

Eterna Plc
IFRS Financial Statements for Half Year
ended 30 June 2018

ETERNA PLC

FINANCIAL HIGHLIGHTS

2018 Half Year Performance

	Current Year Group Jun. 2018 N'000	Previous Year Group Jun. 2017 N'000	Actual Growth / Decline N'000	% Growth / Decline
Revenue	172,979,427	79,639,884	93,339,543	117%
Gross Profit	2,544,942	2,358,479	186,463	8%
EBIT	1,622,393	1,788,745	(166,352)	-9%
Interest & Similar Charges	(202,872)	(246,509)	43,637	-18%
PBT	1,419,521	1,542,236	(122,715)	-8%
Net Profit/ (Loss)	965,274	1,048,720	(83,446)	-8%
Net working capital	6,275,312	7,683,075	(1,407,763)	-18%
Capital Employed	12,860,659	11,485,705	1,374,954	12%
Authorised share capital	1,600,000	1,600,000		0%
Issued & fully paid	1,304,145	1,304,145		0%
Share capital	652,072	652,072		0%
Share Premium	5,796,053	5,796,053	-	0%
Revaluation reserves	0	0	-	0%
Other reserves	6,412,427	5,037,461	1,374,967	27%
Shareholders Fund	12,860,659	11,485,705	1,374,954	12%

ETERNA PLC
IFRS FINANCIAL STATEMENT SUMMARY FOR HALF YEAR ENDED 30 JUNE 2018

STATEMENT OF COMPREHENSIVE INCOME (For Other Companies)				
	June 2018	June 2017	% Change	Dec. 2017
	N'000	N'000		N'000
Revenue	172,979,427	79,639,884	117%	173,030,225
Cost of Sales	(170,434,485)	(77,281,405)	121%	(166,692,948)
Distribution/Admin and Other Expenses	(1,328,252)	(1,056,711)	26%	(3,174,134)
Other Income	405,703	486,977	-17%	185,680
Financial Charges	(202,872)	(246,509)	18%	(535,882)
Profit/Loss Before Tax	1,419,521	1,542,236	-8%	2,812,941
Taxation	(454,247)	(493,515)	8%	(811,039)
Profit/Loss After Tax	965,274	1,048,720	-8%	2,001,902
Other Comprehensive Income	-	-	0%	(21,844)
Total Comprehensive Income	965,274	1,048,720	-8%	1,980,058
Profit/Loss After Tax Attr. To Noncontrolling Int	-	-	0%	(13)
Profit/Loss After Tax Owners of the Company	965,274	1,048,720	-8%	1,980,071
Total Comp. Inc.Attr. to Non-Controlling Interest	-	-	0%	(13)
Attributable to Owners of the Company	965,274	1,048,720	-8%	1,980,071
Basis Earnings per Share	0.74	0.80	-8%	1.54
Fully Diluted Earnings per Share	0.74	0.80	-8%	1.54

STATEMENT OF FINANCIAL POSITION (For Other Companies)				
	June 2018	December 2017	% Change	
	N'000	N'000		
Property, plant and equipment	8,013,611	7,380,587	9%	
Long term prepayments	347,061	329,903	5%	
Deferred tax asset	-	-	0%	
Investment property	-	-	0%	
Intangible Assets	-	-	0%	
Investments accounted for using the equity method	610,585	571,028	7%	
Financial assets	-	-	0%	
Non-current asset held for sale and disposal groups	-	-	0%	
Total Non Current Assets	8,971,258	8,281,518	8%	
Inventories	6,854,919	6,515,579	5%	
Debtors and Other Receivables	17,438,777	28,764,156	-39%	
Cash and cash equivalents	5,171,631	4,484,479	15%	
Total Current Assets	29,465,327	39,764,214	-26%	
Trade and Other Payables	16,337,943	24,152,947	-32%	
Current Financial liabilities	5,433,564	8,374,303	-35%	
Current Tax Liabilities	1,418,508	1,149,782	23%	
Total Current Liabilities	23,190,015	33,677,032	-31%	
Non-Current Financial liabilities	1,055,222	619,178	70%	
Provisions	241,028	242,821	-1%	
Deferred Tax Liabilities	1,089,659	1,089,659	0%	
Liabilities included in disposal groups classified as held for sale	-	-	-	
Total Non-Current Liabilities	2,385,909	1,951,658	22%	
Working Capital	6,275,312	6,087,182	3%	
Net Assets	12,860,659	12,417,042	4%	
Non Controlling Interest	106	106	0%	
Attributable to Owners of the Company	12,860,553	12,416,936		

STATEMENT OF CHANGES IN EQUITY							
	Share Capital	Share premium	PPE Revaluation Surplus	Retained Earnings	Total	Non-Controlling Interest	Total Equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January 2017	652,072	5,796,053	-	4,379,983	10,828,108	119	10,828,227
Changes in Equity for 2017:							
Issued Share Capital	-	-	-	-	-	-	-
Dividend	-	-	-	(391,243)	(391,243)	-	(391,243)
Total Comprehensive Income	-	-	-	1,048,721	1,048,721	-	1,048,721
Balance as at 30 June 2017	652,072	5,796,053	-	5,037,461	11,485,586	119	11,485,705
Balance as at 1 January 2018	652,072	5,796,053	-	5,968,811	12,416,936	106	12,417,042
Changes in Equity 2018:							
Issued Share Capital	-	-	-	-	-	-	-
Adjustment to Retained Earnings	-	-	-	-	-	-	-
Dividend	-	-	-	(521,658)	(521,658)	-	(521,658)
Total Comprehensive Income	-	-	-	965,274	965,274	-	965,274
Balance as at 30th June 2018	652,072	5,796,053	-	6,412,427	12,860,552	106	12,860,658

CASH FLOW FOR HALF YEAR ENDED 30TH JUNE 2018				
	June 2018	June 2017	% Change	
	N'000	N'000		
Cash Flow from Operating Activities	5,554,930	5,528,870	0%	
Operating Cash Flow before Working Capital Changes	2,396,464	2,363,815	1%	
Net Cash Generated from Operating Activities	5,369,409	5,349,484	0%	
Cash Flow from Investing Activities	(861,371)	(116,988)	636%	
Cash Flow from Financing Activities	(3,820,887)	(3,838,155)	0%	
Net Increase/Decrease in Cash and Cash Equivalent	687,152	1,394,341	-51%	
Cash and Cash Equivalent - Beginning of the Year	4,484,479	7,117,092	-37%	
Cash and Cash Equivalent - End of the Year	5,171,631	8,511,433	-39%	

CORPORATE ACTION				
Proposed Bonus	-	-	0%	
Proposed Dividend	-	-	0%	
Closure Date				
Date of Payment				
AGM Date				
AGM Venue				

Consolidated statement of profit or loss and other comprehensive income for half year ended 30th June 2018

	Note	Group		Company	
		30 June	30 June	30 June	30 June
		2018 N'000	2017 N'000	2018 N'000	2017 N'000
Revenue	1	172,979,427	79,639,884	172,979,426	78,663,073
Cost of sales	2.1	(170,434,485)	(77,281,405)	(170,484,530)	(76,354,708)
Gross profit		2,544,942	2,358,479	2,494,896	2,308,365
Selling and distribution expenses	2.2	(16,526)	(1,117)	(16,526)	(1,101)
General and administrative expenses	2.3	(1,311,726)	(1,055,594)	(1,218,643)	(983,659)
Other income	6	70,915	11,746	70,928	11,753
Foreign exchange gains		288,989	399,533	288,976	399,533
Derivative gains (losses)	17.1	-	-	-	-
Operating profit		1,576,594	1,713,047	1,619,631	1,734,891
Finance income	7	45,799	75,698	45,799	75,698
Finance cost	8	(202,872)	(246,509)	(202,872)	(246,509)
Profit before tax		1,419,521	1,542,236	1,462,558	1,564,080
Taxation	9	(454,247)	(493,515)	(468,018)	(500,505)
Profit for the year		965,274	1,048,720	994,540	1,063,574
Attributable to:					
– Owners of the parent		965,274	1,048,720	994,540	1,063,574
– Non-controlling interests		-	-	-	-
		965,274	1,048,720	994,540	1,063,574
Other Comprehensive Income:					
(a) Items that will not be reclassified to profit & loss					
Actuarial gains or (losses)	27	-	-	-	-
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		965,274	1,048,720	994,540	1,063,574
Attributable to:					
– Owners of the parent		965,274	1,048,720	994,540	1,063,574
– Non-controlling interests		-	-	-	-
Total comprehensive income for the year		965,274	1,048,720	994,540	1,063,574
Earnings per share:					
Basic	31	0.74	0.80	0.76	0.82
Diluted	31	0.74	0.80	0.76	0.82

Consolidated statement of profit or loss and other comprehensive income for second quarter ended 30th June 2018

	Note	Group		Company	
		Q2 2018	Q2 2017	Q2 2018	Q2 2017
		N'000	N'000	N'000	N'000
Revenue	10	118,646,976	27,679,235	118,646,976	27,043,422
Cost of sales	11.1	(117,457,695)	(26,899,193)	(117,481,945)	(26,287,790)
Gross profit		1,189,281	780,041	1,165,031	755,632
Selling and distribution expenses	11.2	(14,161)	(200)	(14,161)	(200)
General and administrative expenses	11.3	(726,024)	(504,759)	(672,703)	(472,893)
Other income	15	67,781	2,735	67,781	2,742
Foreign exchange gains		201,851	317,338	201,838	317,338
Derivative gains (losses)	17.1	-	-	-	-
Operating profit		718,728	595,156	747,785	602,619
Finance income	16	36,018	56,361	36,018	56,361
Finance cost	17	(86,427)	(111,506)	(86,427)	(111,506)
Profit before tax		668,319	540,011	697,376	547,474
Taxation	18	(213,862)	(172,803)	(223,160)	(175,192)
Profit for the year		454,457	367,207	474,216	372,282
Attributable to:					
– Owners of the parent		454,457	367,207	474,216	372,282
– Non-controlling interests		-	-	-	-
		454,457	367,207	474,216	372,282
Other Comprehensive Income:					
(a) Items that will not be reclassified to profit & loss					
Actuarial gains or (losses)	27	-	-	-	-
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		454,457	367,207	474,216	372,282
Attributable to:					
– Owners of the parent		454,457	367,207	474,216	372,282
– Non-controlling interests		-	-	-	-
Total comprehensive income for the year		454,457	367,207	474,216	372,282

Consolidated statement of financial position

	Note	Group		Company	
		30 June	31 December	30 June	31 December
		2018 N'ooo	2017 N'ooo	2018 N'ooo	2017 N'ooo
Non-current assets					
Property, plant and equipment	19	7,888,185	7,255,223	7,485,606	7,014,350
Intangible assets	19	125,426	125,364	125,426	125,364
Prepayments	20	347,061	329,903	347,062	329,903
Other investments	21	610,585	571,028	610,585	571,028
Investment in subsidiaries	21	-	-	50,990	50,990
		<u>8,971,258</u>	<u>8,281,518</u>	<u>8,619,670</u>	<u>8,091,635</u>
Current assets					
Inventory	23	6,854,919	6,515,579	6,819,584	6,487,073
Trade and other receivables	24	17,210,177	28,578,004	16,540,801	27,908,580
Prepayments	20	228,600	186,152	221,542	183,137
Cash and bank balances	25	5,171,631	4,484,479	5,171,556	4,484,456
		<u>29,465,326</u>	<u>39,764,214</u>	<u>28,753,484</u>	<u>39,063,246</u>
Total assets		<u>38,436,584</u>	<u>48,045,732</u>	<u>37,373,154</u>	<u>47,154,881</u>
Non-current liabilities					
Borrowings	26	1,055,222	619,178	1,055,222	619,178
Deferred tax liability	22	1,089,659	1,089,659	1,081,240	1,081,240
Decommissioning liability	28	66,532	66,532	58,939	58,939
Employee benefit liability	27	174,496	176,289	174,496	176,289
		<u>2,385,909</u>	<u>1,951,658</u>	<u>2,369,896</u>	<u>1,935,646</u>
Current liabilities					
Trade and other payables	29	16,337,943	24,152,947	15,772,238	23,802,855
Borrowings	26	5,433,564	7,228,678	5,433,564	7,228,678
Derivative liability	26	-	1,145,625	-	1,145,625
Tax payable	14	1,418,508	1,149,782	1,216,509	934,011
		<u>23,190,015</u>	<u>33,677,032</u>	<u>22,422,311</u>	<u>33,111,169</u>
Total liabilities		<u>25,575,924</u>	<u>35,628,690</u>	<u>24,792,207</u>	<u>35,046,815</u>
Equity attributable to shareholders					
Share capital	30	652,072	652,072	652,072	652,072
Share premium	30	5,796,053	5,796,053	5,796,053	5,796,053
Other reserves		(23,488)	(23,488)	(23,488)	(23,488)
Retained earnings		6,435,915	5,992,299	6,156,311	5,683,429
		<u>12,860,553</u>	<u>12,416,936</u>	<u>12,580,947</u>	<u>12,108,066</u>
Non -controlling interest		106	106	-	-
Total equity		<u>12,860,659</u>	<u>12,417,042</u>	<u>12,580,947</u>	<u>12,108,066</u>
Total equity and liabilities		<u>38,436,584</u>	<u>48,045,732</u>	<u>37,373,154</u>	<u>47,154,881</u>

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

	Attributable to equity holders of the parent						Total Equity
	Group						
	Share Capital	Share premium	Retained Earnings	Other Reserves	Total amount attributable to equity holders	Non - controlling interest	
N'000	N'000	N'000	N'000	N'000	N'000	N'000	
Balance at 1 January 2017	652,072	5,796,053	4,381,627	(1,644)	10,828,108	119	10,828,227
Comprehensive income							
Profit for the year	-	-	1,048,720		1,048,720	-	1,048,720
Other Comprehensive income							
- Actuarial gains net of tax	-	-	-	-	-	-	-
Total comprehensive income	-	-	1,048,720	-	1,048,720	-	1,048,720
Transaction with owners							
Dividend paid			(391,243)		(391,243)	-	(391,243)
At 30 June 2017	652,072	5,796,053	5,939,104	(1,644)	11,485,585	119	11,485,704
Balance at 1 January 2018	652,072	5,796,053	5,992,299	(23,488)	12,416,936	106	12,417,042
Comprehensive income							
Profit for the year	-	-	965,274		965,274	-	965,274
Other Comprehensive income							
- Actuarial gains net of tax	-	-	-	-	-	-	-
Total comprehensive income	-	-	965,274	-	965,274	-	965,274
Transaction with owners							
Dividend Paid			(521,658)		(521,658)	-	(521,658)
At 30 June 2018	652,072	5,796,053	6,435,915	(23,488)	12,860,552	106	12,860,658
	Company						
	Share capital	Share premium	Retained earnings	Other Reserves	Total Equity		
	N'000	N'000	N'000	N'000	N'000		
Balance at 1 January 2017	652,072	5,796,053	4,004,826	(1,644)	10,451,307		
Comprehensive income							
Profit for the year			1,063,574		1,063,574		
Other Comprehensive income							
- Actuarial gains net of tax	-	-	-	-	-		
Total comprehensive income	-	-	1,063,574	-	1,063,574		
Transaction with owners							
Dividend paid			(391,243)		(391,243)		
At 30 June 2017	652,072	5,796,053	4,677,157	(1,644)	11,123,638		
Balance at 1 January 2018	652,072	5,796,053	5,683,429	(23,488)	11,123,638		
Comprehensive income							
Profit for the year			994,540		994,540		
Other Comprehensive income							
- Actuarial gains net of tax	-	-	-	-	-		
Total comprehensive income	-	-	994,540	-	994,540		
Transaction with owners							
Dividend Paid			(521,658)		(521,658)		
At 30 June 2018	652,072	5,796,053	6,156,311	(23,488)	12,580,948		

Consolidated statement of cash flows

	Note	Group		Company	
		30 June 2018 N'000	30 June 2017 N'000	30 June 2018 N'000	30 June 2017 N'000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Profit on ordinary activities before interest and taxation		1,576,594	1,713,047	1,619,631	1,734,889
Adjustments for non-cash items:					
Depreciation	19	172,936	199,004	149,054	181,927
Fair value loss/(gain) on derivative liability	17.1	-	-	-	-
Amortisation of Intangible Assets	19	9,945	2,091	9,945	2,091
Amortisation of long term prepayments	20	40,542	44,476	40,542	44,476
Bad Debt written off	2.3	4,870	443	4,870	443
Provision no longer required	6	-	-	-	-
Loss on disposals of property, plant and equipment	2.3	(127)	(1,914)	(666)	(1,944)
Exchange gain/(losses)	26	-	-	-	-
Property, plant & equipment and Intangible assets Written off	19	41	11,590	42	11,971
Change in the unwinding effects on Decommissioning cost	28	-	-	-	-
Finance cost on Trading	26	591,662	395,077	591,662	395,077
Increase/(Decrease) in employees benefits	27	-	-	-	-
		2,396,464	2,363,815	2,415,080	2,368,929
Changes in working capital:					
(Increase) in inventory	23	(339,340)	(186,652)	(332,511)	146,189
(Increase) / decrease in debtors	24	11,362,957	10,277,438	11,362,909	10,238,396
(Increase) / decrease in Short term prepayment	20	(50,148)	(9,742)	(46,105)	(5,818)
Increase/(decrease) in payables	29	(7,815,004)	(6,915,988)	(8,030,617)	(7,256,754)
		3,158,466	3,165,056	2,953,676	3,122,013
Cash flows generated used in operating activities		5,554,930	5,528,870	5,368,756	5,490,943
Tax paid	9	(185,521)	(179,386)	(185,521)	(179,386)
Net cash generated used in operating activities		5,369,409	5,349,484	5,183,234	5,311,557
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of property, plant and equipment	19	(810,158)	(168,630)	(622,659)	(130,355)
Proceeds on disposal of Property, plant and equipment	25	4,345	5,201	2,972	4,850
Purchase of Intangible assets	19	(10,007)	-	(10,007)	-
Payments for leasehold properties	20	(50,000)	-	(50,000)	-
Employee benefits Paid	27	(1,793)	-	(1,793)	-
Investment payment	21	(39,557)	(29,257)	(39,557)	(29,257)
Interest received	7	45,799	75,698	45,799	75,698
Net cash used in investing activities		(861,371)	(116,988)	(675,246)	(79,064)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from borrowings	26	24,819,027	25,960,819	24,819,027	25,960,819
Repayment of borrowings and interest	26	(28,083,586)	(29,339,401)	(28,083,586)	(29,339,401)
Dividend Paid		(521,658)	(391,243)	(521,658)	(391,243)
Other interest paid	8	(34,670)	(68,329)	(34,670)	(68,329)
Net cash generated from financing activities		(3,820,887)	(3,838,155)	(3,820,888)	(3,838,155)
NET CHANGE IN CASH AND CASH EQUIVALENTS		687,152	1,394,341	687,100	1,394,338
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE HALF-YEAR		4,484,479	7,117,092	4,484,456	7,117,074
CASH AND CASH EQUIVALENTS AT END OF THE HALF-YEAR	25	5,171,631	8,511,433	5,171,556	8,511,412

Notes to the consolidated financial statements

		N'ooo			
		Group		Company	
		2018	2017	2018	2017
1	Revenue				
	Trading	134,801,780	46,413,035	134,801,780	46,413,035
	Fuel	34,240,293	25,114,724	34,240,293	25,114,724
	Lubricants	2,992,862	3,779,517	2,992,862	2,802,707
	Others	944,492	4,332,608	944,492	4,332,608
		172,979,427	79,639,884	172,979,426	78,663,073
2	Expenses by nature				
	2.1 Cost of sales				
	Material cost	170,215,900	77,269,975	170,265,973	76,343,278
	Delivery cost	218,585	11,430	218,557	11,430
		170,434,485	77,281,405	170,484,530	76,354,708
	2.2 Selling and Distribution expenses				
	Marketing and sales commission	15,289	1,011	15,289	1,011
	Sampling and analysis	1,236	107	1,236	90
		16,526	1,117	16,526	1,101
	2.3 General and Administration expenses				
	Staff costs	313,855	257,332	286,798	235,918
	Depreciation	172,916	182,754	149,033	165,677
	Legal and Professional fees	130,238	65,187	130,238	64,587
	Employee Welfare	126,311	87,855	125,221	85,972
	Repairs and Maintenance	84,779	84,119	63,786	67,722
	Rent, Travelling & Entertainment	103,990	69,397	101,831	68,880
	Amortisation on Prepayments	40,542	44,476	40,542	44,476
	Stationery and communication	78,093	39,446	75,569	36,800
	Marketing, gifts and donations	67,659	60,366	67,659	60,226
	Insurance, medical and security	51,703	30,439	45,562	26,569
	Directors remuneration	0	0	0	0
	Pension costs	17,217	12,925	15,567	11,627
	Auditors' fee	14,500	26,137	12,000	23,804
	Licence fees	39,655	34,409	37,229	33,088
	Loss on disposal of property, plant and equipment	-127	-1,914	-666	-1,944
	Amortisation of Intangible assets	9,945	2,091	9,945	2,091
	Allowance for impairment	0	0	0	0
	Other expenses	55,580	60,133	53,459	57,724
	Bad Debt	4,870	443	4,870	443
	Total cost of sales, distribution costs and administrative expenses	1,311,726	1,055,594	1,218,643	983,659
	Expenses by function				
	3				
	Cost of sales	170,434,485	77,281,405	170,484,530	76,354,708
	Selling and Distribution expenses	16,526	1,117	16,526	1,101
	General and Administration expenses	1,311,726	1,055,594	1,218,643	983,659
		171,762,736	78,338,115	171,719,699	77,339,468

Notes to the consolidated financial statements

4 Employees' remuneration and numbers	Group		Company		N'000
	2018	2017	2018	2017	
	Number	Number	Number	Number	
Administration	27	19	26	17	
Operations	30	24	21	18	
Sales and marketing	16	13	16	13	
	<u>73</u>	<u>56</u>	<u>63</u>	<u>48</u>	
Senior Management	8	6	8	6	
Management	9	6	7	3	
Senior staff	56	44	48	39	
	<u>73</u>	<u>56</u>	<u>63</u>	<u>48</u>	

The number of employees, other than directors, who earned over N3,000,000 in the year:

	Group		Company	
	2018	2017	2018	2017
	Number	Number	Number	Number
N3,000,001 - N4,000,000	13	7	10	7
N4,000,001 - N5,000,000	31	25	31	25
Above 5,000,000	29	23	22	15
	<u>73</u>	<u>55</u>	<u>63</u>	<u>47</u>

The total employee benefits expense in the year comprise the following:

	Group		Company	
	2018	2017	2018	2017
	N'000	N'000	N'000	N'000
Salaries and wages	313,855	257,332	286,798	235,918
Employee welfare	126,311	87,855	125,221	85,972
Retirement benefits costs	0	0	0	0
	<u>440,166</u>	<u>345,187</u>	<u>412,019</u>	<u>321,890</u>

5 Directors' remuneration

	Group		Company	
	2018	2017	2018	2017
Fees for services as a director	-	-	-	-
Other emoluments as management	74,034	74,034	74,034	74,034
	<u>74,034</u>	<u>74,034</u>	<u>74,034</u>	<u>74,034</u>

The emoluments of the chairman of the board (excluding pension contributions)

	-	-	-	-
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The emoluments of the highest paid director

	<u>40,585</u>	<u>40,585</u>	<u>40,585</u>	<u>40,585</u>
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The table below shows the numbers of directors of the company whose remuneration excluding pension contributions fell within the bands stated.

	Group		Company	
	2018	2017	2018	2017
	Number	Number	Number	Number
Less than N500,001	-	-	-	-
N500,001 - N3,000,000	6	6	6	6
N3,000,001 - N8,000,000	-	-	-	-
N8,000,001 - N12,000,000	2	2	2	2
More than N12,000,000	8	5	8	5
	<u>8</u>	<u>5</u>	<u>8</u>	<u>5</u>

6 Other income

	Group		Company	
	2018	2017	2018	2017
Depot storage income	20	305	20	305
Rental income	5,572	7,466	5,572	7,466
Other income	65,323	3,975	65,336	3,982
Provision no longer required	0	0	0	0
	<u>70,915</u>	<u>11,746</u>	<u>70,928</u>	<u>11,753</u>

Notes to the consolidated financial statements

N'000

	Group		Company	
	2018	2017	2018	2017
7 Finance income				
Interest income on short-term bank deposits	45,799	75,698	45,799	75,698
	<u>45,799</u>	<u>75,698</u>	<u>45,799</u>	<u>75,698</u>
8 Finance cost				
Interest and other financial charges	34,670	50,609	34,670	50,609
Interest on long term financing	168,202	195,900	168,202	195,900
Interest cost on employee benefits	0	0	0	0
Accretion charge	0	0	0	0
	<u>202,872</u>	<u>246,509</u>	<u>202,872</u>	<u>246,509</u>
13.1 Derivative valuation gain/(loss)	-	-	-	-
	<u>-</u>	<u>0</u>	<u>-</u>	<u>0</u>
This amount represents interest charges on various short term loans, overdrafts and trade finances.				
9 Taxation				
Current taxes on income for the year	425,856	369,180	438,767	369,989
Education tax levy for the year	28,390	24,612	29,251	24,666
Deferred tax for the year	-	-	-	-
Tax expense on Income statement	<u>454,247</u>	<u>393,792</u>	<u>468,018</u>	<u>394,654</u>
Tax on Other Comprehensive Income	-	-	-	-
Total tax expense	<u>454,247</u>	<u>393,792</u>	<u>468,018</u>	<u>394,654</u>
	2018	2017	2018	2017
Opening balance	1,149,782	774,792	934,011	567,194
Tax paid	(185,521)	(421,440)	(185,521)	(421,440)
Tax write (back)/off	-	-	-	-
WHT utilised	-	(102,660)	-	(102,660)
Income tax charge	454,247	899,090	468,018	890,917
Closing balance	<u>1,418,508</u>	<u>1,149,782</u>	<u>1,216,509</u>	<u>934,011</u>
Current	1,418,508	1,149,782	1,216,509	934,011
Non-current	-	-	-	-
	<u>1,418,508</u>	<u>1,149,782</u>	<u>1,216,509</u>	<u>934,011</u>

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.

Notes to the consolidated financial statements

		N'ooo			
		Group		Company	
		2018	2017	2018	2017
10	Revenue				
	Trading	04,072,010	14,370,777	04,072,010	14,370,777
	Fuel	22,819,816	10,009,630	22,819,816	10,009,630
	Lubricants	1,467,170	1,781,525	1,467,170	1,145,712
	Others	287,080	1,508,303	287,080	1,508,303
		118,646,976	27,679,235	118,646,976	27,043,422
11	Expenses by nature				
		Group		Company	
		2018	2017	2018	2017
11.1	Cost of sales				
	Material cost	117,329,170	26,894,950	117,353,427	26,283,547
	Delivery cost	128,525	4,243	128,518	4,243
		117,457,695	26,899,193	117,481,945	26,287,790
11.2	Selling and Distribution expenses				
	Marketing and sales commission	13,382	155	13,382	155
	Sampling and analysis	779	45	779	45
		14,161	200	14,161	200
11.3	General and Administration expenses				
	Staff costs	162,369	129,668	148,024	118,830
	Depreciation	87,620	90,213	75,554	81,784
	Legal and Professional fees	57,832	28,505	57,832	28,505
	Employee Welfare	83,442	36,680	82,697	35,402
	Repairs and Maintenance	40,577	44,425	26,298	39,254
	Rent, Travelling & Entertainment	58,519	27,499	56,530	27,246
	Amortisation on Prepayments	20,271	22,030	20,271	22,030
	Stationery and communication	63,634	20,541	62,561	19,354
	Marketing, gifts and donations	57,905	39,672	57,905	39,564
	Insurance, medical and security	26,071	8,198	22,536	6,924
	Directors remuneration	0	0	0	0
	Pension costs	9,261	6,595	8,418	5,938
	Auditors' fee	7,000	17,570	6,000	16,404
	Licence fees	17,490	8,538	15,297	8,386
	Loss on disposal of property, plant and equipment	1,748	-1,914	1,431	-1,944
	Amortisation of Intangible assets	4,972	1,042	4,972	1,042
	Allowance for impairment	0	0	0	0
	Other expenses	26,396	25,054	25,460	23,733
	Bad Debt	917	443	917	443
	Total cost of sales, distribution costs and administrative expenses	726,024	504,759	672,703	472,893
	Expenses by function				
		Group		Company	
		2018	2017	2018	2017
12	Cost of sales	117,457,695	26,899,193	117,481,945	26,287,790
	Selling and Distribution expenses	14,161	200	14,161	200
	General and Administration expenses	726,024	504,759	672,703	472,893
		118,197,880	27,404,152	118,168,809	26,760,883

Notes to the consolidated financial statements

13 Employees' remuneration and numbers	Group		Company		N'000
	2018	2017	2018	2017	
	Number	Number	Number	Number	
Administration	27	19	26	17	
Operations	30	24	21	18	
Sales and marketing	16	13	16	13	
	<u>73</u>	<u>56</u>	<u>63</u>	<u>48</u>	
Senior Management	8	6	8	6	
Management	9	6	7	3	
Senior staff	56	44	48	39	
	<u>73</u>	<u>56</u>	<u>63</u>	<u>48</u>	

The number of employees, other than directors, who earned over N3,000,000 in the year:

	Group		Company	
	2018	2017	2018	2017
	Number	Number	Number	Number
N3,000,001 - N4,000,000	13	7	10	7
N4,000,001 - N5,000,000	31	25	31	25
Above 5,000,000	29	23	22	15
	<u>73</u>	<u>55</u>	<u>63</u>	<u>47</u>

The total employee benefits expense in the year comprise the following:

	Group		Company	
	2018	2017	2018	2017
	N'000	N'000	N'000	N'000
Salaries and wages	162,369	129,668	148,024	118,830
Employee welfare	83,442	36,680	82,697	35,402
Retirement benefits costs	0	0	0	0
	<u>245,811</u>	<u>166,348</u>	<u>230,721</u>	<u>154,232</u>

14 Directors' remuneration

	Group		Company	
	2018	2017	2018	2017
Fees for services as a director	-	-	-	-
Other emoluments as management	74,034	74,034	74,034	74,034
	<u>74,034</u>	<u>74,034</u>	<u>74,034</u>	<u>74,034</u>

The emoluments of the chairman of the board (excluding pension contributions)

	-	-	-	-
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The emoluments of the highest paid director

	<u>40,585</u>	<u>40,585</u>	<u>40,585</u>	<u>40,585</u>
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Notes to the consolidated financial statements

N'000

The table below shows the numbers of directors of the company whose remuneration excluding pension contributions fell within the bands stated.

	Number 2018	Number 2017	Number 2018	Number 2017
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
	<u>8</u>	<u>5</u>	<u>8</u>	<u>5</u>

15 Other income

	Group		Company	
	2018	2017	2018	2017
Depot storage income	0	123	0	123
Rental income	2,442	2,575	2,442	2,575
Other income	65,339	37	65,339	44
Provision no longer required	0	0	0	0
	<u>67,781</u>	<u>2,735</u>	<u>67,781</u>	<u>2,742</u>

16 Finance income

	Group		Company	
	2018	2017	2018	2017
Interest income on short-term bank deposits	36,018	56,361	36,018	56,361
	<u>36,018</u>	<u>56,361</u>	<u>36,018</u>	<u>56,361</u>

17 Finance cost

	Group		Company	
	2018	2017	2018	2017
Interest and other financial charges	12,508	25,284	12,508	25,284
Interest on long term financing	73,919	86,222	73,919	86,222
Interest cost on employee benefits	0	0	0	0
Accretion charge	0	0	0	0
	<u>86,427</u>	<u>111,506</u>	<u>86,427</u>	<u>111,506</u>

17.1 Derivative valuation gain/(loss)

	Group		Company	
	2018	2017	2018	2017
	-	-	-	-
	<u>-</u>	<u>0</u>	<u>-</u>	<u>0</u>

This amount represents interest charges on various short term loans, overdrafts and trade finances.

18 Taxation

	Group		Company	
	2018	2017	2018	2017
Current taxes on income for the year	200,496	162,003	209,213	164,242
Education tax levy for the year	13,366	10,800	13,948	10,949
Deferred tax for the year	-	-	-	-
Tax expense on Income statement	<u>213,862</u>	<u>172,803</u>	<u>223,160</u>	<u>175,192</u>
Tax on Other Comprehensive Income	-	-	-	-
Total tax expense	<u>213,862</u>	<u>172,803</u>	<u>223,160</u>	<u>175,192</u>
Opening balance	1,149,782	774,792	934,011	567,194
Tax paid	(123,714)	(421,440)	(123,714)	(421,440)
Tax write (back)/off	-	-	-	-
WHT utilised	-	(102,660)	-	(102,660)
Income tax charge	<u>213,862</u>	<u>899,090</u>	<u>223,160</u>	<u>890,917</u>
Closing balance	<u>1,239,930</u>	<u>1,149,782</u>	<u>1,033,458</u>	<u>934,011</u>
Current	<u>1,239,930</u>	<u>1,149,782</u>	<u>1,033,458</u>	<u>934,011</u>
Non-current	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,239,930</u>	<u>1,149,782</u>	<u>1,033,458</u>	<u>934,011</u>

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

	Property Plant and Equipment							Intangible Assets	
	Land and Buildings	Plant and Machinery	Capital Work-In-Progress	Office Equipment	Furniture & Fittings	Motor Vehicles	Total PPE	Computer Software	Total Intangible Assets
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Naira									
Cost									
At 1 January 2017	1,147,695	6,168,771	437,101	116,993	75,532	314,167	8,260,259	26,940	26,940
Additions in the year	1,375,123	140,679	166,985	23,335	36,312	83,058	1,825,492	16,908	16,908
Reclassifications (Note 3)	-	-	(103,425)	-	-	-	(103,425)	103,425	103,425
Asset Written off (Note 4)	(8,925)	(66,948)	(26,581)	(24,434)	(25,187)	(41,600)	(193,673)	(11,335)	(11,335)
At 31 December 2017	2,513,894	6,239,653	474,081	114,804	86,657	340,685	9,769,774	135,938	135,938
Additions in the year	155,377	165,222	442,706	32,477	13,971	405	810,158	10,007	10,007
Reclassifications (Note 3)	85	2,340	-	(1,560)	(866)	-	-	-	-
Asset Written off (Note 4)	-	(438)	-	(640)	-	-	(1,078)	-	-
Asset Disposed	-	(7,452)	-	(376)	-	(10,675)	(18,503)	-	-
At 30 June 2018	2,669,356	6,399,325	916,787	144,705	99,763	330,415	10,560,351	145,945	145,945
Accumulated Depreciation, Amortisation and Impairment									
At 1 January 2017	(182,423)	(1,882,619)	-	(78,211)	(41,664)	(101,334)	(2,286,251)	(13,355)	(13,355)
Charge for the year	(39,366)	(229,257)	-	(19,851)	(15,701)	(76,821)	(380,996)	(5,345)	(5,345)
Asset Written off (Note 4)	8,856	56,024	-	22,172	22,115	26,288	135,455	8,126	8,126
Asset Disposed	-	1,559	-	961	-	14,723	17,242	-	-
At 31 December 2017	(212,934)	(2,054,293)	-	(74,929)	(35,250)	(137,145)	(2,514,550)	(10,574)	(10,574)
Charge for the year	(21,330)	(90,897)	-	(12,414.09)	(10,345.09)	(37,949.93)	(172,936)	(9,945)	(9,945)
Reclassifications (Note 3)	(54)	(1,931)	-	1,383	602	-	-	-	-
Asset Written off (Note 4)	-	438	-	610	-	-	1,048	-	-
Asset Disposed	-	5,354	-	376	-	8,544	14,274	-	-
At 30 June 2018	(234,318)	(2,141,330)	-	(84,974)	(44,993)	(166,551)	(2,672,166)	(20,519)	(20,519)
Net Book Value									
At 31 December 2017	2,300,960	4,185,360	474,081	39,875	51,407	203,540	7,255,223	125,364	125,364
At 30 June 2018	2,435,038	4,257,995	916,787	59,731	54,770	163,864	7,888,185	125,426	125,426

Note 19 (Continued)	Company Property Plant and Equipment							Intangibles	
	Land and Buildings	Plant and Machinery	Capital Work-In-Progress	Office Equipment	Furniture & Fittings	Motor Vehicles	Total PPE	Computer Software	Total Intangible Assets
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Naira									
Cost									
At 1 January 2017	1,061,179	5,872,951	437,101	85,717	66,558	302,167	7,825,673	26,940	26,940
Additions in the year	1,374,540	96,803	166,445	19,072	24,957	83,058	1,764,875	16,908	16,908
Reclassifications (Note 3)	-	-	(103,425)	-	-	-	(103,425)	103,425	103,425
Asset Written off (Note 4)	(8,925)	(55,494)	(26,581)	(22,224)	(23,313)	(36,600)	(173,137)	(11,335)	(11,335)
Asset Disposed	-	(2,784)	-	(984)	-	(14,940)	(18,707)	-	-
At 31 December 2017	2,426,795	5,911,477	473,541	81,581	68,202	333,685	9,295,279	135,938	135,938
Additions in the year	126,534	18,477	442,431	22,095	12,717	405	622,659	10,007	10,007
Reclassifications (Note 3)	-	-	-	-	-	-	-	-	-
Asset Written off (Note 4)	-	-	-	(163)	-	-	(163)	-	-
Asset Disposed	-	(1,008)	-	(376)	-	(10,675)	(12,060)	-	-
At 30 June 2018	2,553,329	5,928,945	915,972	103,137	80,919	323,415	9,905,715	145,945	145,945
Accumulated Depreciation, Amortisation and Impairment									
At 1 January 2017	(167,562)	(1,721,766)	-	(55,819)	(34,853)	(90,000)	(2,070,000)	(13,355)	(13,355)
Charge for the year	(35,812)	(204,580)	-	(14,697)	(14,083)	(76,153)	(345,324)	(5,345)	(5,345)
Reclassifications (Note 3)	-	-	-	-	-	-	-	-	-
Asset Written off (Note 4)	8,856	46,706	-	20,111	20,318	21,288	117,279	8,126	8,126
Asset Disposed	-	1,527	-	866	-	14,723	17,115	-	-
At 31 December 2017	(194,518)	(1,878,113)	-	(49,539)	(28,618)	(130,143)	(2,280,930)	(10,574)	(10,574)
Charge for the year	(19,548.33)	(73,312)	-	(9,483)	(8,761)	(37,950)	(149,054)	(9,945)	(9,945)
Reclassifications (Note 3)	-	-	-	-	-	-	-	-	-
Asset Written off (Note 4)	-	-	-	156	-	-	156	-	-
Asset Disposed	-	798	-	376	-	8,544	9,719	-	-
At 30 June 2018	(214,066)	(1,950,627)	-	(58,490)	(37,379)	(159,549)	(2,420,109)	(20,519)	(20,519)
Net Book Value									
At 31 December 2017	2,232,277	4,033,364	473,541	32,042	39,584	203,542	7,014,350	125,364	125,364
At 30 June 2018	2,339,263	3,978,318	915,972	44,647	43,540	163,866	7,485,606	125,426	125,426

- 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.
- 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, Ibafor, Apapa
- 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.
- Write off** – Following the review of the Company's fixed Asset position at half year, assets which do not meet the capitalisation policy of the company were written off.

Notes to the consolidated financial statements

	N'000			
20 Prepayments	Group		Company	
	30 June 2018	31 Dec 2017	30 June 2018	31 Dec 2017
Prepaid rent	418,688	466,230	418,688	466,230
Additions	50,000	61,740	50,000	61,740
Amortisation	(40,542)	(109,282)	(40,542)	(109,282)
	428,146	418,688	428,146	418,688
Current portion of prepaid rent	(81,085)	(88,785)	(81,085)	(88,785)
Non-current portion of prepaid rent	347,061	329,903	347,062	329,903
Other short term prepayment	147,515	97,367	140,457	94,352
Current portion of long term prepayments	81,085	88,785	81,085	88,785
	228,600	186,152	221,542	183,137

	Company	
	30 June 2018	31 Dec 2017
21 Investments		
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	
	30 June 2018	31 Dec 2017	30 June 2018	31 Dec 2017
Other Investments				
JUHI 2 Project	571,028	553,741	571,028	553,741
Other Investments	39,557	17,287	39,557	17,287
	610,585	571,028	610,585	571,028

JUHI 2 represent the equity contribution on the aviation tank farm development project (Joint User Hydrant Installation II). This is a joint venture arrangement, accounted for using the equity method. In 2017, Eterna plc acquired the interest of one of the members of the Joint venture.

As at 30th June 2018, the project is still under construction and the joint venture is yet to commence operation.

Other investment includes investment with Cordros Capital valued at N14.3Million as at 31st December 2017.

	Group		Company	
	30 June 2018	31 Dec 2017	30 June 2018	31 Dec 2017
22 Deferred Income Tax				
The analysis of deferred tax liabilities is as follows:				
Deferred tax Liabilities				
Deferred tax liabilities to be recovered after more than 12 months	1,089,659	1,089,659	1,081,240	1,081,240
Deferred tax liabilities to be recovered within 12 months	-	-	-	-
	1,089,659	1,089,659	1,081,240	1,081,240
Net deferred tax liability/(asset)	1,089,659	1,089,659	1,081,240	1,081,240

Notes to the consolidated financial statements

		N'000			
23	Inventory	Group		Company	
		30 June 2018	31 Dec 2017	30 June 2018	31 Dec 2017
	Raw materials	461,906	621,384	461,904	621,382
	Finished goods	6,393,013	5,894,195	6,357,681	5,865,691
		<u>6,854,919</u>	<u>6,515,579</u>	<u>6,819,584</u>	<u>6,487,073</u>

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.

24	Trade and other receivables	Group		Company	
		30 June 2018	31 Dec 2017	30 June 2018	31 Dec 2017
	Trade receivables	10,151,106.7	20,300,952	10,151,107	20,300,952
	Due from group companies (note 29)	-	-	-	-
	Due from related parties (note 29)	-	1,368	-	1,368
	Less: Impairment of trade receivables	(703,008)	(206,194)	(702,778)	(205,964)
	Trade receivables – net	<u>9,448,099</u>	<u>20,096,126</u>	<u>9,448,329</u>	<u>20,096,356</u>
	Advances	592,848	4,768,986	346,112	4,672,202
	WHT receivables	418,115	620,988	418,115	620,988
	Petroleum subsidy fund	1,578,795	1,578,795	1,578,795	1,578,795
	Bridging claims	27,337	27,337	27,337	27,337
	Sundry debtors	388,157	24,730	388,157	24,730
	Foreign exchange Forward contract	2,604,563	642,680	2,604,563	642,680
	Other receivables	2,152,263	1,568,903	1,729,393	996,033
	Less: Impairment of Other receivables	-	(750,541)	-	(750,541)
		<u>17,210,177</u>	<u>28,578,004</u>	<u>16,540,801</u>	<u>27,908,580</u>

25	Cash and Cash Equivalents	Group		Company	
		30 June 2018	31 Dec 2017	30 June 2018	31 Dec 2017
	Cash and bank	5,171,631	4,484,479	5,171,556	4,484,456
	Bank overdrafts	-	-	-	-
		<u>5,171,631</u>	<u>4,484,479</u>	<u>5,171,556</u>	<u>4,484,456</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.

26	Borrowings	Group		Company	
		30 June 2018	31 Dec 2017	30 June 2018	31 Dec 2017
	Current				
	Opening balance	7,847,856	7,054,180	7,847,856	7,054,180
	Additions	24,819,027	39,655,350	24,819,027	39,655,350
	Interest on term loan	168,202	334,037	168,202	334,037
	Interest on trading cost	591,662	799,543	591,662	799,543
	Exchange loss on bond instrument	-	-	-	-
	Repayment	(26,937,961)	(39,995,254)	(26,937,961)	(39,995,254)
		<u>6,488,786</u>	<u>7,847,856</u>	<u>6,488,786</u>	<u>7,847,856</u>
	Bank overdraft	-	-	-	-
		<u>6,488,786</u>	<u>7,847,856</u>	<u>6,488,786</u>	<u>7,847,856</u>
	Current	<u>5,433,564</u>	<u>7,228,678</u>	<u>5,433,564</u>	<u>7,228,678</u>
	Non-current	<u>1,055,222</u>	<u>619,178</u>	<u>1,055,222</u>	<u>619,178</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% has been fully paid in June 2018. Also included in this is 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. The current balance on the N1Billion. These facilities are secured by an assets debenture under management by Zenith Trustees.

Notes to the consolidated financial statements

		N'000		
27 Employee benefits	Group		Company	
	30 June 2018	31 Dec 2017	30 June 2018	31 Dec 2017
Defined benefit obligations	174,496	176,289	174,496	176,289
Fair value of plan assets	-	-	-	-
Deficit of funded plans	174,496	176,289	174,496	176,289
Unrecognised (gains)/losses	-	-	-	-
Net liability recognised	174,496	176,289	174,496	176,289
The reconciliation of the defined benefit obligations as at 30th June 2018 is:				
	Group		Company	
	30 June 2018	31 Dec 2017	30 June 2018	31 Dec 2017
Opening balance	176,289	111,935	176,289	111,935
Current service cost	-	16,434	-	16,434
Interest cost	-	20,854	-	20,854
Benefits paid	(1,793)	(4,139)	(1,793)	(4,139)
Actuarial Loss	-	31,206	-	31,206
Net Liability Recognised	174,496	176,289	174,496	176,289
	Group		Company	
	30 June 2018	31 Dec 2017	30 June 2018	31 Dec 2017
Income statement charge for:				
Defined benefit obligation	-	37,288	-	37,288
Total amount recognised in the income statement	-	37,288	-	37,288
	-	(21,844)	-	(21,844)
Actuarial gains (net of tax) recognised in the statement of other comprehensive income in the period				
	Group		Company	
	30 June 2018	31 Dec 2017	30 June 2018	31 Dec 2017
Balance as at 1 January	66,532	45,098	58,939	38,564
Additional obligations incurred	-	14,558	-	14,558
Changes in estimated cash flows	-	-	-	-
Accretion expenses	-	6,876	-	5,817
Balance at 31 December	66,532	66,532	58,939	58,939

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% (2017: 10.3%-11%) and discounted between the range of 12.8% - 16.2% (2017: 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 2018.

Notes to the consolidated financial statements

		N'000			
29 Trade and other payables	Group		Company		
	30 June 2018	31 Dec 2017	30 June 2018	31 Dec 2017	
Trade creditors	14,509,897	21,723,330	14,580,044	21,795,437	
Tax related liabilities	686,493	746,687	212,208	274,539	
Advance received	38,997	692,172	38,997	692,172	
PSF Contribution	644,363	426,295	644,363	426,295	
Accrued payables	25,157	320,938	20,258	320,938	
Other payables	375,485	243,525	270,241	162,682	
Due to Group Companies (note 29)	57,552	-	6,128	130,792	
	16,337,943	24,152,947	15,772,238	23,802,855	

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

30 Share capital and share premium	30 June 2018	31 Dec 2017
Authorised:		
1,600,000 thousands Ordinary shares of 50k each	800,000	800,000
Issued, allotted and fully paid:		
1,304,145 thousand Ordinary shares of 50k each	652,072	652,072

Movements during the year:	Number of shares	Ordinary shares	Share premium	Total
At 1 January 2018	1,304,145	652,072	5,796,053	6,448,125
Capitalised during the period	-	-	-	-
Issue of new shares	-	-	-	-
At 30 June 2018	1,304,145	652,072	5,796,053	6,448,125

31 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	
	30 June 2018	31 Dec 2017	30 June 2018	31 Dec 2017
Profit for the year attributable to shareholders (in N'000)	965,274	2,001,902	994,540	2,069,846
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)	0.74	1.54	0.76	1.59

(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	
	30 June 2018	31 Dec 2017	30 June 2018	31 Dec 2017
Profit for the year attributable to shareholders (in N'000)	965,274	2,001,902	994,540	2,069,846
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)	0.74	1.54	0.76	1.59

Consolidated five-year financial summary

N'000

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

	June 2018	Dec 2017	Group Dec 2016	Dec 2015	Dec 2014
Financial performance					
Revenue	172,979,427	173,030,225	106,887,567	92,066,480	82,330,180
Profit/(loss) before tax	1,419,521	2,812,941	2,400,172	1,306,585	1,792,066
Taxation	<u>(454,247)</u>	<u>(811,039)</u>	<u>(922,613)</u>	<u>(28,512)</u>	<u>(502,500)</u>
Profit for the year	965,274	2,001,902	1,477,559	1,278,073	1,289,566
Actuarial gains or losses	-	(31,206)	(10,859)	(19,914)	28,424
Tax effect of actuarial gains and losses	-	9,362	3,258	5,974	(8,527)
Non - controlling interest	<u>-</u>	<u>13</u>	<u>(7)</u>	<u>(3)</u>	<u>(7)</u>
Total comprehensive income for the year	<u>965,274</u>	<u>1,980,071</u>	<u>1,469,951</u>	<u>1,264,130</u>	<u>1,309,456</u>
Basic earnings per share (kobo)	<u>0.74</u>	<u>1.54</u>	<u>1.13</u>	<u>0.96</u>	<u>0.99</u>
Diluted earnings per share (kobo)	<u>0.74</u>	<u>1.54</u>	<u>1.13</u>	<u>0.89</u>	<u>0.99</u>
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	106	106	119	126	129
Retained Earnings/(Accumulated deficits)	<u>6,412,427</u>	<u>5,968,811</u>	<u>4,379,983</u>	<u>3,236,054</u>	<u>1,971,918</u>
Total equity	<u>12,860,659</u>	<u>12,417,042</u>	<u>10,828,227</u>	<u>9,684,305</u>	<u>8,420,172</u>
Property, plant and equipment	8,013,611	7,380,587	5,987,593	5,875,322	6,069,497
Other non-current assets	957,646	900,931	644,546	530,526	383,220
Net current (liabilities)/assets	6,275,311	6,087,182	6,753,692	4,384,890	3,340,707
Non-current liabilities	<u>(2,385,909)</u>	<u>(1,951,658)</u>	<u>(2,557,604)</u>	<u>(1,106,433)</u>	<u>(1,373,252)</u>
Net assets	<u>12,860,659</u>	<u>12,417,042</u>	<u>10,828,227</u>	<u>9,684,305</u>	<u>8,420,172</u>
Net assets per share (Naira)	9.86	9.52	8.30	7.43	6.46

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 year.