineering from the Ecole Centrale University in France. He started his career in 1994 in the Refining and Marketing Division in Paris as a Project Manager and then as Study Manager in 1996. He moved to the Holdings Finance Division in Paris as Project Finance Manager in 1998, a position he occupied until he was made the Project Director E & P Division in Paris in 2002. In 2005, he moved to Dubai as Business Development Manager, UAE and Qatar. He was subsequently transferred to Moscow, Russia as Trade and Business Development Director in 2008, a position he held until he moved to Houston, Texas, USA as Vice President, Business Development & Strategy in 2011. Thereafter, in 2014 he worked in the Philippines as General Manager Total E & P Philippines, a position he held until July 2016 when he moved back to Paris when he was appointed as the Vice President Corporate and Project Finance in Refining & Chemicals/ Marketing & Services. He was appointed to the Board in 2016.

MR. OLIVIER HAHN:

Mr. Olivier Hahn is a graduate of Process Engineering from the Ecole Nationale Superieure de Chime de Paris and obtained a masters degree in Management and Economics from IFP School. He started his career in 1999 with Elf Aquitaine as a Refining Economist and he became the Refining Controller in 2000 after the merger of Total Fina with Elf, a position he held until 2001 when he moved to Total Refining and Marketing SA division in Paris as Provence Refinery Senior pilot in 2002 a position he occupied until he was made the Strategy/ Business Development Manager in 2006. Between 2009 and 2011 he was the Project and Corporate Finance Senior manager Total SA. He became the Vice-President Mergers & Acquisitions for the Group in 2012 a position he held until he was appointed Vice President Supply & Logistics for Africa in 2017. He was appointed to the Board in 2017.

Some members of the board as at the last AGM

TOTAL NIGERIA PLC

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER, 2016

In accordance with the provisions of the Companies and Allied Matters Act, (Cap C20), Laws of the Federation of Nigeria 2004, the Directors present their Annual Report together with the Company's Audited Financial Statements for the year ended 31st December, 2016 which discloses the state of affairs of the Company.

1. PRINCIPAL ACTIVITIES

The principal activities of the Company are marketing and distribution of refined petroleum products.

2. LEGAL FORM

The Company was incorporated as a private limited liability company in 1956 and was converted to a public limited liability company in 1978. Its shares are currently quoted on the Nigerian Stock Exchange. Under a scheme of arrangement concluded and sanctioned by the Federal High Court of Nigeria on the 11th of September 2001, the Company merged with Elf Oil Nigeria Limited and changed its name to TotalFinaElf Nigeria Plc. To mark the completion of its corporate mergers, TotalFinaElf Group worldwide reverted to its former name TOTAL in 2003. Accordingly, the Company changed its name from TotalFinaElf Nigeria Plc to TOTAL Nigeria Plc in the same year. 61.72% of the Company's ordinary shares were held by Total Societe Anonyme and Elf Aquitaine S.A. until 2013 when a restructuring was concluded and Total Raffinage Marketing became the shareholder of 61.72% of Total Nigeria Plc while the remaining 38.28% are held by some members of the Nigerian public.

3. OPERATING RESULTS

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

	2016	**2015**
	₦'000	**₦'000**
Revenue	290,952,520	208,027,688
Profit before taxation	20,353,076	6,495,390
Profit for the year	14,797,095	4,047,051
Dividend	5,771,870	4,753,305

4. DIVIDEND

During the year ended 31st December, 2016 the Directors authorized the payment of ₦10.00 (2015: ₦2.00) per ordinary share of 50 kobo each as interim dividend and hereby recommend to members the payment of a final dividend of ₦7.00 (2015: ₦12.00) per ordinary share of 50 kobo each. The dividend is subject to deduction of withholding tax at the rate applicable at the time of payment.

5. DIRECTORS

The directors who served during the year and to the date of this report are:

Mr. S. Mittelman	-	Chairman (French)
Mr. J-P Torres	-	Managing Director (French)
Prince J.E Nnamani	-	Executive Director
Mr. B. Dormoy	-	Executive Director Appointed 8th December, 2016 (French)

Chief F. Majekodunmi	
Ms.T.Ibru	
Engr. A.R. Sirajo	
Mr. F. Colmet-Daage	Appointed 8th December, 2016 (French)
Mr. O. Hahn	Appointed10th March, 2017 (French)
Mr. A. Vovk	Resigned 15th May, 2016 (French)
Mr. M. Nguer	Resigned 11th June, 2016 (Senegalese)
Ms. C. Hein	Resigned 28th September, 2016 (German)
Mr. W.J-Y Konde	Resigned 8th December, 2016 (Ivorian)
Mr. M. Soulas	Resigned 10th March, 2017 (French)

The names of the current Directors are listed on page 4. Their thumbnail pictures and brief profiles are also indicated on pages 7 to 11.

6. BOARD CHANGES

Since the announcements at the last Annual General Meeting, there have been changes to the composition of the Board.

The following directors have resigned: Mr. Momar Nguer (11th June, 2016), Ms. Christine Hein (28th September, 2016), Mr. Wilfried Konde (8th December, 2016) and Mr Mathieu Soulas (10th March, 2017)

On the 8th of December, 2016 Mr. Bruno Dormoy was appointed as an Executive Director whilst Mr. Fabien Colmet-Daage was appointed as a Non Executive Director. On the 10th of March, 2017 Mr. Olivier Hahn was appointed to the Board as a Non Executive Director.

7. DIRECTORS TO RETIRE BY ROTATION

In accordance with Section 259 (1) and (2) of the Companies and Allied Matters Act, (Cap C20), Laws of the Federation of Nigeria 2004, the Directors to retire by rotation at this Annual General Meeting are Engr. Rufa'i Sirajo and Prince (Dr.) Jefferson Nnamani who, being eligible, offer themselves for re-election. Pursuant to Section 259 (1) of the Companies and Allied Matters Act, (Cap C20), Laws of the Federation of Nigeria 2004, a resolution will be proposed at the Annual General Meeting approving their appointment as Directors.

8. DIRECTORS INTEREST IN SHARE CAPITAL

The interests of each Director in the issued share capital of the company as recorded in the register of Directors' shareholding, as notified by the Directors for the purpose of Section 275 of the Companies and Allied Matters Act, (Cap C20), Laws of the Federation of Nigeria 2004, and in compliance with the listing requirements of the Nigerian Stock Exchange and the 2011 Securities and Exchange Commission Corporate Governance Code as at 31st December, 2015 were as follows:

Directors	31st December 2016 No. Of shares (Direct)	31st December 2016 No. Of shares (Indirect)	31st December 2015 No. Of shares (Direct)	31st December 2015 No. Of shares (Indirect)
Chief F. Majekodunmi	43,581	0	43,581	0
Ms. T. Ibru	902,903	43,135	902,903	1,875

9. DIRECTORS INTEREST IN CONTRACTS

None of the Directors notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, 2004 of any declarable interest in any contracts involving the Company. However, some of the directors hold positions in other companies with which Total Nigeria Plc had transactions during the current financial year (see key suppliers No.13). The selection and conduct of the other companies were in conformity with the rules of ethics and acceptable standards. In addition, Total ensures that such contracts are conducted at arm's length at all times.

10. PROPERTY, PLANT AND EQUIPMENT

Movements in intangible assets and Property, Plant and Equipment during the year are shown in Notes 15 and 16 of the Financial Statements.

11. POST BALANCE SHEET EVENTS

As at 10th March, 2017 the Directors were not aware of any post balance sheet events which have not been adequately provided for and which could have a material effect on the financial position of the Company as at 31st December, 2016 as well as the profit for the year to that date.

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12. COMPANY'S DISTRIBUTORS

The names of the Company's significant distributors are shown on pages 83 to 86.

13. SUPPLIERS

Key suppliers of products and materials to the Company are:

Total Outre Mer
Nigerian National Petroleum Corporation
Greif Nigeria Limited
LanreBadmus Industries Limited
Lotus Plastics Limited

14. INTER-COMPANY TRANSFERS AND TECHNICAL MANAGEMENT AGREEMENTS

The Company is a party to a subsisting agreement in respect of License, Marketing know-how and Training. This agreement is between the Company and Total Raffinage Marketing and Total Outré Mer.

The terms of the agreements include:

(a) Provision of assistance and advice on the general organization and management of the Company.

(b) Provision of suitable expatriate personnel for employment as required and at the request of the Company.

(c) Provision of overseas training and retraining for Nigerian employees to enable them assume positions of higher responsibility within the Company.

(d) Product research development assistance.

(e) Constructions, engineering and design assistance, provision of accounting and operations computer software, sample analysis and control.

(f) Technical assistance for inventory control, product storage and handling procedures; aviation services assistance, provision of operational manual to ensure compliance with international standards.

(g) Payment of technical assistance and management fees.

15. ACQUISITION OF OWN SHARES

The Directors affirm that the Company did not purchase its own shares during the year. The employees of the Company are participants in the Total Group Employees' shareholding plan. Total Nigeria Plc finances the purchases made by Staff and this is repayable over a number of years.

16. DONATIONS

As the Company did in the previous year, donations were made to several charitable organizations during the year 2016 and the beneficiaries are as follows:

	DONATIONS/SPONSORSHIP 2016	
S/N	**NAME OF ORGANIZATION**	**AMOUNT ₦**
1	Ugogomeje Nursery & Primary School, Koko, Delta State.	20,000
2	Nigeria Business Coalition Against Aids Valentine's Day Campaign, Nationwide.	40,000
3	Archeological Mission in Nigeria (University of Ibadan), Oyo State.	64,000
4	Sponsorship of ICOBA annual event.	175,000
5	Nigerwives Braille book production centre, Lagos.	250,000
6	Christian Mission for the deaf, Oyo State.	250,000
7	The Care People Foundation, Oyo State.	250,000
8	Galilee Foundation, Oyo State.	250,000
9	Foundation for Hope in disability, Lagos State.	250,000
10	Wesley School For The Hearing Impaired, Lagos State.	250,000
11	Arrow of God Orphanage, Lagos State.	250,000
12	Compassionate Orphanage Home, Lagos State.	250,000
13	Madonna School For The Handicapped, Delta State	250,000
14	Heart Of Dorcas Children's Center, Ekiti State.	250,000
15	Orphanage Of The Holy Spirit, Edo State.	250,000
16	Koko Primary Health Care Center, Delta State.	250,000
17	Holy Child Motherless Home, Enugu State.	250,000
18	Good Shepherd Foundation For Destitute Children, Rivers State.	250,000
19	Nigerian Redcross Motherless Babies Home, Enugu State.	250,000
20	Ministry Of Mercy Orphanages, Kogi State.	250,000
21	Fatherless & Motherless Children Aid Organization, Abuja.	250,000
22	TIVID Orphanage Home International, Benue State.	250,000

	DONATIONS/SPONSORSHIP 2016	
S/N	**NAME OF ORGANIZATION**	**AMOUNT ₦**
23	Joshua Generation Foundation And Youth Development, Plateau State	250,000
24	Grassroots Health Organization of Nigeria, Kano State.	250,000
25	Ikoyi Club 78th Anniversary donation, Lagos State	250,000
26	Sponsorship of ICSAN Annual Conference, Lagos State	300,000
27	NECCI Public Relations 15th Roundtable Sponsorship, Lagos State	350,000
28	Kakuri Vocational Training centre, Kaduna State.	400,000
29	Partnership Consultative Committees Delta, Kaduna and Lagos States.	435,000
30	FNCCI French Week sponsorship.	440,000
31	Paroche Foundation National Coverage (Based in Lagos State).	500,000
32	Small World National Coverage (Based in Lagos State).	507,000
33	Scholarship for Koko Indigenes, Delta State.	865,000
34	Awango Resellers SME Project (ARSMEP) Delta, Kaduna and Lagos States.	1,640,000
35	Job Shadow educational program Lagos and Kaduna States	2,249,652
36	Donation of long lasting insecticides Treated Mosquito Nets to Internally Displaced Persons, Abuja.	2,800,000
37	Donation of 1,000 SK Eco solar lamps to Internally Displaced Persons, Abuja.	3,800,000
38	HIV/AIDS prevention and awareness campaign, Delta State.	5,054,080
39	Upgrade of Artillery Primary School Project, Kaduna State.	7,247,730
40	Ibafon School upgrade, Ibafon, Lagos State.	7,549,500
41	Safety Cubes Campaign for School Children in Schools in Kaduna, Kano, Oyo, Ogun, Edo and Rivers States.	10,900,000
42	SOS Children's Villages in Nigeria Corporate Sponsorship Abuja, Ogun and Lagos States.	14,028,790
43	Skills Acquisition Program for Youths, Delta and Kaduna States.	30,551,695
44	Africa Startupper Challenge in Nigeria Nation Wide	36,955,095
	Grand Total	**132,122,542**

No donation was made to any political party during the year.

17. EMPLOYMENT AND EMPLOYEES

(a) ***Our Inclusion Policy***

Total Nigeria Plc is an equal opportunity employer and does not discriminate on any grounds. We support fair employment practices. We employ people from a wide range of backgrounds. Our employment policy is free of discrimination against existing or potential employees on grounds of race, ethnicity, nationality, gender, age, sexual orientation, disability, political opinion or faith.

It is Total's policy not to discriminate against physically challenged persons or persons living with HIV/AIDS. The Company continues to pursue its policy of non discrimination in recruitment and continued employment, offering physically challenged persons career opportunities. The Company had two physically challenged persons in its employment as at the end of the year under review.

(**b)** ***Equal opportunities and Diversity***

All employees are given equal opportunities and resources to develop professionally and personally to their full potential. The Company recognizes the need for and values diversity and inclusion in its workforce and leadership.

Total is committed to promoting a culture of equality, diversity, fairness, integrity and dignity. We actively pursue a feminization policy aimed at developing and empowering female managers. On the 8th of March, 2016 we joined the world to commemorate the International Women's Day. We are guided by and continue to develop equal opportunity and diversity policies and procedures.

(c) ***Health, Safety, Environment and Quality Policy***

Our first core value has remained Health, Safety, Environment and Quality (HSEQ).Total considers people safety and security, health protection, operational safety, respect for the environment, customer satisfaction and listening to stakeholders as paramount priorities. We are conscious at all levels of the organization, of our personal responsibility and give due consideration to the prevention of accidents, injury, environmental damage or adverse impacts of product and service quality. Health, Safety, Quality and Environmental Protection is of utmost importance to us. Our commitment to HSEQ values was unwavering throughout the year despite the challenging environment.

We are committed to maintaining the highest standards of safety and enforce strict health and safety rules and practices. We have implemented and operate the Total Group's Health, Safety, Environment and Quality Charter which places these issues above economic considerations.

Emergency procedures are tested, drilled and updated systematically to ensure optimum performance. Compliance with these principles remains a crucial element in the performance evaluation of the Company and its employees. Environmental, Industrial and Personal safety continues to be at the core of the Company's operations in Nigeria. This is applicable in all our offices, depots, outlets, areas of operation and is further extended to our partners and visitors to our offices. We operate a proactive safety culture.

Our facilities have been awarded significantly high recognition levels by local and international independent safety rating system experts in various audits. In industrial safety, we achieved IMS recognition level 5 for both the Ibafon depot and Lagos blending plant while Apapa retains significant level 4. We rolled out safety campaigns for both our staff and contractors and worksite safety trainings for our staff as a constant reminder of our 12 golden rules and Inspection of Contractors Compliance (ICC) provisions.

Total remains committed to *Safety For Me, For You, For All.*

(d) ***Welfare of Employees, Staff Development and Training.***

The Company operates a medical scheme under which free healthcare is provided to employees and their dependants. We have well equipped clinics at our offices. Employees are mandated to undergo annual medical examinations which form the basis for the provision of timely medical interventions. The Company also periodically runs various health campaigns geared at addressing certain ailments. The 2016 Edition of one of such health campaigns was the 12th Healthy Living Campaign held by Total. The campaign slogan was *DENT (Dental, Ear, Nose and Throat).* The focus of the campaign was on care of the Dentition, Ear, Nose and Throat. In addition, a programme on female hygiene was organised for female staff. The annual healthy living campaign and medical examination for employees and their spouses took place in all the sales areas and head office in November 2016. We believe the knowledge gained by staff at the campaign will be extended to their respective families. This was conducted in conjunction with the support of medical professionals. In addition to this, the Company at some of its locations continues to provide aerobic classes and light football workout for staff. On a quarterly basis, staff are invited to partake in a "walk for life" exercise which involves taking long swift walks aimed at maintaining a healthy lifestyle.

We are committed to constantly ensuring that our staff understand their roles and rights. The Company constantly equips and updates its employees with the skills and knowledge required for the successful performance of their jobs. In 2016, staff participated in various local and international trainings on diverse subjects including HSEQ, Human Rights, Business lines, Management and Personal Development. Seventy two percent (72%) of the workforce attended at least a class-based training session during the year, and we achieved an average of 3 training days per employee in line with best practices. Furthermore, we encourage our staff to be members of professional institutions which will add value to both themselves and the Company.

18. MAJOR SHAREHOLDINGS.

(a) The issued and fully paid shares of 50 kobo each of the Company as at 31st December, 2016, were beneficially held as follows:

	2016 Number of share Holding		**2015 Number of share Holding**	
	'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

(b) No shareholder, except as disclosed above, held more than 10% of the issued capital as at 31st December, 2016 and as at 10th March, 2017.

(c) Range analysis of ordinary shareholdings

Range			No. of Holders	Percentage	Units	Percentage
1	-	500	12,960	49.4883	2,315,825	0.6821
501	-	1,000	3,585	13.6895	2,662,664	0.7842
1,001	-	5,000	7,415	28.3145	15,612,170	4.5983
5,001	-	10,000	1,156	4.4142	7,954,628	2.3429
10,001	-	20,000	563	2.1498	7,773,339	2.2895
20,001	-	50,000	265	0.0119	8,190,268	2.4123
50,001	-	100,000	99	0.378	7,099,705	2.0911
100,001	-	500,000	107	0.4086	23,005,692	6.7759
500,001	-	5,000,000	35	0.1336	40,515,817	11.9332
5,000,001	-	50,000,000	2	0.0076	14,832,099	4.3685
50,000,001	-	339,521,837	1	0.0038	209,559,630	61.722
Grand Total			**26,188**	**100**	**339,521,837**	**100.00**

19. INTERNAL FINANCIAL CONTROLS

Effective financial controls are an essential management tool. Accordingly, reasonable care has been taken to establish and maintain a framework of financial controls to ensure that the Company’s assets are safeguarded and that proper accounting records are maintained with a view to providing reliable financial information.

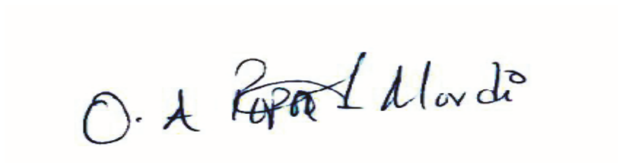
There exist adequate guidelines for all aspects of internal controls relating to operational and compliance controls as well as risk management. The Board and Management will in line with regulation and international best practices continue to review the effectiveness and the adequacy of the Company’s internal control systems and update such as may be necessary.

20. AUDITORS

Messrs. KPMG Professional Services were appointed External Auditors from the 11th of June, 2014. In accordance with Section 357 (2) of the Companies and Allied Matters Act, (Cap C20), Laws of the Federation of Nigeria 2004, Messrs. KPMG Professional Services have indicated their willingness to continue in office as External Auditors of the Company. A resolution will be proposed at the next Annual General Meeting authorizing the directors to determine their remuneration.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER, 2016

BY ORDER OF THE BOARD



Olubunmi Popoola-Mordi
FRC/2013/ICSAN/00000002042
Company Secretary
LAGOS, NIGERIA

10th March, 2017

CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31ST DECEMBER, 2016

Total is committed to institutionalizing the principles of corporate governance and ethical business practices. We have always adopted a responsible attitude towards corporate governance and issues of corporate social responsibility in Nigeria. The Company conducts its business with integrity and pays due regard to the laws of Nigeria and the legitimate interest of its stakeholders. The Board of Directors ("the Board") is continually reviewing corporate governance standards and procedures in line with international best practices.

The Board has demonstrated commitment towards embedding excellent corporate governance practices across the entire Company. This commitment is visibly seen in its sustained drive to institutionalize practices, policies and structures which accentuate the very essence of good corporate governance and best practices in its functions and across the entire Company.

THE BOARD OF DIRECTORS

As currently constituted, the Board of Directors comprises the Chairman, the Managing Director, two Executive Directors as well as five Non-Executive Directors. The positions of the Chairman and that of Managing Director are held by different persons. In accordance with the provisions of the Company's Articles of Association, the Board is mandated to manage the business and affairs of the Company except as required by statute or the Articles to be exercised by the Company in the general meeting. The Directors of Total are well established in various fields of endeavour and bring a wealth of experience to bear on the activities of the Board.

Roles and Responsibilities of the Board of Directors

The Board is responsible for ensuring that the Company is properly managed and meets its strategic objectives. The Directors act in good faith, with due diligence and care and in the best interest of the Company. The Board in discharging its duties, adopts best international practice principles in line with laid down regulations.

The responsibilities of the Board include:

a) Management of the business and affairs of the Company except as required by statute or the Articles to be exercised by the Company in the general meeting;

b) Articulation and formation of Strategy;

c) Formulation of policies and overseeing the management and conduct of business;

d) Formulation and management of risk management framework;

e) Succession planning and the appointment, training, remuneration and replacement of Board members and Executive Committee members;

f) Overseeing the effective performance of management in order to protect and enhance shareholder value and to meet the Company's obligations to its stakeholders.

g) Overseeing the effectiveness and adequacy of internal control systems;

h) Performance monitoring and appraisal of the Company;

i) Overseeing the maintenance of the Company's communication and information dissemination policy;

j) Serving the legitimate interests of the shareholders and the Company and accounting to them fully;

k) Ensuring effective communication with stakeholders;

l) Reviewing and approving annual budgets.

m) Ensuring the integrity of financial reports;

n) Promoting and ensuring that ethical standards are maintained;

o) Ensuring that the human and financial resources of the Company are effectively deployed towards achieving her goals;

p) Ensuring that no one person or group of persons has unfettered power and that there is an appropriate balance of power and authority on the Board which is usually reflected by separating the roles of the Managing Director/Chief Executive Officer (MD/CEO) and Chair and by having a balance between executive and non-executive Directors;

q) Regularly assessing its performance and effectiveness as a whole and that of the individual Directors, including the MD/CEO;

r) Appointment of the MD/CEO;

s) Ensuring the motivation and protection of human capital intrinsic to the Company; ensuring that there is adequate training in the Company for management and employees and a succession plan;

t) Ensuring that all technology and systems used in the Company are adequate to properly run the business and for it to remain effectively competitive;

u) Identifying key risk areas and key performance indicators of the business and monitoring these factors;

v) Ensuring annually that the Company survives, thrives and continues as a viable going concern;

w) Ensuring compliance with the Company's articles, all laws and regulations;

x) Conducting performance and progress monitoring against the strategies and objectives of the Company, including assessing the Company's financial position and performance (at least quarterly);

y) Approving the Company's interim dividend and proposing dividends to be finally approved by the shareholders at the annual general meeting; and

z) Deciding and approving the expenditure and authorising, investment and credit limits to be delegated to the Chair, Board Committees, Executive and Senior Management.

Board Appointment, Induction and Training

Once a vacancy on the Board of Directors is declared, curricula vitae of suitable candidates (depending on the required experience, competencies and skills set) are obtained and reviewed; interviews are conducted and a recommendation is made to the Board of Directors. Appointment is by the Board of Directors. Subsequently, Directors appointed by the Board are presented to shareholders at the next Annual General Meeting for election. Board members undergo an induction and training from time to time. To ensure effective management of the Company, Directors regularly attend relevant seminars designed to expose them to new trends in governance and organizational development. The Board of Directors is able to retain external counsel for independent advice.

Board Evaluation
The Board did not conduct a formal evaluation of its performance in the year under review.

Re- election of Directors
As prescribed by the Company's Articles of Association and the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, 2004 a maximum of one third of the Directors who are longest in office since their last appointment are required to retire by rotation and are eligible for re-election. Likewise, Directors appointed since the last Annual General Meeting retire and being eligible, offer themselves for re-election. Messrs. Sirajo, Nnnamani, Dormoy, Colmet Daage and Hahn are Directors seeking re-election at the Annual General Meeting. Their biographical details are contained on Pages 13 to 17 of this Annual Report and Accounts.

Code of business conduct and ethics
The Board is committed to conducting all business activities, legally, ethically and in accordance with the highest standards of integrity and propriety. The Board exercises leadership, enterprise, integrity and judgment in directing the Company so as to achieve continuing survival and prosperity for the company.

The Board promotes an ethical corporate culture. Every Director and employee subscribes to comply with the Company's Business Integrity Guide and Code of Conduct which covers our business principles and ethics. We are committed to maintaining a brand of repute and business reputation.

Attendance at Board Meetings
The Board met 7 (seven) times during the 2016 financial year. Attendance at Board Meetings during the year ended 31st December, 2016 is as indicated below:

Directors	23rd March	15th April	13th May	9th June	29th July	28th September	8th December
Mr. M. Nguer	P	A	A	P	R	R	R
Mr. A. Vovk	P	P	P	R	R	R	R
Mr. W. J-Y Konde	P	P	P	P	P	P	P
Prince (Dr.) J.E Nnamani	P	P	P	P	P	P	P
Chief F. Majekodunmi	P	P	A	P	P	P	P
Ms. T. Ibru	P	P	P	P	P	A	P
Engr. A.R. Sirajo	P	P	P	P	P	P	P
Mr. M. Soulas	P	P	P	P	P	A	P
Ms. C. Hein	P	P	A	P	A	R	R
Mr. S. Mittelman	N	A	A	P	A	P	P
Mr. J-P Torres	N	A	P	P	A	P	P
Mr. B. Dormoy	N	N	N	N	N	N	P
Mr. F.Colmet Daage	N	N	N	N	N	N	P
Mr. O. Hahn	N	N	N	N	N	N	N

Attendance Keys: A = Absent with apology, N= Not yet appointed P = Present, R = Resigned

Board Committees
In line with its Articles, the Companies and Allied Matters Act Laws of the Federal Republic of Nigeria 2004 and in conformity with the Securities and Exchange Commission's 2011 Corporate Governance Code, the Board has established committees. These committees assist the Board to effectively perform

its guidance and oversight functions. All committees have terms of reference which guide them in the carrying out of their responsibilities. The committees comprises of Directors and shareholder representatives. Currently, there are two Board committees and a statutory committee. The following committees are in existence: Diversity and Staff Development Committee, Corporate Governance Committee and the Statutory Audit Committee. In the opinion of the Board, the committees performed credibly during the year under review.

(i) Diversity and Staff Development Committee:

The Company recognizes diversity as a decisive factor for its competitiveness, attractiveness and ability to adapt. This committee is charged with studying diversity patterns in the work-force and developing ideas and solutions towards ensuring a balanced and productive human resource base for the Company as well as recommending methods for building and developing employee potential in line with Company policy.

The members of the Diversity and Staff Development Committee were:

- Chief F. Majekodunmi
- Ms. T. Ibru
- Engr. R. Sirajo

Attendance at the meetings of the committee during the year ended 31st December, 2016 was as indicated below:

Director	23rd February	5th October
Chief F.Majekodunmi	P	P
Ms. T. Ibru (Chair)	P	A
Engr. A.R. Sirajo	P	P

Attendance Keys: A= Absent with apology P= Present

(ii) Corporate Governance Committee:

This committee's brief is essentially the application of the Code of Corporate Governance to the structure and operations of the Company with a view to ensuring compliance with internationally accepted guidelines, practices and norms of corporate conduct. In this respect, it examines matters that bear potential risks for the Company. The members of the committee were:

- Chief F. Majekodunmi
- Ms. T. Ibru
- Engr. A.R Sirajo

Attendance at meetings of the meeting of the committee during the year ended 31st December, 2016 was as indicated below:

Director	23rd February	4th August
Chief F. Majekodunmi	P	P
Ms. T. Ibru	P	P
Engr. A.R. Sirajo(Chair)	P	P

Attendance Keys: P= Present

CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31ST DECEMBER, 2016

(iii) Statutory Audit Committee:

In compliance with Section 359(3) of the Companies and Allied Matters Act, (CAP C20) Laws of the Federation, 2004 the Company has established a Statutory Audit Committee. The Statutory Audit Committee is composed of three Directors (two of whom are Non-Executive Directors) and three shareholders elected at the Annual General Meeting. It is chaired by a shareholder representative. The terms of reference of the committee are as prescribed in the provisions of Section 359(6) of the Companies and Allied Matters Act, (CAP C20) Laws of the Federation, 2004. In the performance of their duties, members of the committee have direct access to the internal audit department, the external auditors, management and any other officer that is required. In compliance with the provisions of Section 359(5) of the Companies and Allied Matters Act, (CAP C20) Laws of the Federation, 2004 the following members and Directors were elected and will serve on the committee up to the conclusion of the 39th Annual General Meeting:

- Mr. T.K Akanji - Shareholder (Chairman)
- Chief T.A. Adesiyan - Shareholder
- Mr. C. Achara - Shareholder
- Ms. T. Ibru - Director
- Engr. R. Sirajo - Director
- Mr. B. Dormoy - Director

Attendance at meetings of the Committee (10th June, 2016 – 7th March, 2017) was as indicated below

Members	**5th October**	**24th October**	**15th December**	**7th March**
Mr. T.K Akanji (Chairman)	**P**	**P**	**P**	**P**
Chief T.A. Adesiyan	**P**	**P**	**P**	**P**
Mr. C. Achara	**P**	**P**	**P**	**P**
Ms. T. Ibru	**A**	**P**	**A**	**P**
Engr. R. Sirajo	**P**	**P**	**P**	**P**
Mr. W. J-Y. Konde	**P**	**P**	**R**	**R**
Mr. B. Dormoy	**N**	**N**	**P**	**P**

Attendance Keys: A= Absent with apology, N= Not yet appointed P= Present, R= Resigned

In accordance with Section 359(6) of the Companies and Allied Matters Act, (CAP C20) Laws of the Federation, 2004 the Shareholders and Directors stated above sat on the Audit Committee for the purpose of the Company's year 2016 audit.

COMPLIANCE STATEMENT

In accordance with the amended Post-listing Requirements of the Nigerian Stock Exchange, the Company has put in place a securities trading policy which has been circulated to all directors, employees and counterparts who may at any time possess inside or material information about the Company. The said policy also contains a reminder of the Investment and Securities Act 2007 and the Companies and Allied Matters Act , (CAP C20) Laws of the Federation, 2004 and can be found on our website.

In the course of 2016, none of our directors, employees and counterparts notified us of any contravention of the Post-listing Requirements of the Nigerian Stock Exchange and Total's Securities Trading Policy.

The Company has complied with the requirements of the Securities and Exchange Commission's 2011 Code of Corporate Governance for Public Companies in Nigeria and the Post-listing Requirements of the Nigerian Stock Exchange.

CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31ST DECEMBER, 2016

Total complied with all regulations guiding its operations and activities throughout the year. Total ensures that its existence and operations remain within the law. The Company complies with the laws and regulations of Nigeria.

WHISTLE-BLOWING POLICY
In line with the requirements of the Securities and Exchange Commission's 2011 Code of Corporate Governance and global best practices, the Company has put in place a Whistle-Blowing Policy which is a process whereby the illegal, unethical or inappropriate actions of employees that are injurious to the interest of the company can be reported. The whistle blowing hotline is confidentially managed by PriceWaterhouseCoopers.

CORRUPTION
Safety is one of the pillars of our organization, and so are Governance and Ethics. They define who we are, what we believe in, how we behave and interact. We shall continue to strongly promote integrity whilst sanctioning corrupt and fraudulent behaviour.Total Nigeria Plc is an ethical business organisation. In all our dealings, we are committed to the highest standards of integrity. We do not tolerate bribery and corruption in any form. We actively promote transparency, encourage and monitor strict adherence to our anti-corruption policy. Not only is our anti-corruption policy entrenched in-house (as our staff are trained), we have extended it to our suppliers, partners and third parties acting for and on behalf of Total Nigeria Plc. **Our stance remains zero tolerance policy for corruption**.

Demonstrating high ethical standards has today become a business imperative and is a vital criterion in achieving our ambition to become **the responsible energy major**. The Company has developed a robust compliance plan, which involves knowing who you are doing business with, continuously analyzing the risks associated with every transaction, monitoring, making our expectations clear to our suppliers and demanding them to cascade same to their stakeholders. Our staff and stakeholders are encouraged to approach issues with individual and collective vigilance. Everyone in the chain must play his / her role. In the course of the year several programmes and activities were run on ethics; this culminated in the Company setting aside the 9th of December, 2016 to commemorate the Total Business Ethics Day which focused on Supply Chain Challenges.

ANTI-COMPETITON

We recognize that competition is an instrument of promoting growth and sustainable development. We are at the forefront of fostering competition in our sector of the economy as we actively play by the rules and ensure that we do not engage in anti-competitive activities.

ROLE IN SOCIETY

Total Nigeria Plc is one of the major players in the downstream sector of the oil and gas industry and is an integral part of the Nigerian society as an employer, a supplier, a customer, a partner and a taxpayer.
Through its service providers, stations dealers, suppliers and transporters Total provides employment to over 10,000 persons.

We consult with our stakeholders and have a policy which, not only drives but equally regulates our relationships within our operating environment. Total organizes stakeholders' fora in all its sites where joint decisions are taken concerning projects implementation and monitoring jointly implemented. The Company has a strong belief that sustenance of its business is linked to the wellbeing of its immediate environment hence its decision to invest in health, education and economic empowerment of its host communities, stakeholders and the Nigerian public.

In 2016 as in previous years, Total joined the world to commemorate the World Malaria Day (as declared by the World Health Organization). The World Malaria Day commemoration is an initiative aimed at reducing and possibly eradicating malaria all over the world and Africa in particular. In 2016, Total distributed 4,000 long lasting insecticides treated mosquito nets to Internally Displaced persons and her other stakeholders.

Using the Red Cross Society of Nigeria, we also donated 1,000 solar lamps to Internally Displaced persons in the IDP camps in Abuja.

In line with The Joint United Nations Program on HIV and Aids (UNAIDS)' strategy goals on HIV/AIDS we are working towards Zero New Infections and Zero stigmatization and discrimination. We support Nigerian communities particularly those which play host to our facilities. In the year under review, the Company continued to deliver across the nation, its HIV/AIDS awareness and prevention programme which was launched in 2006 in partnership with the Nigerian Business Coalition Against AIDS (NIBUCAA) and in collaboration with Total Exploration & Production Nigeria Limited. This year, the HIV/AIDS prevention and awareness campaign was held in Asaba Delta State with two weeks free counselling and testing, capacity building for peer educators and distribution of Information, Education and Communication (IEC) materials, condoms and souvenirs. A total of 3, 389 persons were tested. We also sponsored the NIBUCAAs Valentine's Day Campaign. Total is committed to positively impacting the lives of Nigerians through health education and institutional capacity support on HIV/AIDS management.

The Company has been unwavering in its commitment to impact the Nigerian society via the sustainable implementation of community projects, particularly in our host communities. Through the Skills Acquisition Project scheme we have trained 45 youths in Koko, Delta State and 80 youths in Kaduna in meaningful vocations. The programme is a youth development scheme designed to train and empower youth in vocations such as welding and fabrication, fashion and designing, hairdressing, information technology, woodcraft and furniture making. All the graduates have been equipped with starter packs and tools to enable them commence their small scale businesses.

Totals commitment to the support of education is unwavering. We have continued to support less privileged but brilliant students in Koko Community with their educational needs. The Company also donated school equipment to the Ugogomeje Community School in Koko.

In 2016, Total conducted the Total Job Shadow CSR program which is designed with the objective of exposing senior secondary school students from schools to the work environment and providing them with the opportunity to learn about various career options open to them, whilst inspiring them to dream big and become positive change agents in spite of the many challenges they face. We had 60 students from schools in Kaduna and Lagos states. They visited our Lagos and Kaduna Blending Plants and were paired up with employees who acted as mentors to them for the day. They were exposed to actual live work environment side by side employees, and given a tour of Total's facilities. They were also engaged in a leadership workshop. The students wrote an essay on their experience and learning points at the end of the program. A prize of an educational computer was given to each of the first three winners whilst consolation prizes were given to the runners up.

We continued our Safety Cubes Campaign for School Children initiative by the training of some Federal Road Safety Corps members who will assist to train pupils of 39 Schools across Nigeria on increasing road safety consciousness and measures with the objective of reducing accidents amongst school children.

The Company is unrelenting in its sponsorship of three family houses in the SOS Children's Villages Nigeria (Isolo Lagos, Gwagwalada Abuja and Owu Ijebu). The sponsorship involves payment of school fees and feeding and clothing of the children. A key component of the Corporate Sponsorship is the Mentor - a - Child - Programme. It is a programme which runs side by side with the corporate sponsorship whereby employees act as mentors through the monitoring of the moral, mental and general developmental stages in the lives of their chosen child while the child still lives in the village.

We donated funds to the Paroche Foundation as support towards education on substance abuse for secondary and tertiary school students.

We have also continued our support to the Nigerwives Braille Book production center, an organization with the laudable objective of providing Brailed text books, programs and services to the visually impaired and blind community in Nigeria.

In furtherance of our determination to empower young entrepreneurs in Nigeria, we initiated a contest tagged 'Startupper of the Year by Total'. The Contest which ran simultaneously in Nigeria and 33 other African countries was aimed at identifying, rewarding and providing support to the best business creation and development projects that are not more than two years of existence. The 3 winners who emerged from Nigeria have received cash prizes, training, mentoring and support in the execution of their ideas. We believe that not only did the contest produce "winners", it ignited the creative passions of many young Nigerian entrepreneurs.

RELATIONSHIP WITH SHAREHOLDERS

The Board considers effective communication with Shareholders as being of utmost importance. The Board is committed to continuous engagement with its shareholders and ensures that shareholder rights are well protected. The Company reports formally throughout the year with the quarterly and full year results announcements, Corporate Social Responsibility and Annual Reports to all Shareholders. Through these reports the Board renders an account of its stewardship to shareholders. In accordance with the rules of the Securities and Exchange Commission, shareholders who have complaints may use the electronic complaints register on the company's website to register their complaints. This enables the company to handle complaints from shareholders in a timely, effective, fair and consistent manner. Total maintains active dialogue with its shareholders. From time to time the Company also makes other announcements which can be found on our website (www.total.com.ng).

We can also be contacted on social media via:

Twitter (www.twitter.com/totalnigeriaplc)

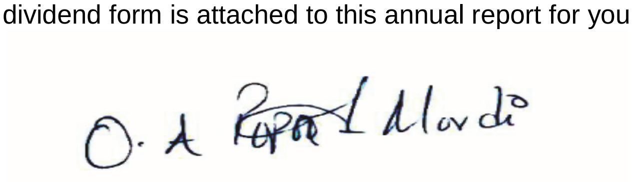
Facebook (www.facebook.com/totalnigeria).

Youtube (www.youtube.com/Total)

In addition to this, periodically, Total holds meetings with institutional investors and other Shareholders.

The Board also welcomes the participation of all Shareholders at the Annual General Meeting during which Shareholders are able to put questions to the Directors, Audit Committee and Senior Managers in writing prior to the meeting, formally during the meeting and informally after the meeting.

Our records show that several dividends and share certificates remain unclaimed despite publications in the newspaper to our shareholders and the circulation of the e-dividend forms. Affected shareholders are urged to kindly update their records to enable the Registrars complete the e-dividend process. The e-dividend form is attached to this annual report for your necessary and urgent attention.



Olubunmi Popoola-Mordi
FRC/2013/ICSAN/00000002042
Company Secretary

STATEMENT OF DIRECTORS RESPONSIBILITIES

In accordance with the provisions of Sections 334 and 335 of the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, 2004, the Company's Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and its results for that year. This responsibility includes ensuring that:

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

The Directors accept responsibility for these financial statements which have been prepared using the appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Financial Reporting Standards, the Financial Reporting Council of Nigeria Act No. 6 2011 and the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, 2004.

The Directors are of the opinion that these financial statements give a true and fair view of the state of affairs of the Company as at the end of the financial year and its results for that year. The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act CAP C20) Laws of the Federation of Nigeria, 2004 and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

Nothing has come to the attention of the Directors that indicate that the Company will not remain a going concern for twelve months from the date of this statement.

Prince Dr. Jeff NNAMANI
FRC/2017/IODN/00000015993.
Executive Director
10th March, 2017

Engr. Rufa'i Sirajo
FRC/2013/NSE/00000001547
Non Executive Director
10th March, 2017

REPORT OF THE STATUTORY AUDIT COMMITTEE TO THE MEMBERS OF TOTAL NIGERIA PLC

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

A. Reviewed the scope and planning of the audit requirements;

B. Reviewed the External Auditors Management Report for the year ended 31st December, 2016 as well as the Management's response thereon; and

C. Ascertained that the accounting and reporting policies of the Company for the year ended 31st December, 2016 are in accordance with legal requirements and agreed ethical practices.

In our opinion, the scope and planning of the audit for the year ended 31st December, 2016 were adequate and Management's responses to the Auditor's findings are satisfactory.

In addition, the scope, planning and reporting of these Financial Statements is compliant with the requirements of the International Financial Reporting Standards as adopted by the Company.

Dated this 7th day of March, 2017

Mr. K. Taiwo FCA
Chairman
FRC/2013/ICAN/00000002890

MEMBERS OF THE COMMITTEE

Chief T. Adesiyan

Mr. C. Achara

Mr. B. Dormoy

Ms. T. Ibru

Engr. R. Sirajo

KPMG

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Telephone 234 (1) 271 8955
234 (1) 271 8599
Internet www.kpmg.com/ng

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **Total Nigeria Plc**

Opinion

We have audited the financial statements of Total Nigeria Plc ("the Company"), which comprise the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, and a summary of significant accounting policies and other explanatory information, as set out on pages 37 to 77.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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The key audit matter	How the matter was addressed in our audit
Revenue recognition Refer to Note 4.2 (Accounting policy) and Note 6 to the financial statements Accuracy of revenue recorded was a matter of significance due to volumes involved, the new price regime with respect to Premium Motor Spirit (PMS), the constant fluctuation of the Nigerian Naira vis-à-vis other currencies and the impact on pricing of a significant number of the Company's products.	In this area our audit procedures included the following: ♦ We evaluated the effectiveness of key controls relating to price changes in the master data to check whether price changes during the year were updated appropriately. ♦ We assessed the accuracy of sales volumes by performing product volume reconciliation across the product types. ♦ We evaluated journal entries and credit notes recorded in the respective revenue accounts by checking that they represented valid adjustments to revenue recognized and were approved by the appropriate authority within the Company.

The key audit matter	How the matter was addressed in our audit
Valuation of receivables Refer to Note 4.10 (Accounting policy) and Note 18 to the financial statements The Company records certain receivables from one of its regulatory authorities that arises from differences between the actual foreign exchange rates adopted by the Regulator in its pricing template. There have been delays in receiving the amounts due from this Regulator. In addition, within the Aviation sector, there has been an industry wide distress and defaults. The Company has significant exposure to this sector with a specific customer for which there has been a historical slower collection pattern. The estimation of the recoverable cash flows and the resultant impairment allowance from this customer	In this area our audit procedures included the following: ♦ We evaluated the operating effectiveness of key controls with respect to approval of credit limits and monthly reviews of customer balances at credit control meetings. The key controls tested covered processes such as monitoring the performance of receivables including timely identification of impairment triggers. ♦ We obtained and inspected details of these receivables and evaluated the basis/ assumptions adopted in determining the probability of recovery of the receivables recorded in these financial statements. ♦ We assessed and challenged the information used to determine the

involves significant judgement by the directors.

The judgement involved in determining the impairment allowance for these balances was a matter of significance to us during the audit.

impairment allowance by comparing future expected cash flows with historical cash collection pattern, and we also considered the current economic conditions and performance in the oil and gas downstream sector.

The key audit matter

Measurement of foreign currency transactions and valuation of derivatives

Refer to Note 4.1 (Accounting policy) and Note 9.2 to the financial statements

Access to foreign exchange (FOREX) is critical to the Company due to the fact that a significant proportion of its purchases are imported. The current shortage in FOREX and the resultant multiple exchange rates in the foreign exchange market gives rise to judgement on the appropriate (average and/or spot and/or closing) rates to be applied to FOREX transactions during the year and on the closing balances.

In order to manage these foreign currency risks, the Company has implemented various strategies including entering into a foreign exchange forward contract. Valuation of this instrument involves significant assumptions in order to determine the fair value of the instrument at year end.

How the matter was addressed in our audit

In this area our audit procedures included the following:

- We compared on a sample basis, the rates applied by the Company in the translation of the FOREX balances to the rates available from other sources of FOREX. This was in order to determine whether the rates applied represented the most likely rate at which the Company would have sourced the foreign exchange at the transaction and/or reporting date.
- We have recalculated the FOREX balances included on the statement of financial position at the applicable year-end rates and compared to amounts included in the financial statements.
- We used our in-house valuation specialists to challenge the assumptions used in the valuation of the foreign exchange forward contract and to recalculate the fair value of the instrument recorded by the Company.

The key audit matter

Pending litigations and claims

Refer to Note 4.16 (Accounting policy) and Note 24 to the financial statements

The evaluation of the expected outcome of legal claims and exposures across the Company, assessing the need to recognise provisions and the disclosures in the financial statements, requires the exercise of significant judgement by the directors.

How the matter was addressed in our audit

In this area our audit procedures included the following:

- We held discussions with the Company's in-house legal counsel, obtained and inspected the schedule of pending litigation provided by the directors.
- We obtained confirmation letters from external solicitors with respect to all legal cases and considered the external

For those exposures where no provision has been made on account of the assessments made by the Company's external legal advisers, the requirement to disclose the nature and estimate of its financial impact gives rise to further judgement in the disclosure within the financial statements.

This was a significant area of focus because of the number of claims and the materiality of the amounts involved.

solicitors' assessment of the probability of success in these cases, the magnitude of any potential loss and their conclusions, as well as the magnitude of any liability that may arise.

- We inspected the minutes of meetings held during the year and subsequent to year end and other correspondence to ascertain whether there were any litigations relating to the current year which could have a material impact on the Company that have not been considered in the financial statements.
- We checked that the extent of disclosures in the financial statements was in accordance with the relevant accounting standard.

Information Other than the Financial Statements and Audit Report thereon

The Directors are responsible for the other information. The other information comprises the Corporate Profile, Mission Statement, List of Directors, Officers and Professional Advisers, Corporate Directory, Results at a Glance, Board of Directors' Profile, Report of the Directors, Corporate Governance Report, Statement of Directors' Responsibilities, Report of the Statutory Audit Committee, Other National Disclosures, Share Capital History and List of Major Distributors, (but does not include the financial statements and our audit report thereon), which we obtained prior to the date of this auditor's report; and the Notice of Annual General Meeting and the Chairman's Statement (together "Outstanding Reports"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Outstanding Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Statutory Audit Committee.

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Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 Nigeria and the Financial Reporting Council of Nigeria Act, 2011, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained

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up to the date of our auditor's report. However, future events may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Statutory Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Statutory Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Statutory Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the Company's statement of financial position and the statement of profit or loss and other comprehensive income are in agreement with the books of account.

Signed:

Ayodele A. Soyinka ACA
FRC/2012/ICAN/00000000405
For: KPMG Professional Services
Chartered Accountants
15 March 2017
Lagos, Nigeria

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
A 1029044

TOTAL NIGERIA PLC

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER

	Note	2016 ₦'000	2015 ₦'000
Non-current assets			
Property, plant and equipment	16	25,228,049	23,091,142
Intangible assets	15	73,970	132,610
Trade and other receivables	18.1	1,437,066	559,960
Prepayments	19	3,261,797	3,743,473
Deferred tax assets	11.3	156,580	-
Total non-current assets		**30,157,462**	**27,527,185**
Current Assets			
Inventories	17	34,902,844	17,391,520
Trade and other receivables	18	48,497,566	24,630,820
Prepayments	19	1,527,811	601,653
Cash and cash equivalents	23	21,842,477	13,502,377
Total current assets		**106,770,698**	**56,126,370**
Total assets		**136,928,160**	**83,653,555**
Equity			
Share capital	22	169,761	169,761
Retained earnings		23,400,336	16,072,720
Total Equity		**23,570,097**	**16,242,481**
Non-current liabilities			
Deferred tax liabilities	11.3	-	3,222,517
Deferred income	21.3	21,410	18,000
Employee benefits	12	223,792	220,618
Total non-current liabilities		**245,202**	**3,461,135**
Current liabilities			
Trade and other payables	21	95,678,681	48,260,504
Derivative financial liability	21.4	1,624,000	-
Deferred income	21.2	202,131	227,147
Current tax liabilities	11.2	6,388,307	1,874,904
Borrowings	20	9,219,742	13,587,384
Total current liabilities		**113,112,861**	**63,949,939**
Total liabilities		**113,358,063**	**67,411,074**
Total equity and liabilities		**136,928,160**	**83,653,555**

These financial statements were approved by the Board of Directors of the Company on 10 March 2017 and signed on behalf of the Board by:

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

Jeff Nnamani - Executive Director (Strategy)
FRC/2017/IODN/00000015993

Additionally certified by:

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

The notes on pages 41 to 77 form an integral part of these financial statements.

TOTAL NIGERIA PLC

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

	Note	2016 ₦'000	2015 ₦'000
Revenue	6	290,952,520	208,027,688
Cost of sales	10	(241,850,724)	(183,274,377)
Gross profit		**49,101,796**	**24,753,311**
Other income	9.1	1,449,363	1,204,459
Other expenses	9.2	(9,056,460)	-
Selling & distribution costs	10	(4,715,791)	(4,669,667)
Administrative expenses	10	(15,847,522)	(15,033,096)
Operating profit		**20,931,386**	**6,255,007**
Finance income	8	273,551	2,030,983
Finance costs	8	(851,861)	(1,790,600)
Net finance (cost)/income		**(578,310)**	**240,383**
Profit before taxation		**20,353,076**	**6,495,390**
Taxation	11	(5,555,981)	(2,448,339)
Profit for the year		**14,797,095**	**4,047,051**
Other comprehensive income		**-**	**-**
Total comprehensive income for the year		**14,797,095**	**4,047,051**
Earnings per share			
Basic and diluted earnings per share	14	43.58	11.92

The notes on pages 41 to 77 form an integral part of these financial statements.

TOTAL NIGERIA PLC

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 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 year		-	14,797,095	14,797,095
Transactions with owners of the Company:				
Contributions and Distributions				
Prior year final dividend	13	-	(4,074,261)	(4,074,261)
Current year interim dividend	13	-	(3,395,218)	(3,395,218)
Total transactions with owners of the Company		-	(7,469,479)	(7,469,479)
Balance at 31 December 2016		**169,761**	**23,400,336**	**23,570,097**

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:				
Contributions and Distributions				
Prior year final dividend	13	-	(3,055,696)	(3,055,696)
Current year 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 41 to 77 form an integral part of these financial statements.

TOTAL NIGERIA PLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER

	Note	2016 ₦'000	2015 ₦'000
Profit for the year		14,797,095	4,047,051
Adjustments for:			
Depreciation	16	3,206,508	2,997,670
Amortisation	15	66,061	66,731
Provision for Long Service Award		31,001	9,531
Gains on sale of PPE	9	(50,860)	(37,505)
Net forex loss on foreign exchange forward contract	9.2	1,624,000	-
Net foreign exchange loss	9.2	7,432,460	(20,135)
Net finance costs/ (income)	8	578,310	(240,383)
Taxation	11.1.1	5,555,981	2,448,339
		33,240,556	9,271,300
Changes in:			
- Inventories		(17,511,324)	2,435,243
- Trade and other receivables		(15,741,358)	11,332,081
- Prepayments		(413,649)	(1,564,014)
- Trade and other payables		20,229,603	(10,579,687)
- Derivative financial liabilities		1,624,000	-
- Deferred income		(21,606)	201,471
Cash generated from operating activities		**21,406,222**	**11,096,394**
Forex differential and interest claim on PSF		-	1,716,896
Payment for long service award		(27,827)	-
Tax paid	11.2	(4,421,676)	(2,164,002)
Net cash generated from operating activities		**16,956,719**	**10,649,288**
Cash flows from investing activities			
Purchase of property, plant and equipment	16	(5,386,456)	(4,209,384)
Purchase of intangible assets	15	(7,422)	(27,434)
Interest on loans and receivables	8	100,212	158,366
Interest on deposits	8	173,339	155,721
Proceeds from disposal of property, plant and equipment		63,070	72,926
Net cash used in financing activities		**(5,057,257)**	**(3,849,805)**
Cash flow from financing activities			
Interest paid	8	(851,861)	(1,790,600)
Trade finance loan received	20	3,383,092	3,010,435
Dividends paid	13.1	(3,406,759)	(3,436,950)
Net cash used in financing activities		**(875,528)**	**(2,217,115)**
Net increase in cash and cash equivalents		**11,023,934**	**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		5,066,900	(442,460)
Cash and cash equivalents as at 31 December	23	**19,016,262**	**2,925,428**

The notes on pages 41 to 77 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.

	31 December 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 31 December 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

2.0 Basis of preparation

2.1 Statement of compliance

These 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 (FRC) of Nigeria Act 2011 and the Companies and Allied Matters Act. They were approved by the Board of Directors on 10 March 2017.

2.2 Basis of measurement

These 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 (NGN), 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 2016 to 31 December 2016, with corresponding figures for the financial period from 01 January 2015 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.

(a) *Judgement*

Information about judgements made in applying accounting policies that have the most significant effects on amounts recognised in the financial statements are as follows;

(i) Cash held with Total Treasury - Note 23

(ii) Recognition of foreign exchange balances

Balances in foreign currencies included in Note 26 of these financial statements have been translated using two different rates based on the applicable closing rates at the respective markets to be accessed for purchases as follows:

- *Valid for FOREX transactions*

  These are transactions that have been approved by the Central Bank of Nigeria (CBN) for which FOREX can be sourced at the official exchange rate (CBN rate) for settlement.

- *Non-valid for FOREX transactions*

  These transactions are not approved by the CBN for sourcing at the official market rate. They will therefore be settled through alternative sources at a premium over the official exchange rate.

(b) *Assumptions and estimation uncertainties*

The directors have made certain decisions about assumptions and estimation of uncertainties that have the most significant effect on the amounts recognised as follows:

(i) *Employee benefits*

The amount recongnised 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 early application is permitted; however, the Company has not applied the new or amended standards in preparing these financial statements.

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These Standards, Amendments to Staandards, and Interpretations which may be relevant to the Company are set out below:

Effective for the financial year commencing 1 January 2017

- IAS 7 Disclosure initiative

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*

Effective for the financial year commencing 1 January 2019

- IFRS 16 *Leases*

The following Standards, Amendment to Standards and Interpretations:
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, Amendment to Standards and Interpretations will be as follows:

Standard/Interpretation not yet effective as at 31 December 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.
Amendments to IAS 7	*Disclosure initiative*	January 2016	1 January 2017 Early adoption is permitted.	The amendments provide for disclosures that enable users of financial statements to evaluate changes in liabilities arising from cash flows and non-cash changes. This include providing a reconciliation between opening and closing balances arising from financing activities, including both changes. The Company will adopt the amendments for the year ending 31 December 2017.

Standard/Interpretation not yet effective as at 31 December 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.
IFRS 16	*Leases*	January 2016	1 January 2019 Early adoption is permitted only for entities that adopt IFRS 15 Revenue from Contracts with Customers, at or before the date of initial application of IFRS 16.	IFRS 16 replaces IAS 17 *Leases* , IFRIC 4 *Determining whether an Arrangement contains a Lease* , SIC-15 *Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease* . The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 eliminates the classification of leases as operating leases or finance leases as required by IAS 17 and introduces a single lessee accounting model The Company is yet to carry-out an assessment to determine the impact that the initial application of IFRS 16 could have on its business. However, the Company will adopt the standard for the year ending 31 December 2019.

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. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency translated at the exchange rate at the date of the transaction. 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 and other income

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.

The timing of the transfer of risks and rewards depends on the individual terms of the sales agreement. For self collection, it occurs when the products are loaded unto the customer's trucks and for all other sales, when the products are delivered to the customer's station or warehouse.

(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 to partners. 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 credit bank balances 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/credits and deferred tax expenses/credits.

Current Taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, 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 unused tax credits, unused tax losses and deductible temporary differences to the extent that it is probable that taxable profits will be available against which these 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 is as a result of taxable temporary differences arising from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of assets or liabilities in a transaction that is not a business combination and 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. 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 year 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 year. 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 year, 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, 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.

NOTES TO THE FINANCIAL STATEMENTS

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 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
· Motor vehicles	4 years
· Office equipment and furniture	4 years
· Computer equipment and other tangibles	4 - 20 years
· Plant, machinery and fittings	3 - 30 years
· Buildings	10 - 25 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 Dividends

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.

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 a 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

The Company classifies non-derivative financial assets into loans and recievables.

The Company classifies non-derivative financial liabilities into other financial liabilities.

i Non-derivative financial assets

The Company initially recognises loans and receivables on the date when they are originated. All other financial assets 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 such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company has only 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.

iii Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency exposures.

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

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 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 Petroleum Support Fund (PSF) are included in operating activities.

4.14 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 financial position.

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 Cost
Packaging Materials, Solar Lamps, Lubricants, Greases, Special fuids and Car care products	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% 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 on a monthly basis, 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 the 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 income and the reduction of the gross receivable. The finance income is allocated to each period during the lease term so as to produce a constant periodic rate of return on the Company's net investment in the lease.

4.20 Operating Profit

Operating profit is the result generated from the continuing principal revenue producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs and income taxes.

4.21 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, Secretary General (EDSG) has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Board of Directors.

The EDSG 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 EDSG 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.

NOTES TO THE FINANCIAL STATEMENTS

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 (CEO) 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)

31 December 2016

		NETWORK		GENERAL TRADE		AVIATION		TOTAL
		₦'000		₦'000		₦'000		₦'000
Revenue	74%	216,128,249	16%	47,377,238	9%	27,447,033	100%	290,952,520
- Petroleum products	75%	187,980,499	15%	36,557,688	11%	27,447,033	100%	251,985,220
- Lubricant and others	72%	28,147,750	28%	10,819,550	0%	-		38,967,300
Gross profit	79%	38,673,381	19%	9,286,968	2%	1,141,447	100%	49,101,796
Finance income	74%	203,097	20%	54,578	6%	15,876	100%	273,551
Finance cost	76%	(646,559)	23%	(195,275)	1%	(10,028)	100%	(851,861)
Taxation	75%	(4,169,197)	25%	(1,382,054)	0%	(4,730)	100%	(5,555,981)
Increase/ (writeback) of Impairment allowance	-8%	15,093	105%	(190,617)	4%	(6,880)	100%	(182,404)
Depreciation and amortisation	83%	(2,709,477)	13%	(413,786)	5%	(149,307)	100%	(3,272,570)

31 December 2015

		NETWORK		GENERAL TRADE		AVIATION		TOTAL
		₦'000		₦'000		₦'000		₦'000
Revenue	73%	151,873,973	17%	36,057,060	10%	20,096,655	100%	208,027,688
Gross profit	80%	20,226,670	18%	4,079,843	2%	446,798	100%	24,753,311
Finance income	89%	1,807,060	10%	211,440	1%	12,483	100%	2,030,983
Finance cost	76%	(1,356,874)	22%	(400,573)	2%	(33,153)	100%	(1,790,600)
Taxation	97%	(2,366,519)	17%	(406,251)	-13%	324,431	100%	(2,448,339)
Increase/ (writeback) of Impairment allowance	47%	218,732	58%	274,548	-5%	(23,107)	100%	470,173
Depreciation and amortisation	84%	(2,572,138)	12%	(366,273)	4%	(107,570)	100%	(3,045,981)

TOTAL NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

5.2 Segment assets and liabilities

31 December 2016

		NETWORK		GENERAL TRADE		AVIATION		TOTAL
		₦'000		₦'000		₦'000		₦'000
Non-current assets	84%	25,319,826	11%	3,195,909	5%	1,641,727	100%	30,157,462
Inventories	85%	29,626,780	13%	4,571,203	2%	704,861	100%	34,902,844
Receivables and prepayments	57%	28,728,532	31%	15,723,306	11%	5,573,539	100%	50,025,377
Cash and cash equivalents[1]	74%	16,225,246	16%	3,556,719	9%	2,060,512	100%	21,842,477
ASSETS	**73%**	**99,900,384**	**20%**	**27,047,137**	**7%**	**9,980,639**	**100%**	**136,928,160**
Addition to non-current assets	84%	2,208,346	11%	278,741	5%	143,188	100%	2,630,277
Payables, deferred income and current tax liabilities	74%	76,502,092	14%	14,306,014	13%	13,085,013	100%	103,893,119
Borrowings[1]	74%	6,848,701	16%	1,501,296	9%	869,745	100%	9,219,742
Non-current liabilities	94%	230,539	5%	11,277	1%	3,386	100%	245,202
LIABILITIES	**74%**	**83,581,332**	**14%**	**15,818,587**	**12%**	**13,958,144**	**100%**	**113,358,063**

31 December 2015

		NETWORK		GENERAL TRADE		AVIATION		TOTAL
		₦'000		₦'000		₦'000		₦'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.

6 Revenue

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

	2016	2015
	₦'000	₦'000
Petroleum products	251,985,220	182,565,224
Lubricants and others	38,967,300	25,462,464
	290,952,520	208,027,688

7 Auditor's remuneration

The analysis of auditors' remuneration is as follows:

	2016	2015
	₦'000	₦'000
Statutory audit fees	26,104	22,776
Total audit fees	26,104	22,776
Other non-audit services	1,255	1,452
Total fees	27,359	24,228

7.1 Fees paid to professional consultants

	2016	2015
	₦'000	₦'000
- Tax services	113,965	119,249
- Information technology services	406,992	291,273
- Litigation services	78,074	70,554
- Recruitment and remuneration services	9,035	3,236
- Aviation subrogation fees	35,008	35,535
- Product supply fees and certifications	64,168	18,038
- Other services	24,233	117,915
	731,475	655,800

8 Net Finance (costs)/income

	2016	2015
Finance income:	₦'000	₦'000
Forex differential on Petroleum Subsidy Fund (PSF)	-	515,925
Interest claim on PSF	-	1,200,971
Interest on unclaimed dividend	100,212	158,366
Interest on deposits	173,339	155,721
Total finance income	273,551	2,030,983
Finance costs:		
Interest on bank overdrafts and loans	(851,861)	(1,790,600)
Total finance costs	(851,861)	(1,790,600)
Net finance (costs) / income	(578,310)	240,383

NOTES TO THE FINANCIAL STATEMENTS

		2016	2015
		₦'000	₦'000
9	**Other income and expenses**		
9.1	**Other income**		
	Network income[1]	1,261,900	839,642
	Other sundry income[2]	136,603	307,177
	Gain on sales of property, plant and equipment	50,860	37,505
	Net foreign exchange gain	-	20,135
		1,449,363	1,204,459

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

[2]Other sundry income relates to royalties received and car scheme income.

		2016	2015
		₦'000	₦'000
9.2	**Other Expenses**		
	Net foreign exchange loss	7,432,460	-
	Net forex loss on foreign exchange forward contract	1,624,000	-
		9,056,460	-

10 Expenses by nature

	2016	2015
	₦'000	₦'000
Changes in inventory of lubes, greases and refined products	237,408,612	180,320,931
Custom duties	1,602,461	1,091,606
Transport of supplies	2,796,270	1,861,840
Distribution cost	4,715,791	4,669,667
Staff costs (Note 31(iii))	7,483,750	6,786,096
Depreciation (Note 16)	3,206,508	2,979,249
Amortisation of software (Note 15)	66,062	66,732
Rent	610,914	682,749
Maintenance expenses	1,080,690	745,937
Motor fuels and travelling expenses	812,047	714,025
Communication, computer and stationery expenses	363,166	368,869
Directors remuneration	203,110	173,235
Bank charges	85,678	201,405
Business promotion and publicity	470,295	337,757
Other expenses	78,944	85,659
Security & guarding	269,409	331,108
Write back of impairment allowance	(909,665)	(956,925)
Impairment allowance	727,261	1,427,098
Fees paid to professional consultants (Note 7.1)	731,475	655,800
Purchase of consumables	65,797	48,914
Insurance	121,134	106,781
Service charge	100,545	77,468
Levies	203,356	55,426
Entertainment expenses	50,941	47,679
Engineering studies	37,049	49,429
De-pollution and environment	5,078	24,378
Auditor's fees (Note 7)	27,359	24,228
Total cost of sales, selling & distribution costs and administrative expenses	262,414,037	202,977,140

TOTAL NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

11 Income tax

Income tax expense

The tax charge for the year 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

	2016	2015
	₦'000	**₦'000**
Current tax expenses:		
Income tax	8,255,538	1,792,127
Education tax	676,126	202,363
Capital gains tax	3,414	158
Current year tax expense	8,935,078	1,994,648
Prior year over provsion	-	(1,250)
	8,935,078	1,993,398
Deferred tax		
Origination and reversal of temporary differences (Note 11.3)	(3,379,097)	454,941
Tax expense	**5,555,981**	**2,448,339**

11.1.2 Reconciliation of effective tax rate

	2016	2015
	₦'000	**₦'000**
Profit before tax	**20,353,076**	**6,495,390**
Income tax using the statutory tax rate (30%)	6,105,923	1,948,617
Effect of tertiary education tax rate (2%)	407,062	202,363
Capital gains tax	3,414	158
Non-deductible expenses	80,203	311,655
Tax incentives	(568,581)	(190,408)
Changes in estimates related to prior year	(537,295)	(1,250)
Others	10,678	177,204
Difference in CIT and TET rates	54,577	-
	5,555,981	**2,448,339**

11.2 Movement in current tax liability

	2016	2015
	₦'000	**₦'000**
Balance as at 1 January	1,874,905	2,045,508
Net provision for the year (Note 11.1.1)	8,935,078	1,993,398
Payments during the year	(4,057,700)	(1,683,717)
Withholding tax credit notes	(363,976)	(480,285)
Balance as at 31 December	**6,388,307**	**1,874,905**

11.3 Deferred taxation

Deferred tax assets and liabilities are attributable to the following;

	Assets		Liabilities		Net	
	2016	2015	2016	2015	2016	2015
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Property, plant and equipment	-	-	(3,740,659)	(3,365,814)	(3,740,659)	(3,365,814)
Provision for doubtful debts	33,032	93,101	-	-	33,032	93,101
Provision for employee benefits	12,780	2,860	-	-	12,780	2,860
Provision for inventory	27,570	25,870	-	-	27,570	25,870
Unrealised exchange differences	3,823,857	21,466	-	-	3,823,857	21,466
	3,897,239	143,297	(3,740,659)	(3,365,814)	156,580	(3,222,517)

Movement in deferred tax balances during the year;

	Balance 1 January 2015	Recognised in profit or loss	Balance 31 December 2015	Recognised in profit or loss	Balance 31 December 2016
	₦'000	₦'000	₦'000	₦'000	₦'000
Property, plant and equipment	(3,244,839)	(120,975)	(3,365,814)	(374,845)	(3,740,659)
Provision for doubtful debts	418,307	(325,206)	93,101	(60,070)	33,031
Provision for employee benefits	63,326	(60,466)	2,860	9,920	12,780
Provision for inventory	9,561	16,309	25,870	1,701	27,571
Unrealised exchange difference	(13,931)	35,397	21,466	3,802,391	3,823,857
	(2,767,576)	(454,941)	(3,222,517)	3,379,097	156,580

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.

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.

A charge to profit or loss of ₦31 million was made during the year ended 31 December 2016 (2015: ₦9.53 million). See note 31 (iii). An amount of ₦28 million was paid during the year.

13 Dividends

Declared dividends

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

	2016 ₦'000	2015 ₦'000
Prior year final dividend:		
₦12.00 per qualifying ordinary share (2014: ₦9.00)	4,074,261	3,055,696
Current year interim dividend:		
₦10.00 per qualifying ordinary share (2015: ₦2.00)	3,395,218	679,044
	7,469,479	**3,734,740**

After the reporting date, on 10 March 2017, the directors proposed dividends of ₦7.00 per share. These dividends have not been recognised in liabilities and there are no resulting tax implications.

13.1 Dividend payable

	2016 ₦'000	2015 ₦'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)	3,395,218	679,044
	8,632,332	4,987,488
Offset against related party balance	-	(387,685)
Dividend paid	(3,406,759)	(3,436,950)
Balance as at 31 December	5,225,573	1,162,853

By the provision of the Securities and Excange Commission (SEC) directives , dividend which remain unclaimed for 12 years stand forfeited.

NOTES TO THE FINANCIAL STATEMENTS

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

Basic earnings per share

Basic earnings per share of ₦41.44 (2015: ₦11.92) is based on profit attributable to ordinary shareholders of ₦13.9billion (2015: ₦4.7 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 year (2015: 339,521,837 ordinary shares).

The company has no dilutive potential ordinary shares and as such, diluted and basic earnings per share are the same.

	2016	2015
Earnings		
Profit for the year attributable to shareholders (expressed in Naira)	14,797,095,000	4,047,051,000
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)	43.58	11.92

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

	2016	2015
Cost	**₦'000**	**₦'000**
Balance as 1 January	375,939	348,505
Additions	7,422	27,434
Balance as at 31 December	383,361	375,939
Amortisation		
Balance as 1 January	(243,329)	(176,598)
Charge for the year[1]	(66,061)	(66,731)
Balance as at 31 December	(309,391)	(243,329)
Carrying amount		
At 1 January	**132,610**	**171,907**
At 31 December	**73,970**	**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:

For the year ended 31 December 2016

	Leasehold land and buildings	Plant, machinery and fittings	Office equipment and furniture	Computer equipment	Motor vehicles	Capital work in progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost							
Balance as at 1 January 2015	14,273,050	10,869,768	579,284	6,835,263	1,239,418	4,122,195	37,918,978
Additions	791,736	536,809	1,446	531,925	312,014	2,035,454	4,209,384
Transfers (Note 16.1)	458,702	695,706	6,850	752,662	44,113	(1,964,803)	(6,770)
Disposals	(5,990)	(48,900)	(3)	(26,509)	(117,001)	-	(198,403)
Balance as at 31 December 2015	15,517,498	12,053,383	587,577	8,093,341	1,478,544	4,192,846	41,923,189
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	646,240	604,951	8,773	664,841	426,360	3,035,291	5,386,456
Transfers (Note 16.1)	803,762	(244,748)	(35,335)	2,465,287	144,668	(3,164,472)	(30,838)
Disposals	(14,036)	(166,082)	(2,782)	(156,016)	(44,062)	-	(382,978)
Balance as at 31 December 2016	16,953,464	12,247,504	558,233	11,067,453	2,005,510	4,063,665	46,895,829
Accumulated depreciation and impairment							
Balance as at 1 January 2015	(3,468,540)	(5,656,718)	(462,854)	(5,600,873)	(808,374)	-	(15,997,359)
Charge for the year	(596,710)	(1,014,604)	(52,843)	(1,128,344)	(205,169)	-	(2,997,670)
Eliminated on disposals	1,860	46,679	3	25,968	88,472	-	162,982
Balance as at 31 December 2015	(4,063,390)	(6,624,643)	(515,694)	(6,703,249)	(925,071)	-	(18,832,047)
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 year	(632,569)	(1,146,654)	(43,302)	(1,128,731)	(255,252)	-	(3,206,508)
Eliminated on disposals	13,456	164,558	2,573	154,510	35,678	-	370,775
Balance as at 31 December 2016	(4,682,503)	(7,606,739)	(556,423)	(7,677,470)	(1,144,645)	-	(21,667,780)
Carrying amount							
At 1 January 2015	10,804,510	5,213,050	116,430	1,234,390	431,044	4,122,195	21,921,619
At 31 December 2015	11,454,108	5,428,740	71,883	1,390,092	553,473	4,192,846	23,091,142
At 31 December 2016	**12,270,961**	**4,640,765**	**1,810**	**3,389,983**	**860,865**	**4,063,665**	**25,228,049**

16.1 Transfers represent additions to other categories of PPE as well as 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:

	2016	2015
	₦'000	₦'000
Raw materials	464,342	1,270,706
Goods in transit	983,413	3,848,157
Finished goods	32,445,530	11,924,801
Consumable equipment and spares	1,009,559	347,856
	34,902,844	**17,391,520**

In 2016, inventories of ₦ 237 billion (2015: ₦ 180 billion) were recognised as an expense during the year and included in 'cost of sales'.

17.1 Movement in write down of inventory

	2016	2015
	₦'000	₦'000
Balance as at 1 January	326,133	190,162
Write down of inventory[1]	64,622	152,443
Reversal of pror year write down[2]	(50,841)	(16,472)
Balance as at 31 December	339,914	326,133

[1]During the year, amounts of 64 million (2015: ₦152 million) were written down and recognised in cost of sales.

[2]Reversal of prior year write down arose because alternative uses were found for the products

18 Trade and other receivables

	2016	2015
	₦'000	₦'000
Customers account	18,033,320	9,638,360
Due from related parties (Note 30.2)	442,459	96,932
Total trade receivables	**18,475,779**	**9,735,292**
Finance lease receivable (Note 18.1 (b))	244,000	-
Advance on letters of credit	8,877,393	-
Bridging claims	13,563,608	4,182,532
Receivable from Petroleum Support Funds	1,067,501	6,187,404
Cardinal Stone Registrars (Unclaimed dividends)	1,306,535	1,162,853
Other receivables[1]	4,962,750	3,362,739
Total other receivables	**30,021,787**	**14,895,528**
	48,497,566	**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).

Information about the Company's exposure to credit and market risks, and impairment losses for trade and other receivables is included in Note 26(iv)

18.1 Trade and other receivables

Trade and other receivables comprise:

	2016	2015
Employee receivables (Note 18.1.1)	1,015,605	1,052,100
Net investment in finance lease (Note 18.1.2)	1,055,000	-
	2,070,605	**1,052,100**

18.1.1 Employee receivables

Employee loans are secured by employee retirement benefit obligations. Current portion is included in Note 18 as part of other receivables.

18.1.2 Finance lease receivable

During 2016, the Company leased transport equipment to some of its transporters under a finance lease arrangement. The average term of the finance leases is 3 years, with options to extend. The finance lease receivables at the end of the reporting period are neither past due nor impaired. At 31 December 2016, the carrying amount of leased equipment was ₦1 billion (2015: Nil). The carrying amount of the finance lease receivables approximates their fair value and may be analysed as follows:

	2016	2015
	₦'000	₦'000
Gross investment in finance lease receivable	1,782,000	-
Unearned finance income	(727,000)	-
Net investment in finance lease	**1,055,000**	**-**

	Gross investment in finance lease receivable		Unearned finance income		Net investment in finance lease	
	2016	2015	2016	2015	2016	2015
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Less than one year	558,000	-	314,000	-	244,000	-
Between one and three years	1,224,000	-	413,000	-	811,000	-
	1,782,000		**727,000**		**1,055,000**	**-**
Current portion					244,000	**-**
Non-current portion					811,000	**-**
					1,055,000	**-**

During the year, no contingent rentals in respect of finance leases were recognised in the income statement. There was no allowance for uncollectable finance lease receivables included in the allowance for impairment losses (2015: Nil).

18.2 As at 31 December 2016, ageing of trade and other receivables that were not impaired was as follows:

	2016	2015
	₦'000	₦'000
Neither past due nor impaired	13,069,940	6,254,139
0 - 90 days past due	4,675,902	2,619,594
91 - 180 days past due	149,175	127,786
Above 180 days past due	580,762	733,773
	18,475,779	**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

	2016	2015
	₦'000	₦'000
Balance as at 1 January	1,864,528	1,394,356
Impairment losses recognised	732,331	1,442,325
Amounts written off during the year as uncollectible	(5,070)	(3,309)
Amounts recovered during the year	(909,665)	(968,844)
Balance as at 31 December	1,682,124	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.

	2016	2015
20 Borrowings	₦'000	₦'000
Unsecured borrowings at amortised cost		
Bank overdrafts (Note 23)	2,826,215	10,576,949
Trade finance loan	6,393,527	3,010,435
Total borrowings	9,219,742	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 year was approximatey 14.1% per annum (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 31 December 2016, as the impact of discounting is not significant.

21 Trade and other payables

	2016	2015
	₦'000	₦'000
Trade payables :		
Amount due to related companies (Note 30.2)	32,751,817	8,539,857
Trade creditors	10.871.477	5.425.721
Bridging contribution	20,976,834	11,117,993
Payable to Petroleum Support Funds	1,406,104	-
Other suppliers [1]	565,603	2,234,310
	66,571,835	**27,317,881**
Other payables:		
Sundry creditors	7,019,433	3,832,754
Security deposits	5,843,251	5,039,985
Accrued liabilities	10,970,037	10,859,592
Dividend payable	5,225,573	1,162,853
Pay As You Earn (PAYE)	28,163	38,893
Staff pension	17,246	8,220
Staff gratuity	3,143	326
	29,106,846	**20,942,623**
Total trade and other payables	**95,678,681**	**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 year end.

The Directors consider that the carrying amount of trade payables as at 31 December 2016 approximates their fair value.
Information about the Group's exposure to currency and liquidity risks is included in Note 26(iii)

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

21.2 Deferred income (current)

	2016	2015
	₦'000	₦'000
Rental services	162,943	212,325
Advance received for solar distribution	39,188	14,822
	202,131	**227,147**

21.3 Deferred income (non current)

	2016	2015
	₦'000	₦'000
Rental services	21,410	18,000
	21,410	**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.

21.4 Derivative liabilities

	2016	2015
	₦'000	₦'000
Forward exchange contracts	1,624,000	-
	1,624,000	**-**

These forward exchange contracts were not designated as cash flow or fair value hedges. The Company accounted for these derivatives at fair value which was determined using valuation techniques. The fair value was calculated as the present value of the expected cash flows under the contracts at the reporting dates.

As at year end, the forward exchange contract had not yet matured and is expected to mature within the next twelve months.

	2016	2015
	₦'000	₦'000
22 Share capital		
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.

	2016	2015
	₦'000	₦'000
23 Cash and cash equivalents		
Bank and cash balances	16,851,050	12,290,843
Cash balances with Total Treasury (Note 30.2)	4,991,427	1,211,534
Cash & cash equivalents in statement of financial position	21,842,477	13,502,377
Bank overdrafts (Note 20)	(2,826,215)	(10,576,949)
Cash & cash equivalents in statement of cash flows	19,016,262	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.

	2016	2015
Bonds	**₦'000**	**₦'000**
Total commitments given	35,350	1,173,492
Total commitments received	1,572,522	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 31 December 2016, the Company had contractual commitments for the acquisition of property, plant and equipment amounting to ₦4.2 Billion (2015: ₦1.7 Billion).

Contingent liabilities

There are contingent liabilities in respect of legal actions against the Company amounting to approximately ₦1.3 trillion (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 year.

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:

	2016	2015
	₦'000	₦'000
Borrowings (Note 20)	9,219,742	13,587,384
Cash and cash equivalents (Note 23)	(21,842,477)	(13,502,377)
Net debt	(12,622,735)	85,007
Equity	23,570,097	16,242,481
Net debt to equity ratio	-53.55%	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:

	2016	2015
	₦'000	₦'000
Variable rate instruments		
Borrowings	9,219,742	13,587,384
	9,219,742	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
31 December 2016	851,861	'+/-2 %	92,093
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 year. The analysis assumes that all other variables, in particular interest rates, remain constant.

Effect in thousands of Naira

As at 31 December 2016

	Foreign currency	Naira balance	Exchange rate	Effect of increase/decrease in exchange rate	
	'000	'000			N '000
Trade receivables					
USD	2,674	842,979	315.25	'30%	252,894
Euro				'30%	-
Cash deposits					
USD	16,137	5,087,189	315.25	'30%	1,526,157
EURO	138	45,921	332.76	'30%	13,776
Trade payables					
USD	(68,894)	(21,718,972)	315.25	'30%	(6,515,692)
EURO	(16,326)	(5,432,793)	332.76	'30%	(1,629,838)
Trade payables (Non-valid for forex)					
USD	(22,139)	(10,718,898)	484.17	'30%	(3,215,670)
Net impact on profit or loss					
USD	**(72,222)**	**(26,507,703)**	**367.03**	**30%**	**(7,952,311)**
EURO	**(16,188)**	**(5,386,872)**	**332.76**	**30%**	**(1,616,063)**

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 year 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.

TOTAL NIGERIA PLC

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 derivative and non-derivative financial liabilities with agreed repayment years. 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 year. 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
31 December 2016	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Borrowings	9,219,742	9,219,742	2,826,215	6,393,527	-	-
Trade payables	66,571,835	66,571,835	11,437,080	34,157,921	20,976,834	-
Other Payables	28,550,619	28,550,619	10,208,040	9,591,049	8,751,530	-
Forward exchange contracts	1,624,000	1,608,816	-	1,608,816	-	-
	105,966,196	**105,951,012**	**24,471,335**	**51,751,313**	**29,728,364**	**-**
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 one year and overdrafts payable at call are reviewed annually.

	2016	2015
	₦'000	₦'000
Amount used	9,219,742	13,587,384
Amount unused	50,780,258	44,412,616
Total Facilities	60,000,000	58,000,000

TOTAL NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

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 year 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 year 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 31 December 2016

	Fully Performing	Past Due	Total
	₦'000	**₦'000**	**₦'000**
Network	9,041,872	-	9,041,872
General Trade	2,983,568	4,759,320	7,742,888
Aviation	844,193	846,826	1,691,019
Trade receivables	**12,869,633**	**5,606,146**	**18,475,779**

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:

	2016	2015
	₦'000	₦'000
Customers	18,033,320	9,638,360
Due from related parties	442,459	96,932
Due from regulators (Government entities)	14,631,109	10,369,936
Other receivables	5,589,017	4,414,839
	38,695,905	**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 year (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 include finance lease receivables, staff debtors and other sundry receivables. The Company reviews the balances due from this category on a yearly 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

(a) 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 31 December 2016

	Carrying amount		
	Loans and receivables	Other financial liabilities	Total
	₦'000	₦'000	₦'000
Financial assets not measured at fair value			
Trade and other receivables	43,545,545	-	43,545,545
Cash and cash equivalents **(Note 23)**	21,842,477	-	21,842,477
	65,388,022	-	65,388,022
Financial liabilities measured at fair value			
Forward exchange contracts	-	1,624,000	1,624,000
	-	1,624,000	1,624,000
Financial liabilities not measured at fair value			
Borrowings **(Note 20)**	-	9,219,742	9,219,742
Trade and other payables	-	92,566,636	92,566,636
	-	101,786,378	101,786,378

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 **(Note 23)**	13,502,377	-	13,502,377
	35,822,558	-	35,822,559
Financial liabilities not measured at fair value			
Borrowings **(Note 20)**	-	13,587,384	13,587,384
Trade and other payables	-	45,377,349	45,377,349
	-	58,964,733	58,964,733

(b) Measurement of fair values

Valuation techniques and significant unobservable inputs

Financial instruments measured at fair value

Type	Valuation technique	Significant observable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward exchange contracts	*Forward pricing:* The fair value is determined using the quoted forward exchange rates at the reporting date and relevant discount rates.	Not applicable	Not applicable

28 Assets pledged as security

As at the year ended 31 December 2016 there were no assets pledged as security (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 31 December 2016 and on the profit for the year ended on that date that have not been taken into account in these financial statements.

30 Related party transactions

As at the year ended 31 December 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 year, 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	
	2016	2015	2016	2015	2016	2015
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Total Outré Mer	-	-	99,878,058	42,838,719	5,198,784	1,295,366
Total Oil Trading	-	-	-	1,204,527	-	-
Total E&P Nigeria	816,787	2,126,469	-	-	-	-
Total Lubricants	363,622	437,853	-	-	-	-
Total marketting middle east			292,381			
Total Access to Solar	-	-		245,344	-	-
Air Total international	-	-	-	-	-	-
Total SA	-	-	179,336	-		123,985
Total Gestion International	-	-	-	-		73,932
Total Raffinage Marketing	-	-	-	-	382,000	658,893
	1,180,409	2,564,322	100,349,775	44,288,590	5,580,784	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	
	2016	2015	2016	2015
	₦'000	₦'000	₦'000	₦'000
Total Outre Mer	-	-	32,067,604	7,976,662
Total Supply	-	-	170,143	
Total E&P Nigeria	395,129	88,736	-	-
Air Total International	-	-	6,565	-
Total SA	-	-	58,772	22,077
Total Gestion International	-	-	-	4,400
Total Access to Solar	-	-	-	8
Total Ghana	-	-	993	-
Total Oil Trading	-	-	-	21,540
Total marketing middle east			1,227	
Total Raffinage Marketing	-	-	445,520	515,170
Total Lubrifiants	47,331	8,196	-	-
	442,460	96,932	32,750,824	8,539,857
Total Treasury [1]	4,991,427	1,211,534	993	-
	5,433,887	1,308,466	32,751,817	8,539,857

[1] Included in the analysis above is the balance of funds held with Total Treasury as at year end amounting to ₦ 4.9billion (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 Related party transactions (continued)

Emoluments of the Directors of the Company were:

	2016	2015
	₦'000	₦'000
Transactions with key management	181,954	147,297
Directors remuneration	203,110	173,235
	203,110	**173,235**
Fees for service as directors	1,500	1,500
Other remunerations	201,610	171,735
Chairman's remuneration	-	-
	203,110	**173,235**

Emoluments of the highest paid director were ₦93,237,000(2015: ₦66,425,741.99). The chairman of the board did not earn any emoluments during the year (2015:Nil).

Dividends totalling ₦20,863,398 were paid in the year in respect of ordinary shares held by the Company's directors. (2015: ₦10,955,002)

The table below shows the number of Directors whose emoluments during the year excluding pension contributions were within the ranges stated:

	2016	2015
	Number	Number
Less than ₦4,000,000	-	-
₦4,000,001 - ₦5,000,000	-	2
₦5,000,001 - ₦6,000,000	-	3
₦6,000,001 and above	6	2
	6	7
Number of Directors who had no emoluments during the year	3	4

31 Information regarding employees

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

	2016 Number	2015 Number
Below ₦1,500,000	17	-
₦1,500,001 - ₦2,500,000	12	4
₦2,500,001 - ₦3,500,000	20	2
₦3,500,001 - ₦4,500,000	21	8
₦4,500,001 - ₦5,500,000	24	27
₦5,500,001 - ₦6,500,000	22	38
₦6,500,001 - ₦7,500,000	58	81
₦7,500,001 - ₦8,500,000	76	91
₦8,500,001 - ₦9,500,000	68	85
₦9,500,001 and above	168	141
	486	**477**

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

	2016 Number	2015 Number
Managerial staff	116	111
Senior staff	348	344
Junior staff	22	22
	486	**477**

(iii) The related staff cost amounted to ₦7.4billion (2015: ₦6.8billion).

Staff costs relating to the above were:

	2016 ₦'000	2015 ₦'000
Salaries and wages	6,362,891	5,654,685
Termination benefits	95,000	62,869
Pension and social benefit	430,159	477,451
Medical expenses	271,208	258,784
Training expenses	145,053	179,259
Provision for long service award	31,001	9,531
Staff welfare expenses	148,438	143,517
	7,483,750	6,786,096

Other national disclosures

OTHER NATIONAL DISCLOSURES
STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER

	2016 N'000	%	2015 N'000	%
Revenue	290,952,520		208,027,688	
Bought in Material and services				
Less: Bought in materials and services :				
- Imported	(100,349,775)		(44,288,590)	
- Local	(152,894,923)		(144,787,127)	
	37,707,821		18,951,971	
Other Income	1,449,363		1,204,459	
Finance Income	273,551		2,030,983	
Value added	**39,430,735**	**100**	**22,187,413**	**100**
Applied as follows:				
To pay government:				
Income tax, education tax and capital gains tax	5,555,981	14	2,448,339	11
To pay employees:				
Salaries, wages, pensions and social benefits	7,483,750	19	7,102,282	32
To pay providers of finance:				
Finance costs	851,861	2	1,790,600	8
Interim dividend	3,395,218	9	679,044	3
Retained in the business				
To maintain and replace:				
- Property, plant and equipment	3,206,508	8	2,997,670	14
- Intangible assets	66,061	-	66,731	-
Final dividend	4,074,261	10	3,055,696	14
To augment retained earnings	14,797,095	38	4,047,051	18
	39,430,735	**100**	**22,187,413**	**100**

OTHER NATIONAL DISCLOSURES
FINANCIAL SUMMARY

	2016	2015	2014 Restated*	2013 Restated*	2012
	₦'000	₦'000	₦'000	₦'000	₦'000
ASSETS					
Property, plant and equipment	25,228,049	23,091,142	21,921,619	20,852,161	18,864,302
Intangible assets	73,970	132,610	171,907	138486	17176
Other receivables	1,437,066	559,960	886,610	870022.9171	-
Prepayments - Non- current portion	3,261,797	3,743,473	2,198,706	1,419,786	1,449,306
Deferred tax assets	156,580	-	-	-	-
Current assets	106,770,698	56,126,370	70,333,586	56,123,131	55,736,281
	136,928,160	**83,653,555**	**95,512,428**	**79,403,587**	**76,067,065**
EQUITY AND LIABILITIES					
Current liabilities	113,112,861	63,949,939	76,603,595	62,026,093	61,951,374
Non -current liabilities	245,202	3,461,135	2,978,663	3,003,042	2,813,777
Share capital	169,761	169,761	169,761	169,761	169,761
Retained earnings	23,400,336	16,072,720	15,760,409	14,204,691	11,132,153
	136,928,160	**83,653,555**	**95,512,428**	**79,403,587**	**76,067,065**
REVENUE AND PROFITS					
Revenue	290,952,520	208,027,688	240,618,693	238,163,160	217,843,731
Profit for the year	20,353,076	6,495,390	6,832,922	9,787,175	7,098,172
Profit after taxation	14,797,095	4,047,051	5,290,458	4,800,601	4,670,917
Dividends	5,771,870	4,753,305	3,734,740	3,734,740	3,734,740
Basic earnings per share:					
Per 50 kobo share (basic) (Naira)	43.58	11.92	15.58	15.71	13.76
Dividend per share:					
Per 50 kobo share (actual) (Naira)	17	14	11	11	11
Net assets:					
Per 50 kobo share (actual) (Naira)	69.42	47.84	46.92	42.34	33.29

NOTE:

Earnings per share is based on profit after tax and the number of ordinary shares of 50k in issue at the end of each financial year.

Dividend per share is based on the interim dividend declared and paid within the year and the final dividend proposed for that year which is subject to approval at the Annual General Meeting divided by the number of ordinary shares in issue at the end of the year.

Net assets per share are based on the net assets of the Company and number of ordinary shares of 50k in issue at the end of each financial year.

Interim dividend of ₦10.00 (2015: ₦2.00) was paid during the year. A final dividend of ₦7.00 (2015 :₦12.00) was proposed for the year ended 31 December 2016.

The financial information presented above reflects historical summaries based on International Financial Reporting Standards.

SHARE CAPITAL HISTORY

The authorized share capital has been increased as follows:

S/N	DATE	RESOLUTION
1.	10th of April, 1958 18th of August, 1959 25th of May, 1960 30th of November, 1976 21st of June, 1978	₦1,500,000 ₦2,000,000 ₦3,000,000 ₦5,000,000 ₦10,000,000
2.	21st of June, 1978	Each share of₦20 was sub- divided into 40 shares of 50 kobo each.
3.	10th of October, 1978	Authorized capital of the Company was ₦10,000,000 divided into 20,000,000 shares of 50 kobo each.
4.	8th of August, 1980	By a special resolution of the Annual General Meeting of the Company, the authorized share capital of the Company was increased to ₦15,000,000 divided into 30,000,000 ordinary shares of 50 kobo each.
5.	18th of October, 1982	By a special resolution of the Extra -ordinary General Meeting of the Company, the authorized share capital of the Company was increased to ₦22,500,000 divided into 45,000,000 ordinary shares of 50 kobo each.
6.	27th of June, 1984	By a special resolution of the Annual General Meeting of the Company, the authorized Share capital of the Company was increased to ₦33,750,000 divided into 67,500,000 ordinary shares of 50 kobo each.
7.	23rd of June, 1988	By a special resolution of the Annual General Meeting of the Company, the authorized Share capital of the Company was increased to ₦40,500,000 divided into 81,000,000 ordinary shares of 50 kobo each.
8.	11th of July, 1991	By a special resolution of the Annual General Meeting of the Company, the authorized Share capital of the Company was increased to ₦54,000,000 divided into 108,000,000 ordinary shares of 50 kobo each.
9.	8th of June 1994	By a special resolution of the Annual General Meeting of the Company, the authorized share capital of the Company was increased to ₦72,000,000 divided into 144,000,000 ordinary shares of 50 kobo each.
10.	7th of June, 1995	By a special resolution of the Annual General Meeting of the Company, the authorized share capital of the Company was increased to ₦96,000,000 divided into 192,000,000 Ordinary shares of 50 kobo each.
11.	11th of June, 1997	By a special resolution of the Annual General Meeting of the Company, the authorized share capital of the Company was increased to ₦112,000.000 divided into 224,000,000 ordinary shares of 50 kobo each.
12.	28th of August, 2001	By a special resolution of the Annual General Meeting of the Company, the authorized share capital of the Company was increased to ₦148,540,804 divided into 297, 081,608 ordinary shares of 50 kobo each.
13.	17th of June 2004	By a special resolution of the Annual General Meeting of the Company, the authorized and issued share capital of the Company was increased to ₦169,760,918.00 divided into 339,521,836 ordinary shares of 50 kobo each.

LIST OF MAJOR DISTRIBUTORS

NO	***STATE***	***NAME OF DEALER***	***NAME OF STATION***
	WESTERN TERRITORY		
1	*LAGOS*	*DELE RABIU*	*ONIGBAGBO*
2	*LAGOS*	*OLAJIDE C.*	*DIYA*
3	*LAGOS*	*MOZIA S. C.*	*AWOLOWO ROAD*
4	*LAGOS*	*OLOFIN S. A.*	*SURULERE*
5	*LAGOS*	*ADEGOKE SULEIMAN*	*OSHODI*
6	*LAGOS*	*TINA OKORIE*	*SURA*
7	*LAGOS*	*KEMI NWIDOBIE*	*WESTERN AVENUE*
8	*LAGOS*	*BIMBO KUSHIMO*	*OJOTA 2*
9	*LAGOS*	*OYINLOLA O.*	*ALAPERE 2*
10	*LAGOS*	*ANURUO JOSEPHINE*	*IKEJA*
11	*LAGOS*	*WANDE RASHEED*	*LEKK 2*
12	*LAGOS*	*JIDE ALESE*	*LEKKI 1*
13	*LAGOS*	*TUNDE MAKUN*	*IGBOBI*
14	*LAGOS*	*STEPHEN HART*	*OLD TOLL GATE*
15	*LAGOS*	*MOMODU V. O. K*	*ITIRE*
16	*LAGOS*	*OLANIYAN SAMUEL*	*OJOTA 1*
17	*LAGOS*	*ALEEM MARUF*	*AKOKA*
18	*LAGOS*	*SALAMI AKINROLE*	*IJORA*
19	*LAGOS*	*ENG. LEKE AWOFESO*	*AJEGUNLE*
20	*LAGOS*	*BASHIR ONI*	*CHALLENGE*
21	*LAGOS*	*ADUMBU M.*	*SEME-BADAGRY*
22	*LAGOS*	*AYO AJAYI*	*ALAUSA*
23	*LAGOS*	*AIGBIGIE BERNARD*	*OLD OJO ROAD*
24	*LAGOS*	*ANIFOWOSE SEFIU*	*COATES*
25	*LAGOS*	*AGBO CECILIA*	*HERBERT MACUALAY*
26	*LAGOS*	*SEMIU O. RASAKI*	*TINCAN*
27	*LAGOS*	*AIDELOGIE SOLOMON*	*MILE 2*
28	*LAGOS*	*RASAKI ADESANYA*	*AJANGBADI*
29	*LAGOS*	*EMMANUEL OWOLABI*	*IKORODU RD*
30	*LAGOS*	*OLATUNDUN ONI*	*MM WAY*
31	*LAGOS*	*KEHINDE AMOO*	*CAMPBELL*
32	*LAGOS*	*SEMIU AMOO*	*MUSHIN*
33	*LAGOS*	*HENRY ABUMERE*	*WHARF ROAD*
34	*LAGOS*	*AYODELE SUNDAY*	*OJUELEGBA*
35	*LAGOS*	*BURAIMOH OLANIYI*	*BONNY ROAD*
36	*LAGOS*	*ADEJUMO SUNDAY*	*IKORODU TOWN STATION, IKORODU, LAGOS.*
37	*LAGOS*	*FATAI ADEBAYO*	*BENSON BUS STOP STATION, IKORODU, LAGOS*

38	*LAGOS*	*OGUNKOLADE AYOOLA*	*AGEGE SERVICE STATION, LAGOS.*
39	*LAGOS*	*TEWOGBADE BOSE*	*PENCINEMA STATION, AGEGE LAGOS.*
40	*LAGOS*	*TIMEHIN NURUDEEN*	*ALAKUKO SERVICE STATION, LAGOS.*
41	*LAGOS*	*OLUTOLA OLULEYE*	*IYANA MEIRAN SERVICE STATION, LAGOS.*
42	*OGUN*	*OPARA PHILIP*	*IBADAN ROAD STATION, IJEBU ODE, OGUN STATE.*
43	*OGUN*	*ADEROHUNMU SOLOMON*	*ABEOKUTA ROAD SERVICE STATION, IJEBU ODE, OGUN STATE.*
44	*OGUN*	*MUDA KAREEM*	*EWEKORO SERVICE STATION, EWEKORO, OGUN STATE*
45	*OGUN*	*OJUMOOLA SEGUN*	*OKEITOKU SERVICE STATION, ABEOKUTA, OGUN STATE*
46	*OGUN*	*SALAMI KEMI*	*IKEREKU STATION, ABEOKUTA, OGUN STATE*
47	*OGUN*	*SHOTAYO SEGUN*	*SAGAMU CENTRE SERVICE STATION, SAGAMU, OGUN STATE.*
48	*OGUN*	*FOLASADE AJAYI OYINBO*	*OGIJO SERVICE STATION, OGIJO, OGUN STATE.*
49	*OYO*	*ELDER DEGUN*	*ELEYELE 1*
50	*OYO*	*FATIMAH AKINDOYIN*	*NEW RESERVATION*
51	*OYO*	*OLAWOYIN MOSES*	*ASHI*
52	*OYO*	*OGUNMODEDE OYENEYE*	*MOKOLA*
53	*OYO*	*PRINCE SIJUADE*	*QUEEN ELIZABETH*
54	*OYO*	*FEMI AKINPELU*	*OFFA TOWN*
55	*OYO*	*RUKAYAT AZEEZ*	*FATE ROAD*
56	*OYO*	*RUFUS ADEYEMI*	*AKURE ROAD*
57	*OYO*	*ADEYANJU GBENGA*	*IBADAN ROAD IFE*
58	*OYO*	*KAZEEM SAKA*	*OYO ROAD OGBOMOSO*
59	*OYO*	*GBENGA IDOWU*	*NEW IFE ROAD*
	EASTERN TERRITORY		
60	*ABIA*	*P. C. OGBU*	*ABA GRA*
61	*ABIA*	*ONWUBIKO ONYEKWERE*	*ABA/ OWERRI ROAD*
62	*ABIA*	*ONYEOBIA SAMUEL*	*ABA CENTER*
63	*AKWA IBOM*	*AKAN OKON*	*ABA ROAD, IKOT EKPENE*
64	*AKWA IBOM*	*UDUAK UMOH*	*UYO TOWN*
65	*ANAMBRA*	*JOSEPH IKE*	*OGUTA ROAD*
66	*ANAMBRA*	*JOSHUA AZUBUIKE*	*ENUGU ROAD*
67	*ANAMBRA*	*B.O.OKEREKE*	*NKPOR JUNCTION*
68	*ANAMBRA*	*ONUORA EJIKE*	*AWKA TOWN*
69	*CROSS RIVER*	*COMFORT ETIM*	*CALABAR ROAD*
70	*CROSS RIVER*	*FRANCIS UDOKA*	*MARIAN ROAD*
71	*DELTA*	*MIKE ODANLUMEN*	*UMUEZEI*
72	*DELTA*	*SUSAN ASUQUO*	*ASABA FERRY*
73	*DELTA*	*SUNNY NWOGO*	*EFFURUN*
74	*DELTA*	*UZOR UZOR*	*OKUMAGBA ESTATE*

75	*DELTA*	*EFE OGUNAME*	*OKUMAGBA AVENUE*
76	*EDO*	*AMINU ATAIRU*	*AUCHI*
77	*EDO*	*SIKIRU ALABI*	*EREKESAN MARKET*
78	*EDO*	*ANDREW EKEAMANYE*	*1ST EAST CIRCULAR*
79	*EDO*	*JOHN OYERE*	*UGBOWO*
80	*EDO*	*MR. GRANT*	*IKPOBA SLOPE*
81	*EKITI*	*OLABANJI ABRAHAM*	*ADO IWOROKO ROAD*
82	*EKITI*	*MICHEAL OLOBELE*	*ADO IKERE ROAD*
83	*ENUGU*	*NNOROM VIVIAN*	*PRESIDENTIAL ROAD*
84	*ENUGU*	*MALACHY MADU*	*UWANI*
85	*ENUGU*	*VICTOR OKAFOR*	*AGBANI ROAD*
86	*IMO*	*EDUEMEH SAMUEL*	*DOUGLAS ROAD, OWERRI*
87	*IMO*	*BENJAMIN ANYANWU*	*ARUGO PARK, OWERRI*
88	*IMO*	*ANTHONY AMADI*	*EGBU ROAD, OWERRI*
89	*KOGI*	*OKO SUNNY OBIYAN*	*OKENE*
90	*ONDO*	*FEMI BABATUNDE*	*ONDO MOTOR PARK*
91	*ONDO*	*TAJUDEEN OLANREWAJU*	*ILESHA ROAD*
92	*RIVERS*	*JOHN EREKOSIMA*	*RUMUOBIAKANI, PH*
93	*RIVERS*	*CHIGOZIE NWOKO*	*MILE 2 DIOBU, PH*
94	*RIVERS*	*ONWUMERE MOSES*	*PORT HARCOURT GRA*
95	*RIVERS*	*OBIDIKE S. N*	*PORT HARCOURT 1*
96	*RIVERS*	*ONYEABO S.*	*PORT HARCOURT 2*
97	*RIVERS*	*NNADI UCHE*	*RUMUOMASI, PH*
98	*RIVERS*	*ODIWE PATRICIA*	*OROGBOM*
99	*RIVERS*	*UKA IGBOKWE*	*LIBERATION DRIVE*
	NORTHERN TERRITORY		
100	*ABUJA*	*ALHJ. MINJIBRIN*	*ASOKORO*
101	*ABUJA*	*FRANCES SULE*	*TOTAL HOUSE*
102	*ABUJA*	*HENRY ASEMOTA*	*WUSE 2 SS*
103	*ABUJA*	*LARRY DANIELS*	*KUBWA*
104	*ABUJA*	*OTETA AUGUSTINE*	*TIPPER GARRAGE*
105	*ADAMAWA*	*MOHAMMED ADAMU*	*AIRPORT ROAD YOLA*
106	*BAUCHI*	*MOHAMMED ABUBAKAR*	*BAUCHI ROAD GOMBE*
107	*BAUCHI*	*SEIDU IBRAHIM*	*YANDOKA BAUCHI*
108	*BENUE*	*BLESSED OJOCHENEMI*	*KASHIM IBRAHIM*
109	*BENUE*	*SANI SUBERU*	*JERICHO ROAD*
200	*BORNO*	*BASHIR ABISO*	*AIRPORT ROAD MAIDUGURI*
201	*GOMBE*	*KOLA ESHO*	*ALKALAMU*
202	*KADUNA*	*MOHAMMED ABUBAKAR*	*KADUNA ZARIA ROAD*
203	*KADUNA*	*M. K. UMAR*	*WAFF ROAD KADUNA*

204	*KADUNA*	*MOHAMMED HASSAN*	*SOUTH BRIDGE KADUNA*
205	*KADUNA*	*VICTOR MAJEKODUNMI*	*BARNAWA KADUNA*
206	*KADUNA*	*IDRIS YUSUF*	*MAIN STREET*
207	*KADUNA*	*MGBEDE OGLI*	*HOSPITAL ROAD*
208	*KANO*	*SAMSON AJIBOLA*	*AIRPORT ROAD*
209	*KANO*	*AUWALU G. KOKI*	*KANO COOPERATIVE*
210	*KANO*	*SHEHU SANI*	*ZOO ROAD*
211	*KANO*	*BASHIR MAGAJI*	*CLUB ROAD*
212	*NIGER*	*HARUNA BABA*	*BOSSO ROAD*
213	*NIGER*	*OLA OLADELE*	*TUDUN FULANI*
214	*PLATEAU*	*LIMMY BAWA*	*JOS MOTOR PARK*
215	*PLATEAU*	*JANET ERU*	*YAKUBU GOWON WAY JOS*
216	*PLATEAU*	*IYKE OFEGBU*	*BUKURU BYE PASS JOS*
217	*SOKOTO*	*IBRAHIM GOBIR*	*AHMADU BELLO WAY*
218	*SOKOTO*	*ALMU MARNAWA*	*ILLELA ROAD 2*
219	*TARABA*	*SIMEON NABASU*	*JALINGO*
220	*YOBE*	*ABDULLAHI AHMED*	*MAIDUGURI ROAD POTISKUM*