


Eterna Plc
IFRS Financial Statements for First Quarter
ended 31st March 2017


Consolidated statement of comprehensive income for the year ended 31 March 2017

	Note	Group		Company	
		2017 N'000	2016 N'000	2017 N'000	2016 N'000
Revenue	1	51,960,649	18,336,119	51,619,651	17,966,643
Cost of sales	2.1	(50,382,211)	(17,560,999)	(50,066,918)	(17,207,503)
Gross profit		1,578,438	775,120	1,552,733	759,140
Selling and distribution expenses	2.2	(917)	(1,902)	(901)	(1,892)
General and administrative expenses	2.3	(550,839)	(415,769)	(510,766)	(386,148)
Other income	5	9,012	4,777	9,011	4,777
Foreign exchange gains/ (Loss)		82,195	157,326	82,195	157,326
Derivative gains (losses)		-	-	-	-
Operating profit		1,117,888	519,552	1,132,272	533,202
Finance income	6	19,337	3,769	19,337	3,769
Finance cost	7	(135,003)	(95,156)	(135,003)	(95,156)
Profit before tax		1,002,222	428,165	1,016,606	441,815
Taxation	8	(320,711)	(137,013)	(325,314)	(141,381)
Profit for the year		681,511	291,152	691,292	300,434
Attributable to:					
- Owners of the parent		681,511	291,152	691,292	300,434
- Non-controlling interests		-	-	-	-
		681,511	291,152	691,292	300,434
Other Comprehensive Income:					
(a) Items that will not be reclassified to profit & loss					
Actuarial gains or (losses)		-	-	-	-
Tax effect of other comprehensive income		-	-	-	-
Other comprehensive income net of tax		-	-	-	-
(b) Items that may subsequently be reclassified to profit & loss					
		-	-	-	-
Total comprehensive income for the year		681,511	291,152	691,292	300,434
Attributable to:					
- Owners of the parent		681,511	291,152	691,292	300,434
- Non-controlling interests		-	-	-	-
Total comprehensive income for the year		681,511	291,152	691,292	300,434
Earnings per share:					
Basic	19	0.52	0.22	0.53	0.23
Diluted	19	0.52	0.22	0.53	0.23

Consolidated statement of financial position as at 31 March 2017

		Group		Company	
	Note	31 March	31 December	31 March	31 December
		2017	2016	2017	2016
		N'000	N'000	N'000	N'000
Non-current assets					
Property, plant and equipment	20	5,979,755	5,974,008	5,765,095	5,755,673
Intangible Assets	20	12,536	13,585	12,537	13,585
Prepayments	8	354,000	375,046	353,999	375,046
Other investments	9	298,757	269,500	298,757	269,500
Investment in subsidiaries	9	-	-	50,990	50,990
		6,645,048	6,632,139	6,481,378	6,464,795
Current assets					
Inventory	11	4,985,870	4,481,732	3,763,333	4,068,467
Trade and other receivables	12	6,932,974	13,288,869	7,198,004	13,283,455
Prepayments	8	175,431	170,249	171,961	167,498
Cash and bank balances	13	5,789,329	7,117,092	5,789,310	7,117,074
		17,883,603	25,057,942	16,922,609	24,636,494
Total assets		24,528,651	31,690,081	23,403,987	31,101,289
Non-current liabilities					
Borrowings	14	1,213,499	1,213,499	1,213,499	1,213,499
Deferred tax liability	10	1,187,072	1,187,072	1,150,552	1,150,552
Decomissioning liability	16	45,098	45,098	38,564	38,564
Employee benefit liability	15	111,935	111,935	111,935	111,935
		2,557,604	2,557,604	2,514,550	2,514,550
Current liabilities					
Trade and other payables	17	1,069,609	10,543,152	558,131	10,581,931
Borrowings	14	7,150,573	5,840,681	7,150,573	5,840,681
Derivative liability	14	1,145,625	1,145,625	1,145,625	1,145,625
Tax payable	8	1,095,503	774,792	892,509	567,196
		10,461,310	18,304,250	9,746,838	18,135,433
Total liabilities		13,018,913	20,861,854	12,261,388	20,649,982
Equity attributable to shareholders					
Share capital	18	652,072	652,072	652,072	652,072
Share premium	18	5,796,053	5,796,053	5,796,053	5,796,053
Retained earnings		5,061,494	4,379,983	4,694,474	4,003,182
		11,509,619	10,828,108	11,142,599	10,451,307
Non -controlling interest		119	119	-	-
Total equity		11,509,738	10,828,227	11,142,599	10,451,307
Total equity and liabilities		24,528,651	31,690,081	23,403,987	31,101,289


Kudi Badmus
Executive Director/Chief Financial Officer
FRC/2016/ICAN/00000014237


Mahmud Tukur
Managing Director/Chief Executive Officer
FRC/2013/IODN/00000004443

Consolidated statement of changes in equity for the year ended 31 March 2017

	Attributable to equity holders of the parent Group					Total Equity N'000
	Share Capital	Share premium	Retained Earnings	Total amount attributable to equity holders	Non - controlling interest	
	N'000	N'000	N'000	N'000	N'000	
Balance at 1 January 2016	652,072	5,796,053	3,236,054	9,684,179	126	9,684,305
Comprehensive income						
Profit for the year	-	-	1,477,566	1,477,566	(7)	1,477,559
Other Comprehensive income						
- Actuarial gains net of tax	-	-	(7,601)	(7,601)	-	(7,601)
Total comprehensive income	-	-	1,469,965	1,469,965	(7)	1,469,958
Transaction with owners						
Dividend paid	-	-	(326,036)	(326,036)	-	(326,036)
At 31 December 2016	652,072	5,796,053	4,379,983	10,828,108	119	10,828,227
Balance at 1 January 2017	652,072	5,796,053	4,379,983	10,828,108	119	10,828,227
Comprehensive income						
Profit for the year	-	-	681,511	681,511	-	681,511
Other Comprehensive income						
- Actuarial gains net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	681,511	681,511	-	681,511
Transaction with owners						
Dividend Paid	-	-	-	-	-	-
At 31 March 2017	652,072	5,796,053	5,061,494	11,509,619	119	11,509,738

	Company			
	Share capital	Share premium	Retained earnings	Total Equity
	N'000	N'000	N'000	N'000
Balance at 1 January 2016	652,072	5,796,053	2,813,666	9,261,791
Comprehensive income				
Profit for the year	-	-	1,523,153	1,523,153
Other Comprehensive income				
- Actuarial gains net of tax	-	-	(7,601)	(7,601)
Total comprehensive income	-	-	1,515,552	1,515,552
Transaction with owners				
Dividend paid	-	-	(326,036)	(326,036)
At 31 December 2016	652,072	5,796,053	4,003,182	10,451,307
Balance at 1 January 2017	652,072	5,796,053	4,003,182	10,451,307
Comprehensive income				
Profit for the year	-	-	691,292	691,292
Other Comprehensive income				
- Actuarial gains net of tax	-	-	-	-
Total comprehensive income	-	-	691,292	691,292
Transaction with owners				
Dividend Paid	-	-	-	-
At 31 March 2017	652,072	5,796,053	4,694,474	11,142,599

Consolidated statement of cash flows for the year ended 31 December 2016

	Note	Group		Company	
		31 March 2017 N'000	31 December 2016 N'000	31 March 2017 N'000	31 December 2016 N'000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Profit on ordinary activities before interest and taxation		1,117,888	5,828,112	1,132,272	5,883,322
Adjustments for non-cash items:					
Depreciation	15	100,876	340,015	93,273	305,285
Fair value loss/(gain) on derivative liability	13	-	948,225	-	948,225
Amortisation of Intangible Assets	15	1,048	3,771	1,048	3,771
Amortisation of long term prepayments	16	22,446	91,184	22,446	91,184
Impairment loss on Trade receivables	7.3	-	73,650	-	73,650
Provision no longer required	11	-	(14,504)	-	2,442
Loss/(Profit) on disposals of property, plant and equipment	7.3	-	3,937	-	2,949
Exchange gain/(losses) on Borrowings	22	-	20,750	-	20,750
Property, plant & equipment and Intangible assets Written off/Disposed	15	-	93,084	-	75,083
Change in the unwinding effects on Decommissioning cost	24	-	(4,356)	-	(4,356)
Finance cost on Trading	22	-	288,426	-	288,426
Increase/(Decrease) in employees benefits	23	-	40,221	-	40,221
		<u>1,242,258</u>	<u>7,712,515</u>	<u>1,249,040</u>	<u>7,730,952</u>
Changes in working capital:					
(Increase) / decrease in inventory	19	(504,138)	(2,966,448)	305,133	(2,850,966)
(Increase) / decrease in debtors	20	6,355,895	5,118,184	6,085,451	4,844,987
(Increase) / decrease in Short term prepayment	15	(6,581)	23,698	(5,862)	23,698
Increase/(Decrease) in payables	24	(9,473,544)	(2,040,991)	(10,023,800)	(1,942,706)
		<u>(3,628,367)</u>	<u>134,443</u>	<u>(3,639,077)</u>	<u>75,013</u>
Cash flow generated used in operating activities		<u>(2,386,109)</u>	<u>7,846,958</u>	<u>(2,390,038)</u>	<u>7,805,965</u>
Tax paid	8	-	(114,309)	-	(114,309)
Net cash generated used in operating activities		<u>(2,386,109)</u>	<u>7,732,649</u>	<u>(2,390,038)</u>	<u>7,691,656</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of property, plant and equipment	15	(106,622)	(539,630)	(102,695)	(107,625)
Purchase of Intangible assets	15	-	(9,511)	-	(9,511)
Payments for leasehold properties	16	-	(156,506)	-	(156,506)
Employee benefits Paid	24	-	(14,847)	-	(14,847)
Investment payment	17	(29,257)	(25,000)	(29,257)	(25,000)
Interest received	12	19,337	104,029	19,337	104,029
Net cash used in investing activities		<u>(116,543)</u>	<u>(641,465)</u>	<u>(112,615)</u>	<u>(209,460)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from borrowings	14	16,846,378	30,513,247	16,846,378	30,513,247
Repayment of borrowings and interest	14	(15,536,487)	(28,722,137)	(15,536,487)	(28,722,137)
Dividend Paid		-	(326,036)	-	-
Other interest paid	7	(135,003)	(3,166,326)	(135,003)	(3,166,326)
Net cash generated from financing activities		<u>1,174,889</u>	<u>(1,701,252)</u>	<u>1,174,889</u>	<u>(1,375,216)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS		<u>(1,327,763)</u>	<u>5,389,932</u>	<u>(1,327,764)</u>	<u>6,106,980</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		<u>7,117,092</u>	<u>1,727,160</u>	<u>7,834,139</u>	<u>1,727,159</u>
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER 2016	20	<u>5,789,329</u>	<u>7,117,092</u>	<u>6,506,375</u>	<u>7,834,139</u>

Notes to the consolidated financial statements

				N'000	
		Group		Company	
		2017	2016	2017	2016
1	Revenue				
	Trading	34,329,399	7,695,572	34,329,399	7,695,572
	Fuel	12,808,953	9,460,229	12,808,953	9,460,229
	Lubricants	1,997,992	1,171,528	1,656,995	802,052
	Others	2,824,305	8,790	2,824,305	8,790
		<u>51,950,649</u>	<u>18,336,119</u>	<u>51,619,651</u>	<u>17,966,643</u>
2	Expenses by nature				
		Group		Company	
		2017	2016	2017	2016
2.1	Cost of sales				
	Material cost	50,375,025	17,558,544	50,059,732	17,205,048
	Delivery cost	7,187	2,455	7,187	2,455
		<u>50,382,211</u>	<u>17,560,999</u>	<u>50,066,918</u>	<u>17,207,503</u>
2.2	Selling and Distribution expenses				
		Group		Company	
		2017	2016	2017	2016
	Marketing and sales commission	856	1,849	856	1,839
	Sampling and analysis	62	53	45	53
		<u>917</u>	<u>1,902</u>	<u>901</u>	<u>1,892</u>
2.3	General and Administration expenses				
		Group		Company	
		2017	2016	2017	2016
	Staff costs	171,349	148,955	160,168	136,655
	Depreciation	92,545	81,701	83,894	73,161
	Legal and Professional fees	36,682	17,669	36,082	17,669
	Amortisation on Prepayments	9,379	9,417	9,379	9,417
	Marketing, gifts and donations	45,732	30,897	45,698	30,897
	Other expenses	17,636	8,384	16,950	6,804
	Repairs and Maintenance	37,028	31,402	25,802	27,907
	Rent, Travelling & Entertainment expenses	60,159	35,143	59,590	34,822
	Insurance, medical and security expenses	18,526	19,756	16,395	18,549
	Stationery and communication	13,754	7,457	12,695	7,420
	Pension costs	6,330	7,763	5,689	6,977
	Provision for doubtful debts	0	-	0	-
	Licence fees	26,953	10,871	25,224	10,099
	Directors remuneration	5,151	1,187	4,751	1,187
	Auditors' remuneration	8,567	4,333	7,400	3,750
	Bad Debt Written off	0	72	0	72
	Amortisation on Intangible assets	1,048	761	1,048	761
	Gain on disposal of property, plant and equipment	0	-	0	-
	Total cost of sales, distribution costs and administrative expenses	<u>550,839</u>	<u>415,768</u>	<u>510,765</u>	<u>386,147</u>
	Expenses by function				
		Group		Company	
		2017	2016	2017	2016
3	Cost of sales	50,382,211	17,560,999	50,066,918	17,207,503
	Selling and Distribution expenses	917	1,902	901	1,892
	General and Administration expenses	<u>550,839</u>	<u>415,769</u>	<u>510,765</u>	<u>386,148</u>
		<u>50,933,968</u>	<u>17,978,670</u>	<u>50,578,584</u>	<u>17,595,543</u>
The total employee benefits expense in the year comprise the following:					
		Group		Company	
		2017	2016	2017	2016
		N'000	N'000	N'000	N'000
	Salaries and wages	121,334	98,678	111,399	86,378
	Other employee costs and benefits	50,016	50,277	48,769	50,277
	Retirement benefits costs	-	-	-	-
		<u>171,349</u>	<u>148,955</u>	<u>160,168</u>	<u>136,655</u>

Notes to the consolidated financial statements

			N'000	
4 Directors' remuneration	Group	2017	2016	Company
				2017
				2016
Fees for services as a director	5,151	78,792	4,751	78,792
Other emoluments as management	74,034	74,034	74,034	74,034
	79,185	152,826	78,785	152,826
The emoluments of the chairman of the board (excluding pension contributions)	-	-	-	-
The emoluments of the highest paid director	40,585	40,585	40,585	40,585
The table below shows the numbers of directors of the company whose remuneration excluding pension contributions fell within the bands stated.				
	Number	Number	Number	Number
	2017	2016	2017	2016
Less than N500,001	-	-	-	-
N500,001 - N3,000,000	6	6	6	6
N8,000,001 - N12,000,000	-	-	-	-
More than N12,000,000	2	2	2	2
	8	8	8	8
5 Other income	Group	2017	2016	Company
				2017
				2016
Depot storage income	182	344	182	344
Rent income	4,891	3,454	4,891	3,454
Blending Income	0	-	0	-
Other income	3,938	979	3,938	979
Provision no longer required	0	-	0	-
	9,011	4,777	9,011	4,777
6 Finance income	Group	2017	2016	Company
				2017
				2016
Interest income on short-term bank deposits	19,337	3,769	19,337	3,769
	19,337	3,769	19,337	3,769
7 Finance cost	Group	2017	2016	Company
				2017
				2016
Interest and other financial charges – Note 13.2	135,003	95,156	135,003	95,156
Interest on long term financing	0	-	0	-
Interest cost on employee benefits	0	-	0	-
Accretion charge	0	-	0	-
	135,003	95,156	135,003	95,156
7.1 Derivative valuation gain/(Loss)	-	-948,225	-	-948,225
	-	-948,225	0	-948,225
8 Taxation	Group	2017	2016	Company
				2017
				2016
Current taxes on income for the year	320,711	128,449	325,314	132,545
Education tax levy for the year	-	8,563	-	8,836
Tax write - back	-	-	-	-
Deferred tax for the year	-	-	-	-
Tax expense on Income statement	320,711	137,012	325,314	141,381
Tax on Other Comprehensive Income	-	-	-	-
Total tax expense	320,711	137,012	325,314	141,381
	Group	2017	2016	Company
				2017
				2016
Opening balance	774,792	473,047	567,195	292,582
Tax paid	-	(114,309)	-	(114,309)
Tax write (back)/off	-	22,586	-	-
WHT utilised	-	(160,886)	-	(160,886)
Income tax charge	320,711	554,354	325,314	549,808
Closing balance	1,095,503	774,792	892,509	567,195
Current	1,095,503	774,792	892,509	567,195
Non-current	-	-	-	-
	1,095,503	774,792	892,509	567,195

Corporation tax is calculated at 30 percent of the taxable profit for the year. The charge for taxation on these financial statements is based on the provisions of the Companies Income Tax Act CAP C21 LFN 2004. The Tertiary Education tax of 2 per cent is based on the provisions of the Tertiary Education Trust Fund Act 2011.

Property, plant and equipment and intangible assets

	Group							Intangible Assets	
	Property Plant and Equipment							Computer Software	Total Intangible Assets
	Capital Work-In-Progress	Land and Buildings	Office Equipment	Furniture & Fittings	Motor Vehicles	Plant and Machinery	Total PPE		
Naira	N'000	N'000	N'000	N'000	N'000	N'000	N'000		
Cost									
At 1 January 2016	371,916	1,047,782	147,975	53,114	177,667	6,027,284	7,825,738	17,429	17,429
Additions in the year	101,975	108,587	18,203	24,023	179,181	107,661	539,630	9,511	9,511
Reclassifications	(36,790)	(8,674)	(45,975)	(1,143)	(3,151)	93,233	(2,500)	-	-
Asset Written off	-	-	(3,210)	(462)	(39,530)	(59,407)	(102,609)	-	-
Asset Disposed	-	-	-	-	-	-	-	-	-
At 31 December 2016	437,101	1,147,695	116,993	75,532	314,167	6,168,771	8,260,259	26,940	26,940
Additions in the year	15,934	25,542	3,711	4,273	35,523	13,305	98,287	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Asset Written off	-	-	-	-	-	-	-	-	-
Asset Disposed	-	-	-	-	-	-	-	-	-
At 31 March 2017	453,035	1,173,237	120,704	79,805	349,690	6,182,076	8,358,546	26,940	26,940
Accumulated Depreciation, Amortisation and Impairment									
At 1 January 2016	-	(125,766)	(86,839)	(29,079)	(97,529)	(1,618,688)	(1,957,901)	(9,944)	(9,944)
Charge for the year	-	(31,440)	(19,918)	(10,677)	(40,278)	(237,702)	(340,015)	(3,771)	(3,771)
Reclassifications	-	(20,600)	203	1,509	5,961	12,283	(644)	360	360
Disposals	-	(4,617)	28,343	(3,417)	30,512	(38,512)	12,309	-	-
At 31 December 2016	-	(182,423)	(78,211)	(41,664)	(101,334)	(1,882,619)	(2,286,251)	(13,355)	(13,355)
Charge for the year	-	(7,947)	(4,581)	(3,291)	(20,159)	(56,563)	(92,540)	(1,048)	(1,048)
Reclassifications	-	-	-	-	-	-	-	-	-
Asset Written off	-	-	-	-	-	-	-	-	-
At 31 March 2017	-	(190,370)	(82,791)	(44,955)	(121,493)	(1,939,182)	(2,378,791)	(14,403)	(14,403)
Net Book Value									
At 31 December 2016	437,101	965,272	38,782	33,868	212,833	4,286,152	5,974,008	13,585	13,585
At 31 March 2017	453,035	982,867	37,912	34,851	228,197	4,242,894	5,979,755	12,536	12,536

Note 20 (Continued)

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Cost

At 1 January 2016
Additions in the year
Reclassifications
Asset Written off
Asset Disposed

At 31 December 2016
Reclassifications
Asset Written off
Asset Disposed

At 31 March 2017

Accumulated Depreciation,
Amortisation and Impairment

At 1 January 2016
Charge for the year
Reclassifications
Asset Written off
Asset Disposed

At 31 December 2016
Charge for the year
Reclassifications
Asset Written off
Asset Disposed

At 31 March 2017

Net Book Value

At 31 December 2015
At 31 December 2016

Company							Intangibles	
Property Plant and Equipment							Computer Software	Total Intangible Assets
Capital Work-In-Progress	Land and Buildings	Office Equipment	Furniture & Fittings	Motor Vehicles	Plant and Machinery	Total PPE	N'000	N'000
N'000	N'000	N'000	N'000	N'000	N'000	N'000		
371,916	920,135	72,772	44,143	160,116	5,823,520	7,392,602	17,429	17,429
101,975	104,254	15,972	24,023	179,181	76,957	502,362	9,511	9,511
(36,790)	36,790	(3,027)	(1,528)	(37,130)	(2,017)	(3,545)	-	-
-	-	-	(80)	-	(25,509)	(65,746)	-	-
437,101	1,061,179	85,717	66,558	302,167	5,872,951	7,825,673	26,940	26,940
15,934	25,542	1,611	3,413	35,523	11,288	93,311	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
453,035	1,086,721	87,328	69,971	337,690	5,884,239	7,918,985	26,940	26,940
-	(104,660)	(39,281)	(23,446)	(84,208)	(1,506,968)	(1,758,563)	(9,944)	(9,944)
-	(27,829)	(15,381)	(9,250)	(37,940)	(214,885)	(305,285)	(3,771)	(3,771)
-	-	-	442	-	555	997	360	360
-	(35,073)	(1,157)	(2,599)	32,148	(468)	(7,149)	-	-
-	-	-	-	-	-	-	-	-
-	(167,562)	(55,819)	(34,853)	(90,000)	(1,721,766)	(2,070,000)	(13,355)	(13,355)
-	(7,068)	(3,505)	(3,031)	(19,491)	(50,794)	(83,889)	(1,048)	(1,048)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	(174,631)	(59,324)	(37,884)	(109,491)	(1,772,560)	(2,153,890)	(14,403)	(14,403)
437,101	893,617	29,898	31,705	212,167	4,151,185	5,755,673	13,585	13,585
453,035	912,090	28,004	32,087	228,199	4,111,680	5,765,095	12,537	12,537

1. Capital WIP – Assets categorized as Capital Work-In-Progress are the cost of building plans, survey, cost of processing land documentation for the ongoing building projects.

2. Assets pledged as security – The assets pledged as security in relation to loans held by the Company are primarily the storage tank farms held by the Company in Ibru Jetty, Ibeafon, Apapa

3. Reclassification – These represents changes in the assets class done in the year following a review of the Company's fixed asset position. The cost and accumulated depreciation for such assets were duly reclassified to appropriate classes.

4. Write off – Following the review of the Company's fixed Asset position at year end, assets which do not meet the capitalisation policy of the company were written off.

Notes to the consolidated financial statements

			N'ooo	
8 Prepayments				
	Group		Company	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
Prepaid rent	466,230	400,908	466,230	400,908
Additions	-	156,506	-	156,506
Amortisation	(22,446)	(91,184)	(22,446)	(91,184)
	443,784	466,230	443,784	466,230
Current portion of prepaid rent	(89,785)	(91,184)	(89,785)	(91,184)
Non-current portion of prepaid rent	353,999	375,046	353,999	375,046
Other short term prepayment	85,646	79,065	82,176	76,314
Current portion of long term prepayments	89,785	91,184	89,785	91,184
	175,431	170,249	171,961	167,498
9 Investments				
			Company	
			31 Mar 2017	31 Dec 2016
Investment in subsidiaries is made up of:				
99.98% in Eterna Industries Limited			49,990	49,990
100% in Eterna Marine and Services Limited			1,000	1,000
			50,990	50,990
These investments are ultimately consolidated at group level.				
	Group		Company	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
Other Investments				
JUHI 2 Project	269,500	264,500	269,500	264,500
Other Investment	29,257	5,000	29,257	5,000
	298,757	269,500	298,757	269,500
10 Deferred Income Tax				
	Group		Company	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
The analysis of deferred tax liabilities is as follows:				
Deferred tax Liabilities				
Deferred tax liabilities to be recovered after more than 12 months	1,187,072	1,187,072	1,150,552	1,150,552
Deferred tax liabilities to be recovered within 12 months	-	-	-	-
	1,187,072	1,187,072	1,150,552	1,150,552
Net deferred tax liability/(asset)	1,187,072	1,187,072	1,150,552	1,150,552
11 Inventory				
	Group		Company	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
Raw materials	1,094,679	412,115	-	-
Finished goods	3,891,192	4,069,617	3,763,333	4,068,467
	4,985,870	4,481,732	3,763,333	4,068,467

Inventory is carried at the lower of cost or net realisable value. Cost is determined using weighted average method. The cost of finished goods and work in progress comprises of raw materials, importation logistics cost, direct labour, other direct costs and other production overheads.

Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

Notes to the consolidated financial statements

12	Trade and other receivables	Group		Company		N'000
		31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016	
	Trade receivables	1,979,221	2,055,809	1,976,836	2,053,423	
	Due from group companies	-	(o)	104,668	59,192	
	Due from related parties	289,400	2,111	289,400	2,111	
	Less: Provision for impairment of receivables	(990,327)	(200,929)	(990,097)	(200,699)	
	Trade receivables – net	1,278,294	1,856,991	1,380,807	1,914,027	
	Advances	(287,967)	5,093,473	(95,349)	5,061,122	
	WHT receivables	550,225	490,224	550,225	490,224	
	Petroleum subsidy fund	1,578,795	1,578,795	1,578,795	1,578,795	
	Bridging claims	276,758	276,758	276,758	276,758	
	Sundry debtors	(78,189)	(63,880)	(78,333)	(64,024)	
	Foreign exchange Forward contract	3,565,524	4,000,000	3,565,524	4,000,000	
	Other receivables	49,534	56,508	19,577	26,552	
		<u>6,932,974</u>	<u>13,288,870</u>	<u>7,198,004</u>	<u>13,283,455</u>	

13	Cash and Cash Equivalents	Group		Company	
		31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
	Cash and bank	5,793,484	7,117,092	5,793,465	7,117,074
	Bank overdrafts	(4,155)	-	(4,155)	-
		<u>5,789,329</u>	<u>7,117,092</u>	<u>5,789,310</u>	<u>7,117,074</u>

Short term investment represents short term bank deposits. For the purpose of the statements of cash flows the cash and cash equivalent balance includes bank overdraft.

14	Borrowings	Group		Company	
		31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
	Current				
	Opening balance	7,054,180	4,543,780	7,054,180	4,543,780
	Additions	16,479,756	30,513,247	16,479,756	30,513,247
	Interest on term loan	362,467	410,114	362,467	410,114
	Interest on trading cost	-	288,426	-	288,426
	Exchange loss on bond instrument	-	20,750	-	20,750
	Write-back of excess provision	-	-	-	-
	Repayment	(15,536,487)	(28,722,137)	(15,536,487)	(28,722,137)
		<u>8,359,917</u>	<u>7,054,180</u>	<u>8,359,917</u>	<u>7,054,180</u>
	Bank overdraft				
		4,155	-	4,155	-
		<u>8,364,072</u>	<u>7,054,180</u>	<u>8,364,072</u>	<u>7,054,180</u>
	Current	<u>7,150,573</u>	<u>5,840,681</u>	<u>7,150,573</u>	<u>5,840,681</u>
	Non-current	<u>1,213,499</u>	<u>1,213,499</u>	<u>1,213,499</u>	<u>1,213,499</u>

Bank borrowings classified as current are denominated in Naira. This relates to various import finance facilities (IFF) and local purchase facilities (LPF) obtained from various banks at interest rates ranging from 18% to 24% per annum with repayment period ranging from 15 to 90 days. The facilities are secured by lien on the products for resale, the Group's Petroleum Storage Depot.

Non-current borrowings represents the unpaid balance on a N500 million loan obtained from Bank of Industry in February 2013 with an annual interest rate of 7%, Principal and Interest are payable quarterly and is expected to be fully repaid by June 2018. Also a N2 Billion term loan facility obtained from a commercial bank in Nigeria in April 2016 with an annual interest rate of 24%. Principal and Interest are payable quarterly and is expected to be fully paid by March 2021. These facilities are secured by a lien on the Group's Petroleum Storage Depot.

Notes to the consolidated financial statements

N'000

15 Employee benefits

	Group		Company	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
Defined benefit obligations	111,935	111,935	111,935	111,935
Fair value of plan assets	-	-	-	-
Deficit of funded plans	111,935	111,935	111,935	111,935
Unrecognised (gains)/losses	-	-	-	-
Net liability recognised	111,935	111,935	111,935	111,935

The reconciliation of the defined benefit obligations as at 31st December 2015 is:

	Group		Company	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
Opening balance	111,935	86,561	111,935	86,561
Current service cost	-	14,675	-	14,675
Interest cost	-	14,687	-	14,687
Benefits paid	-	(14,847)	-	(14,847)
Actuarial Loss	-	10,859	-	10,859
Net Liability Recognised	111,935	111,935	111,935	111,935

	Group		Company	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
Income statement charge for:				
Defined benefit obligation	-	29,362	-	29,362
Total amount recognised in the income statement	-	29,362	-	29,362

	Group		Company	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
Actuarial gains (net of tax) recognised in the statement of other comprehensive income in the period	-	(7,601)	-	(7,601)

	Group		Company	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
Cumulative actuarial gain (net of tax) recognised in the statement of other comprehensive income	-	(21,541)	-	(7,601)

16 Decommissioning Liability

	Group		Company	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
Balance as at 1 January	45,098	45,552	38,564	39,929
Additional obligations incurred	-	-	-	-
Changes in estimated cash flows	-	(4,356)	-	(4,356)
Accretion expenses	-	3,902	-	2,991
Balance at 31 December	45,098	45,098	38,564	38,564

The Company makes provision for the future cost of decommissioning storage tanks on a discounted basis. These costs are expected to be incurred 30 to 50 years. The provision has been estimated using existing technology at current prices, escalated between 10.3% - 11% (2016: 10.3%-11%) and discounted between the range of 12.8% - 16.2% (2016: 12.8% - 16.2%). The economic life and the timing of the asset retirement obligation are dependent on Government legislation, commodity price and the future production profiles of the project. In addition, the estimated cash outflows are subject to inflationary and/or deflationary pressures. No such assets were acquired in the year 2016 and 2017.

17 Trade and other payables

	Group		Company	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
Trade creditors	(3,922,827)	7,854,685	(3,701,367)	7,823,445
Tax related liabilities	178,076	211,113	134,894	150,267
Advance received	42,333	1,147,462	42,333	1,147,462
PSF Contribution	1,269,353	846,779	1,269,353	846,779
Accrued payables	3,468,794	448,059	3,111,915	353,955
Other payables	33,880	35,054	35,879	35,054
Due to Group Companies (note 29)	0	0	(334,875)	224,969
	1,069,609	10,543,152	558,131	10,581,931

Included in the Advance received are the customer deposits for white products and advance rent upfront received from tenants.

Notes to the consolidated financial statements

18 Share capital and share premium		N'000		
		31 Mar 2017	31 Dec 2016	
Authorised:				
1,600,000 thousands Ordinary shares of 50k each		800,000	800,000	
Issued and fully paid:				
1,304,145 thousand Ordinary shares of 50k each		652,072	652,072	
Issued and fully allotted:				
1,304,145 thousand Ordinary shares of 50k each		652,072	652,072	
	Number of shares	Ordinary shares	Share premium	Total
At 1 January 2017	1,304,145	652,072	5,796,053	6,448,125
Capitalised during the period	-	-	-	-
Issue of new shares	-	-	-	-
At 31 March 2017	1,304,145	652,072	5,796,053	6,448,125

19 Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	Group		Company	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
Profit for the year attributable to shareholders (in N'000)	681,511	1,477,559	691,292	1,523,153
Weighted average number of ordinary shares in issue	1,304,145	1,304,145	1,304,145	1,304,145
Basic earnings per share (in N'000)	0.52	1.13	0.53	1.17

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Group		Company	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
Profit for the year attributable to shareholders (in N'000)	681,511	1,477,559	691,292	1,523,153
Weighted average number of ordinary shares in issue	1,304,145	1,304,145	1,304,145	1,304,145
Adjustments for:				
- Share options	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share (thousands)	1,304,145	1,304,145	1,304,145	1,304,145
Basic earnings per share (in N'000)	0.52	1.13	0.53	1.17

Consolidated five-year financial summary

The consolidated five-year financial summary is included for the purposes of the Companies and Allied Matters Act.

	Mar 2017	Dec 2016	Group Dec 2015	Dec 2014	Dec 2013
Financial performance					
Revenue	51,960,649	106,887,567	92,066,480	82,330,180	98,296,903
Profit/(loss) before tax	1,002,222	2,400,172	1,306,585	1,792,066	1,069,428
Taxation	(320,711)	(922,613)	(28,512)	(502,500)	(366,232)
Profit for the year	681,511	1,477,559	1,278,073	1,289,566	703,196
Actuarial gains or losses	-	(10,859)	(19,914)	28,424	14,869
Tax effect of actuarial gains and losses	-	3,258	5,974	(8,527)	(4,461)
Non - controlling interest	-	(7)	(3)	(7)	(28)
Total comprehensive income for the year	681,511	1,469,951	1,264,130	1,309,456	713,576
Basic earnings per share (kobo)	0.52	1.13	0.96	0.99	0.54
Diluted earnings per share (kobo)	0.52	1.13	0.89	0.99	0.54
Financial position					
Share capital	652,072	652,072	652,072	652,072	652,072
Share premium	5,796,053	5,796,053	5,796,053	5,796,053	5,796,053
Non -controlling interest	119	119	126	129	122
Retained Earnings/(Accumulated deficits)	5,061,494	4,379,983	3,236,054	1,971,918	662,462
Total equity	11,509,738	10,828,227	9,684,305	8,420,172	7,110,710
Property, plant and equipment	5,992,292	5,987,593	5,875,322	6,069,497	6,188,805
Other non-current assets	652,756	644,546	530,526	383,220	215,025
Net current (liabilities)/assets	7,422,293	6,753,692	4,384,890	3,340,707	2,666,772
Non-current liabilities	(2,557,604)	(2,557,604)	(1,106,433)	(1,373,252)	(1,959,892)
Net assets	11,509,738	10,828,227	9,684,305	8,420,172	7,110,710
Net assets per share (Naira)	8.83	8.30	7.10	1.45	5.39

Earnings per share is based on the profit attributable to shareholders computed on the basis of the number of issued ordinary shares as at the end of each financial years.

Net assets per share is based on the net assets as the number of issued ordinary shares as at the end of each financial years.