eterna

2020 ANNUAL REPORT & ACCOUNTS

Financial Highlights	3
Directors, Professional Advisers, etc	4
Notice of Meeting	5
Corporate Profile	8
Quality Policy	10
Chairman's Statement	11
Board of Directors	16
Directors' Report	24
Corporate Governance Report	31
Statement of Director's Responsibility	43
Certification of Financial Statement	44
Statutory Report of the Audit Committee	45
Independent Auditor's Report	46
Consolidated Statement of Profit or Loss and other Comprehensive Income	51
Consolidated Statement of Financial Position	52
Consolidated Statement of Changes in Equity	53
Consolidated Statement of Cash Flows	55
Notes to the Consolidated Financial Statement	58
Consolidated Value Added Statement	107
Consolidated Five Year Financial Summary	108
Five Year Financial Summary	109
E-Dividend Mandate	113
Shareholder Online Access	115
Proxy Form	119

Financial Highlights

	2020 N'000	2019 N'000	% Change
Turnover	58,715,576	229,274,785	(74)
Profit before taxation	548,146	111,440	392
Income tax expense	392,896	(255,729)	254
Retained profit for the year	941,042	(144,289)	752
Net Assets	13,348,921	12,407,879	8
Earnings per share	0.72	(0.11)	755
Proposed Dividend	0.10	Nil	N/A

Directors, Professional Advisers, Etc.

Directors:

Mr Lamis Shehu Dikko	-	Chairman
Mr. Mahmud Tukur	-	Managing Director/CEO - Retired 31st August 2020
Mr. Nnamdi Obiagwu	-	Managing Director/CEO - Appointed 1st September 2020
Ms. Kudi Badmus	-	Executive Director/CFO
Mr Ibrahim Boyi	-	Non-Executive Director- Resigned 30th June 2020
Chief Dr Michael Ade Ojo, OON	-	Non-Executive Director
Mrs. Afolake Lawal	-	Non-Executive Director
Mr. Oluwole Abegunde	-	Non-Executive Director
Mr. Adebode Adefioye	-	Independent Non-Executive Director
Mr. Farouk Ahmed	-	Non-Executive Director - Appointed 1st September 2020

Company Secretary:
Bunmi Agagu

Registered Office:
5a, Oba Adeyinka Oyekan Avenue
(Formerly Second Avenue)
Ikoyi
Lagos, Nigeria.

Company Registrar:
Greenwich Registrars & Data Solutions Limited
274 Murtala Muhammed Road
Yaba
Lagos, Nigeria.

Auditors:
Deloitte & Touche
Civic Towers
Ozumba Mbadiwe Avenue
Victoria Island
Lagos Nigeria.

Principal Solicitors:
(a) Akabogu & Associates
(b) Aluko & Oyebode
(c) Oluwakemi Balogun LP
(d) Tayo Oyetibo & Co
(e) Wole Olanipekun & Co

Principal Bankers:
(a) United Bank for Africa Plc
(b) Nova Merchant Bank Ltd
(c) FBN Quest Merchant Bank
(d) First Bank Nigeria Limited
(e) Fidelity Bank Plc

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 28th Annual General Meeting of Eterna Plc will be held on Thursday 12th August 2021 at the Shell Hall, Muson Centre, Onikan Lagos at 11.00am prompt to transact the following businesses:

Ordinary Business:

1. To lay the Report of the Directors, the Audited Financial Statements, the Reports of the Auditors and the Audit Committee for the year ended 31st December 2020 before the shareholders.

2. To declare a Dividend.

3. To ratify the appointment of Mr. Farouk Ahmed and re-elect retiring Directors.

4. To re-appoint the Auditors and authorize the Directors to fix the remuneration of the Auditors.

5. To elect members of the Audit Committee.

6. To disclose the Remuneration of Managers of the Company in line with Section 257 of the Companies and Allied Matters Act, 2020

Special Business:

7. To fix the remuneration of the Directors.

8. That in compliance with the rules of the Nigerian Exchange Limited governing transactions with related parties or interested persons, the Company be and is hereby granted a general mandate in respect of all recurrent transactions entered into with a related party or interested person which are of a revenue or trading nature or are necessary for the Company's day to day operations.

Notes:

Proxy

A member of the Company entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote in his/her place and such proxy need not be a member of the Company,

Members are required to appoint a proxy of their choice from the following proxies to represent them at the Meeting:

a) Mr. Lamis Shehu Dikko (Chairman)
(b) Mr. Nnamdi Obiagwu, Managing Director/CEO
(c) Mr. Ignatius Adegunle (Shareholders Representative, Audit Committee)
(d) Sir Sunny Nwosu (Minority Shareholder)
(e) Mr. Boniface Okezie (Minority Shareholder)
(f) Mrs. Bisi Bakare (Minority Shareholder)
(g) Engr. MOT Olayiwola Tobun (Minority Shareholder)

All proxy instruments should be duly stamped by the Commissioner of Stamp Duties and deposited at the Registrar's office, Greenwich Registrars and Data Solutions Limited, 274, Murtala Muhammed Road, Yaba, Lagos, not less than 48 hours before the time fixed for the AGM.

A corporate body being a member of the Company is required to execute proxy instrument(s) under seal.

Closure of Register and Transfer Books

The Register of members and Transfer Books will be closed from the 3rd May to the 7th May 2021 (both days inclusive) for the purpose of updating the Register of Members in accordance with Section 89 of the Companies and Allied Matters Act [Cap C20 Laws of the Federation of Nigeria 2004].

Notice of Annual General Meeting

Dividend

If payment of the Dividend is approved, the payment will be made on Friday, 13 August 2021 to holders of shares whose names appear on the Register of Members on Friday 30th April 2021.

E-Dividend Mandate

Notice is hereby given to all shareholders to open bank accounts for the purpose of dividend payment. A detachable e-dividend mandate and change of address form is attached to the annual report to enable shareholders furnish particulars of their bank and CSCS account numbers to the Registrars.

Audit Committee

In accordance with section 359(5) of the Companies and Allied Matters Act Cap C20 Laws of the Federation of Nigeria 2004, any member may nominate a shareholder as a member of the Audit Committee. All such nominations should reach the Company Secretary at least 21 days before the Annual General Meeting.

E-Annual Report

The electronic version of the Annual report is available at www.eternaplc.com. Shareholders who have provided their email addresses to the Registrars will receive the electronic version of the Annual Report via email. Furthermore, shareholders who are interested in receiving the electronic version of the Annual report are kindly required to request via email: info@gtlregistrars.com

Rights of Securities' Holders to ask Questions

Shareholders have a right to ask questions not only at the meeting, but also in writing prior to the meeting and such questions must be submitted to the Company on or before 5th August, 2021.

Website

A copy of this notice and further information relating to the meeting are available on the Company's website at www.eternaplc.com

Live Streaming of the AGM

The AGM will be streamed live online. This will enable Shareholders and other relevant Stakeholders who will not be attending the meeting physically to also be part of the proceedings. The link for the live streaming will be made available on the Company's website: www.eternaplc.com and by the Registrar, in due course.

BY ORDER OF THE BOARD

Bunmi Agagu
Company Secretary/Legal Adviser
FRC/2013/NBA/00000004342

Eternalize The African Dream

Our vision at Eterna Plc is to be Africa's preferred Energy company. Our goal is to provide energy solutions on a scale that contribute to an economically stable and developed Africa.

What we do:

- Manufacturers, marketers and distributors of lubricants and chemicals.
- Trade in crude and operate a network of filling stations across Nigeria.

+234 908 551 1111, +234 908 561 1111, +234 908 571 1111

info@eternaplc.com www.eternaplc.com

Corporate Profile

Our Vision
To be Africa's preferred Energy Company

Our Mission
To provide energy solutions in efficient and innovative ways.

Shared Values
Accountability
Innovation
Respect
Efficiency
Ethics

AIRE²

Our Logo
The three sails of our logo represent our planned integration in the oil sector – upstream, midstream and downstream

- Sails were chosen as our symbol because sailing is about harnessing natural resources for movement and the adventure of crossing borders. There is a sense of freedom and timelessness which comes with sailing and which reflects aspects of the Eterna spirit.

- The Boarder around the logo conveys stability that Eterna now has. It is a company which has had experiences from which it has drawn, resulting in a stronger, better grounded company.

- The colours of the logo are yellow, orange and green, a vibrant combination deliberately chosen to demonstrate the energy and vision of the company as well as its concern for the environment.

- The name is written using a type face which is attractive, yet simple. The use of small 'e' for Eterna shows the youthful, innovative and informal Company that it is.

Community Affairs, Safety, Health, Environment & Security (CASHES Policy)
We conduct our activity in a manner that safeguards, the health and safety of our employees, contractors & subcontractors and the communities or areas in which we work. We conduct our activities in line with our established Community Affairs, Safety, Health, Environment & Safety (CASHES) Policy.

We maintain an adequate insurance policy that covers occupational diseases and health impairment for our employees.

Our Health, Safety, Secutiry and Environment (HSSE) policy ensures that in every area of operation, the following objectives are achieved;

Corporate Profile

Community Affairs
We establish and maintain cordial relationships with all our stake holders. We are ever sensitive to the needs and concerns of our host communities.

Safety
Our operations are executed in a safe manner that focuses on the protection of human lives, the avoidance of accidents and the prevention of all forms of disability.

Health
We plan and carry out our activity in a manner that preserves the health of our employees, sub-contractors and the general public.

Environment
We strive to eliminate or reduce adverse effect of our operations in the environment; we apply practical and reasonable measures to minimize the generation, management and disposal of all waste in an environmentally friendly manner.

Security
Our security policy and attitude ensures that personnel and property are secured during our operations.

Quality Policy

Eterna Plc's strategic direction is to be Africa's preferred energy company. Embedded in our strategic aspiration is our unwavering commitment to consistently provide high quality products and services that meets and exceeds the needs, operational requirements and expectations of our customers, thereby ensuring an overall achievement of a sustained and profitable growth for the Company.

We shall continuously sustain the established qualities of our products and services and quality capability through the adoption of an effective Quality Management System (QMS) in accordance with the requirements of International Standard *NIS ISO* 9001:2015.

The Company's Top Management is responsible for leading and maintaining the integrity of the QMS with the provision of resources necessary to ensure its effectiveness. In addition, the company's Top Management is committed to complying with all applicable statutory requirements in the process of producing its products and services and ensuring a continual improvement of its quality management system.

To sustain the effectiveness of the established QMS, Eterna Plc ensures quality objectives are set at corporate and departmental levels. These objectives are reviewed and updated as and when due.

To effectively achieve this policy, the company requires all employees to contribute to, and be actively engaged in the implementation of the QMS. The Company expects positive participation in audits and reviews, as well as the submission of reports and proposals for continuous system improvements and refinement.

The Quality Policy is communicated to employees whose responsibility it is to ensure its assimilation and application.

Nnamdi Obiagwu
Managing Director/CEO
Revised: 1st September 2020

Chairman's Statement

Distinguished Shareholders, members of the Board, Management and staff of Eterna Plc, our esteemed regulators, invited guests, members of the press, ladies and gentlemen.

On behalf of the Board of Directors, it gives me great pleasure to welcome you to the 28th Annual General Meeting of our Company, and to present to you the Group Annual Report and Audited Financial Statements for the year ended 31st December 2020.

Operating Environment

2020 was a year characterised by several unprecedented events!

The COVID – 19 Pandemic dominated the headlines throughout 2020 and has continued to impact the way we live our lives, conduct our business and relate with others. The pandemic which was first reported in 2019 has claimed millions of lives across the world.

Nigeria has not been spared the impact of the pandemic having lost approximately 1,200 people as at 31st December 2020 with over 87,000 confirmed cases across the country at the reporting date[1]. In a bid to curb the spread of the virus, the government of Nigeria, following in the footsteps of most governments in the world, declared a full lock down of movement and activities by mid-March 2020. Various versions of lockdowns, quarantines, restriction of movements and restriction of access to social gatherings have since been implemented in Nigeria to keep the citizenry safe from contracting and spreading the coronavirus.

On a global scale, international trade as we have always understood it, ground to a halt for a considerable period! With brent crude trading at far lower prices than previously anticipated. Till date, several world economies are still recovering from the economic effects of the restriction in movement brought on by the pandemic.

[1] https://ncdc.gov.ng/diseases/sitreps

Chairman's Statement

Nigeria had based its 2020 fiscal spending on an anticipated oil price of $57 per barrel; but this was ultimately revised to a more realistic brent crude price of $30 per barrel with average production volumes at 2.18 million barrels per day. The decline in revenues has had such negative impact on government's spending and untold hardship in the country.

Despite, the reduction on fiscal revenues, the government announced lower pump prices for Premium Motor Spirit (PMS) in the course of the year, to reflect the reduced global oil prices, thereby taking steps towards the removal of subsidies on petroleum products.

Apart from the pandemic, insecurity remains a paramount cause of concern across the country with increased risk of kidnappings as well as herdsmen and farming community clashes.

The year also witnessed unprecedented demonstrations across major cities in Nigeria, in a call by the youths to #EndSars – A cry across Nigeria to end police brutality and extra-judicial killings. These protests that begun as a peaceful movement eventually degenerated into chaos leading to riots, lootings, and loss of lives.

All these factors formed the backdrop for which our Company operated in 2020.

Operating Results

Our Company achieved consolidated operating revenue of N58.7 billion compared with N229.2 billion in 2019. This was due to a revision in the reporting framework of some of our trading activities. Our gross profit increased to N5.5 billion as against N4.9 billion recorded in 2019.

Our Operating Profit also increased from N1.3 billion to N1.5 billion in 2020 despite the reduction in revenue.

Profit before Taxation increased from N111 million in 2019 to N548 million in 2020, indicating a recovery from the meagre results recorded in the previous year.

Your Board will continue to work tirelessly to improve on these results with a view to delivering exceptional value to our shareholders.

Dividends

Your Board acknowledged its inability to declare a dividend in respect of the 2019 financial year, due to the peculiar constraints of the year.

However, in keeping with the annual dividend pay-out that we commenced in 2016, the Directors will be recommending a dividend of 10 Kobo per share, to all shareholders whose names appear on the register of members on the 30th of April 2021 at the 28th Annual General Meeting.

Board Appointment

Following the exit of Mr. Ibrahim Boyi from the Company in June 2020; the Directors have appointed Mr. Farouk Ahmed as a Non-Executive Director effective 1st September 2020 to fill the casual vacancy created on the Board, subject to ratification by our esteemed shareholders.

Chairman's Statement

Mr. Ahmed has a sound commercial and trading background and has held several top management positions in various reputable organizations. He brings a wealth of experience in the oil and gas industry spanning over 34 years to his Non-Executive Director role in our Company.

Mr. Ahmed is a member of the Nigerian Society of Engineers (NSE); member of the Institute of Electrical and Electronics Engineers (IEEE-USA) and a registered member of the Council for the Regulation of Engineering in Nigeria (COREN). He was a member of the Governing Board of the Nigerian Shippers Council and is currently the MD/CEO – Hauwath Consulting Limited.

Mr. Ahmed's detailed profile which shows an admirable professional experience is attached to this report. The Board is confident that he would add significant value to the Board of Eterna and the Company given his wealth of experience and deep industry knowledge.

Strategic Plans

We are on course with our 5-year strategic plan. As part of executing the plan, we have continued to grow our retail outlet count and had 66 fully operational retail outlets across Nigeria as at 31st December 2020. We are grateful to all the stakeholders that have helped us achieve our plan thus far. I assure you that your Board is providing the oversight to ensure that Management delivers on the plan as promised.

We have also introduced various initiatives targeted at establishing more market presence, growing volumes and local brand equity for our lubricant brands.

In relation to new businesses, we have commenced discussions with some potential strategic partners with a view to exploring opportunities in identified growth areas within the energy space.

Health, Safety, Security and Environment (HSSE)

The Health, Safety and Security of our employees, customers and stakeholders is of paramount importance to us. With the increasing reported cases of the deadly COVID-19 cases across Nigeria; we have adhered strictly to the guidelines recommended by the Nigeria Centre for Disease Controls (NCDC) including but not limited to provision of hand sanitisers and wash stations at all our locations, mandatory facial coverings and adequate social distance among our employees at all our locations.

Management constantly updates employees on local and international developments regarding the COVID 19 Pandemic and continues to provide adequate provision for any employee who requires medical attention.

As a Company, we continue to comply with the Quality Management System (ISO 9001- 2015), Occupational Health and Safety Series (OHSAS 18001) and Environmental Management System (ISO 14001) Standards at all our operating sites.

Our Community Affairs, Health, Safety, Environmental and Security (CASHES) policy is adhered to, at all our locations. All staff and third-party personnel are properly inducted and participate in scheduled drills in Health, Safety, Security & Environmental (HSSE) practices to reinforce our established HSSE practices. Our Employees undergo routine health assessments as part of our wellness programme to maintain a healthy work force. The Company also encourages bonding and wellness activities through sports and other recreational activities amongst employees.

Chairman's Statement

Community Development

Our Company is committed to maintaining cordial relationships with all host communities including youth groups, women groups, community development groups and paramount rulers of the communities where we carry out our operations. We ensure that our operations positively impact the communities. Our operations are devoid of any form of community/youth restiveness and we continue to maintain a very peaceful and enabling work environment for our staff and contractors.

Risk Management

Our Enterprise Risk Management (ERM) system is being implemented in our daily operations. We have also deployed appropriate technology to accurately capture and monitor day-to-day processes and risks as they arise. Foreign Exchange Risk remains one of our foremost risks, your Board is taking adequate steps to ensure that this risk does not have material adverse effects on our performance.

Other risks include, fluctuation in petroleum prices, capital availability and Industry policy risk. Be assured, that your Management Team under the strategic direction of the Board, has the requisite skills to identify, evaluate and mitigate these risks.

Internal Controls

Our Internal Controls Audit Department (ICAD) provides timely, independent and objective risk-based assurance reviews on the appropriateness and effectiveness of the Company's internal controls, systems and processes in achieving its strategic, operational and financial objectives. The Head of Internal Controls and Audit reports functionally to the Company's Statutory Audit Committee of the Board and administratively to the Chief Executive Officer.

Quality Management System

We have undergone our annual surveillance Audit conducted by the Standards Organisation of Nigeria (SON) and we are proud to inform you that once again we have been re-certified under the NIS ISO 9001:2015 Quality Management Standard.

The result of this surveillance audit validates our Company's adherence to global best practices in our processes and procedures. We shall continue to provide high-quality products and services that meet and exceed the expectations of our customers, thereby creating sustainable value to all our stakeholders.

Employees

I would like to thank the entire Management Team and Staff for another year of hard work, loyalty and dedication. As at 31st December 2020, we had 82 permanent employees on our payroll.

The Governance, Nomination and Remuneration Committee as empowered by the Board, has the mandate to review and make recommendations to the Board concerning the staffing and compensation structure as well as the Company's training and manpower development policies.

Future Outlook

Earlier this year, a second wave of the deadly COVID 19 pandemic was reported across the world causing national governments to re-introduce restrictions earlier relaxed due to a drop in the rate of cases reported in most of those nations.

Chairman's Statement

In Nigeria, although a total ban on movement has not been re-introduced, the federal and state government have continued to enforce polices to maintain social distance and ensure that residents adhere to strict hygiene practices and other necessary health protocols.

It is also noteworthy that various vaccines capable of preventing death and severe illness due to COVID 19 have been approved by various governments across the globe including the Nigerian government. We are optimistic that with mass vaccination, we would soon return fully to life as we knew it prior to the pandemic.

Your Board and Management remain committed to achieving our set goals and delivering excellent service to our customers and returns to our Shareholders. We assure you, that we will pursue promising opportunities and make the most of our resources.

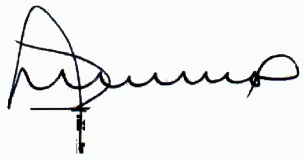
Conclusion

On behalf of the Board, I would like to thank all members of the Management team and staff for their commitment and hard work during this very challenging year. In particular, I would like to thank our staff who continue to provide essential services at the toughest periods, they represent our frontline workforce!

I would also like to thank our customers and business partners, whom we continue to place at the heart of our business, for their loyalty and support.

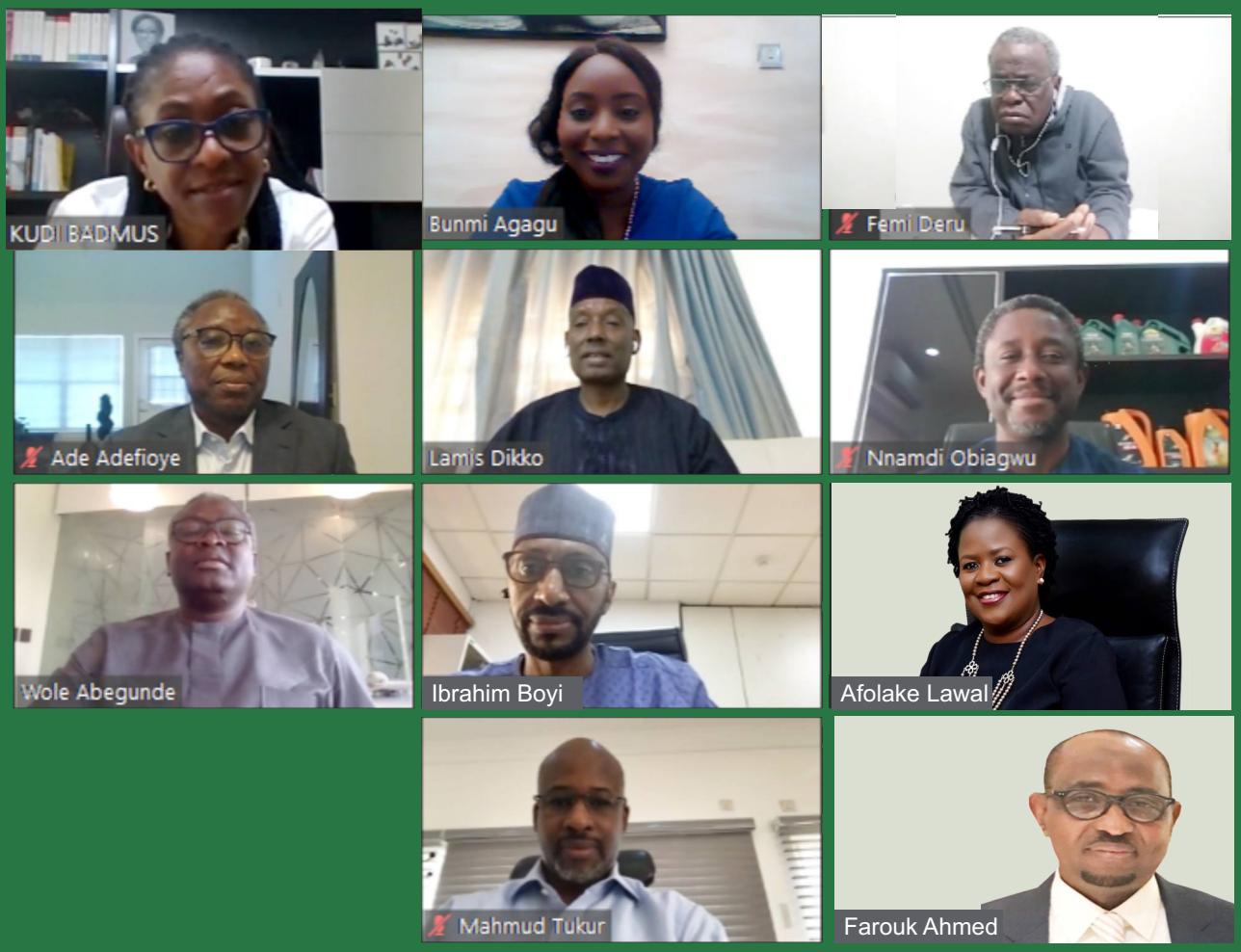
I am grateful to our shareholders for their confidence, commitment and for keeping faith with our Company as we look forward to taking the business to greater heights.

Finally, I would like to thank my colleagues on the Board, for their support at all times.



Lamis Shehu Dikko
Chairman

Board of Directors



Board of Directors' Profile

Mr. Lamis Shehu Dikko
Chairman

Mr. Lamis Shehu Dikko obtained his first Degree from Ahmadu Bello University, Zaria where he obtained a Bachelor of Science degree in Economics.

He is a Graduate of the Harvard Business School Leadership Programme and Queen Mary College, University of London where he obtained a Bachelor of Science degree in Economics.

Mr. Dikko started his career at the Kaduna State Radio as Producer of News and Current Affairs, from where he moved to the Nigerian Standard Newspaper as Sub-Editor.

He lectured briefly at College of Advanced Studies, Zaria before joining Habib Nigeria Bank.
He joined Intercity Bank PLC in 1998 as General Manager and served as its Managing Director/Chief Executive Officer from 2001 to 2005.

He is a Non-Executive Director at Mutual Benefits Assurance Plc and has also served on the Board of Enterprise Bank Limited.

He was Executive Director, Commercial Banking at Unity Bank Plc and later Chairman of the Board.

He is the Chairman of the Infrastructure Bank Plc.

Mr. Mahmud Tukur
Managing Director/ Chief Executive Officer

Mr. Mahmud Tukur is a joint-honours graduate of Accounting & Management from the Business School of the University of Wales College, Cardiff. He has a solid track record of business success, well-developed organisational and leadership skills.

He has over 25 years' experience in the Oil & Gas and Maritime sectors covering oil services, Upstream, Midstream and Downstream.

He began his career with Sirpi Alusteel Construction. He served as the MD/CEO of Daddo Maritime Services Limited, a foremost indigenous maritime services company.

He is the Vice Chairman of Eco-Marine Group, a shipping line and Terminal Operator with operations across West Africa and a Non-Executive Director of Independent Energy Limited (IEL), an indigenous Oil Exploration and Production Company.

He is an Independent Director on the Board of Bourbon Offshore which is listed on the Euronext (Paris).

He is a recipient of the National Honour – Officer of The Order of The Mono, (OOM) of the Republic of Togo.

He is a Fellow of the Chartered Institute of Shipping in Nigeria and a former member of the Governing Council of the Nigerian Chamber of Shipping.

Mr. Tukur exited the Board of Eterna Plc on the 31st of August 2020.

Board of Directors' Profile

Mr. Nnamdi Obiagwu

Executive Director/COO
Managing Director/CEO
Effective 1st September 2020

Mr. Nnamdi Obiagwu is a graduate of Mechanical Engineering from the Federal University of Technology Owerri. He has worked across several countries and industries; whilst also attending numerous local and international trainings including – INSEAD, Kenan-Flagler Business School, Enterprise Leadership Program, Achieve Global Professional Selling Skills and Acclivus Professional Negotiation.

He commenced his career at Digital Computer Communication (a Computer Warehouse company) as a network engineer.

He worked at Mobil Oil Nigeria Plc (an ExxonMobil subsidiary) as a Lubrication Sales Engineer responsible for lube sales across various channels; he was later deployed to the ExxonMobil Africa Mid- East Head office in Brussels, Belgium as an expatriate. He became Fuels Supply Manager responsible for the National fuels supply chain operations to over 250 sites and corporate customers. He subsequently became the Fleet/Logistics Manager responsible for transportation and all logistics to move fuel on a National scale and in the management of all related relationships (unions, transporters, agencies, etc.).

In 2014, he left Mobil and established COMACO Advisory Ltd, a corporate advisory services company. In addition, he took on the role of Executive Director, Supervising - Marine for the HARPS group of companies to coordinate the activities of the Nigerian and Singaporean offices.

He joined Eterna Plc in July 2017 as GM, Head of Lubricants and was appointed to the Board of Eterna Plc in January 2020 as Executive Director/Chief Operating Officer and subsequently Managing Director/CEO in September 2020.

Board of Directors' Profile

Ms. Kudi Badmus

Executive Director/ Chief Finance Officer

Ms. Kudi Badmus obtained a Bachelor of Accounting degree from Ahmadu Bello University, Zaria. She is also a member of the Institute of Chartered Accountants of Nigeria (ICAN).

She started her career as an Audit Trainee with Deloitte & Co from 1990 - 1995 and later moved to First City Monument Bank (FCMB) between 1995-2002 where she worked as the Head, Treasury.

She worked with Bond Bank as Treasurer, Head of Operations and Branch coordinator where she supervised branch marketing, branch and domestic operations, service quality and relationship management.

She served as Head, Skye/Cooperative Bank Integration Team and Head Internal Control and Compliance.

She was Executive Director/Chief Financial Officer and later Divisional Head - Home Finance Division at ASO Savings and Loans.

She Joined Eterna Plc in July 2014 as Head, Financial Controls and was appointed Executive Director /Chief Financial Officer in October 2016.

Mr. Adebode Adefioye

Independent Non-Executive Director

Mr. Adebode Adefioye is an alumnus of the University of Lagos where he obtained a B.Sc. degree in Chemistry.

He also holds a Master of Science degree from the University of Lagos. He is an alumnus of the Harvard Business School.

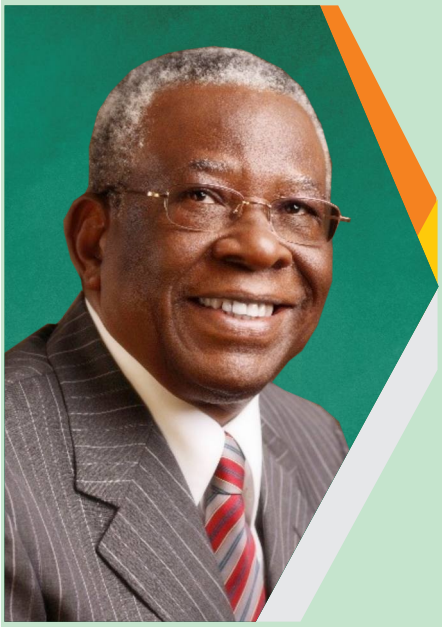
He started his career with John Holt Plc and rose through the ranks to become a General Manager from 2000 – 2002 having held several management positions.

His vast experience covers Production & Quality Control, Personnel and Administration.

He serves on the Boards of several companies including Wema Bank Plc and is currently the Chairman of the Board of Directors of Lafarge Africa Plc.

He is a member of the Institute of Directors. He plays golf for recreation and is a notable member of the Golfing community.

Board of Directors' Profile



Chief (Dr.) Michael Ade Ojo, Oon

Non-Executive Director

Chief (Dr.) Michael Ade Ojo studied Business Administration at the University of Nigeria, Nsukka (UNN) and has attended various top Management Development Courses including the Chief Executives' Programme of the Lagos Business School (CEP-7) and the IESE/LBS Seminar on Competitive Strategy and Value Creation in Barcelona, Spain.

He is an industrialist of high repute and the Chairman/Founder of Elizade Nigeria Limited and Elizade University, Ilara-Mokin.
He chairs several Boards cutting across several industries including Toyota Nigeria Limited, Moorehouse Sofitel Limited, Courteville Investments Plc and Custodian & Allied Insurance Company Limited.

He was honoured with the Doctor of Business Administration (DBA) Honoris Causa by the University of Nigeria, Nsukka and holds the Nnamdi Azikwe Distinction Award for Excellence.

He is a Fellow of the National Institute of Marketing of Nigeria and Institute of Directors (IoD).

He is also the recipient of the National honour of Officer of the Order of the Niger (OON) and holds the traditional title of Aare Asiwaju of Ilara Mokin.

Mr. Ibrahim Boyi

Non-Executive Director

Mr. Ibrahim Boyi obtained a B.Sc in Accounting from the Ahmadu Bello University, Zaria and an MBA from the ESUT Business School.

He is also an alumnus of INSEAD, Fontainbleau France; the American Institute of International Management, Thunderbird, Phoenix Arizona and the Harvard Business School. He has over 27 years' practical experience in the downstream oil and gas industry, across the West African region.

He was the MD/CEO of Gaslink Nigeria Limited, a pioneer natural gas distribution company.

He is a former member of the Board of Directors of Oando Plc and has held several senior/executive management positions across several functions such as Strategic Planning, Investments, Financial Management, Accounting, Internal Control and Audit, Marketing and Operations Management in both Total Nigeria Plc and Oando Plc (formerly Unipetrol Nigeria Plc).

He has extensive experience in Financial and Business Process Re-Engineering, Information Technology Systems Design, Change Management and Development of Corporate Performance Management Systems.

He was the MD/CEO of Eterna Plc until June 2010 and has served as the Managing Director/CEO of Peugeot Automobile Nigeria.

Mr. Boyi exited the Board of Eterna Plc on the 30th of June 2020.

Board of Directors' Profile

Mrs Afolake Lawal

Non-Executive Director

Mrs. Afolake Lawal obtained a Bachelor of Arts degree in English from the Obafemi Awolowo University, Ile-Ife. She also holds a law degree from Anglia Ruskin University, Cambridge U.K.

She is a Barrister & Solicitor of the Supreme Court of Nigeria and a member of the Nigerian Bar Association.

She has a Master of Science degree in Corporate Governance and Finance from the Liverpool John Moores University, Liverpool U.K. and a Masters' degree in International Law and Diplomacy from the University of Lagos. she is also an alumnus of the Harvard Business School.

She is a Certified Pension Practitioner and an associate member of the National Institute of Marketing of Nigeria (NIMN).

She has over 20 years' experience in Investment Banking and Business Development.

Mrs. Lawal is the founding Managing Partner of Imperial Law Office, an elite, full-service law firm staffed with exceptional talents, led by a dynamic team of lateral – thinking, innovative and result oriented professionals known for distinction, excellent legal work and bespoke client service in the areas of commercial law practice, corporate governance, mergers & acquisitions, corporate restructuring and corporate finance amongst other areas of law.

She has served on the Board of International Breweries Plc as a Non-Executive Director and currently serves as a Non-Executive Director on the Boards of Champion Breweries Plc and Morrisons Plc.

She is a member of the Nigerian Society of International Law and an Associate Member of a number of professional organizations including the Nigerian Institute of International Affairs, the National Institute of Marketing of Nigeria, the Certified Pension Practitioners, the Institute of Capital Market Registrars and the Institute of Directors (IoD).

She is a Co-founder and Group Executive Director at GTI Group, a foremost investment banking firm in Nigeria.

Board of Directors' Profile

Mr. Oluwole Abegunde
Non-Executive Director

Mr. Oluwole Abegunde holds an MBA from the University of Ilorin and is a Fellow of the Chartered Institute of Stockbrokers (FCS).

He has varied experience in manufacturing, banking and the capital market. He has held senior positions in Brand Management, Credit Appraisal, Fund Management, Stock Broking and Capital Issues.

He is an authorized Dealing Clerk of the Nigerian Stock Exchange.

He is a Non-Executive Director at Berger Paints Plc and the Chairman of e-Tranzact Nigeria Plc.

He is a Council Member of The Nigerian Stock Exchange and the Elizade University. He is also the Pro- Chancellor of Bowen University.

He is the Group Managing Director of Meristem Securities Limited.

Mr. Farouk Ahmed
Non-Executive Director

Mr. Farouk Ahmed is a graduate of Southern Illinois University Carbondale, USA where he obtained a Bachelor of Science degree in Engineering Technology. He commenced his career as a Logic Board Verification Engineer at Apple Computer Inc. (later called Apple Inc.), in Dallas, Texas. USA.

He returned to Nigeria to honour the call to serve his father land under the National Youth Service Corps (NYSC) and later joined the Nigerian National Petroleum Corporation (NNPC) where he grew through the ranks and spent thirty-two meritorious years.
Mr. Ahmed has a sound commercial and trading background and has held several senior positions over the 34 years' spanning his professional career in the oil and gas industry including the positions of:

- Senior Crude Oil Trader – Duke Oil Inc.;
- Manager – Crude Oil Export Programming and Nominations, Shipping and Terminals (Crude Oil Marketing Division-NNPC);
- Executive Director-Commercial – Petroleum Products Marketing Company (PPMC);
- Managing Director – NiDAS Marine Limited;
- Executive Secretary – Petroleum Products Pricing Regulatory Authority (PPPRA);
- Managing Director – PPMC;
- Special Adviser (Downstream) to the GMD-NNPC.

Mr. Ahmed is a Member of the Nigerian Society of Engineers (NSE); Member of the Institute of Electrical and Electronics Engineers (IEEE-USA) and a Registered member of the Council for the Regulation of Engineering in Nigeria (COREN).

He was a member of the Governing Board of the Nigerian Shippers Council and is currently the MD/CEO – Hauwath Consulting Limited.

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Directors Report

The Directors submit their report together with the audited financial statements for the year ended 31 December 2020 which disclose the state of affairs of the Group and the company.

Legal form and address

Eterna Plc was incorporated in Nigeria as a private limited liability Company in 1989. In 1997, it became a public Company. The Company's shares which are currently quoted on the Nigerian Stock Exchange (NSE) were first listed in August 1998. The Company is domiciled in Nigeria and its registered office address is:

5a Oba Adeyinka Oyekan Avenue (Formerly Second Avenue)
Ikoyi, Lagos.

Principal activities

Eterna Plc manufactures and sells lubricating oils and petrochemicals; the Company imports and sells bulk petroleum products including Premium Motor Spirit ("PMS"), Automotive Gas Oil ("AGO"), Low Pour Fuel Oil ("LPFO"), Base Oils and Bitumen. The Company's activities also include Bunkering, Gas Distribution and Marketing (Liquefied Petroleum Gas ("LPG") and Natural Gas ("NG"), Offshore and Onshore Oil Services, Gas Processing, Trading in Crude Oil and other refined petroleum products.

Results and dividend

The Group's results for the year are set out on page 51 showing profit before tax for the year of N548Million.

The Board of Directors has proposed dividend of 10K per ordinary share of 50k each. The dividend is subject to deduction of withholding tax at the rate applicable at the time of payment.

The Group achieved consolidated revenue of N59 billion representing overall percentage decrease of 74% compared with N229 billion revenue achieved in 2019. This was largely due to change in reporting of revenue as described in Note 7.

However, gross profit Increased by 11.3% in 2020 to N5.51 billion compared to gross profit of N4.95 billion achieved in 2019.

Directors Report

Directors

The Directors who held office during the reporting year were:

Name	
Mr. Lamis Shehu Dikko (Chairman)	Appointed on 7th October 2016
Mr. Mahmud Tukur (Managing Director/CEO)	Appointed as Non-Executive Director 3rd Sept. 2004. Appointed as MD/CEO 1st June 2010 - Retired date 31st August 2020
Mr. Nnamdi Obiagwu (Managing Director/CEO)	Appointed Executive Director/COO - 10th January 2020. Appointed as MD/CEO 1st September 2020
Ms. Kudi Badmus (Executive Director/CFO)	Appointed on 7th October 2016
Chief (Dr) Michael Ade Ojo, OON (Alternate: Otunba Femi Deru)	Appointed 3rd January 2001
Mr. Ibrahim Boyi (Non-Executive Director)	Appointed as MD/CEO 3rd Sept. 2004 Appointed as Non-Executive Director 1st June 2010 - Resigned date 30th June 2020
Mrs. Afolake Lawal (Non-Executive Director)	Appointed 28th Sept. 2010
Mr. Oluwole Abegunde (Non-Executive Director)	Appointed on 7th October 2016
Mr. Adebode Adefioye (Independent Non-Executive Director)	Appointed on 7th October 2016
Mr. Farouk Ahmed (Non-Executive Director)	Appointed 1st September 2020

Directors' interest in contracts

None of the Directors has notified the Company for the purpose of section 303 of the Companies and Allied Matters Act of their direct or indirect interest in contracts or proposed contracts with the Company during the year.

Directors' shareholding

The direct and indirect interests of Directors in the issued share capital of the Company as recorded in the register of Directors' shareholdings and/or as notified by the Directors for the purposes of sections 301 and 302 of the Companies and Allied Matters Act and the listing requirements of the Nigerian Stock Exchange are as follows:

Directors Report

Director		No of shares held 31 Dec 2020	No of shares held 31 Dec 2019
Mr. Lamis Dikko		2,000,000	2,000,000
Chief (Dr) Michael Ade Ojo, OON		25,645,823	25,645,823
Mrs. Afolake Lawal		-	1,000,000
Mr. Nnamdi Obiagwu		331,103	-
Ms. Kudi Badmus		1,003,789	1,003,789
Indirect Shareholding	***Represented By:***		
Lenux Integrated Resources Limited	Messrs Lamis Dikko; Mr. Mahmud Tukur; Mr. Ibrahim Boyi and Mr. Farouk Ahmed	250,156,231	250,156,231
Radix Trustees Limited	Mr. Oluwole Abegunde	73,625,601	73,625,601
Meristem Stockbrokers Limited	Mr. Oluwole Abegunde	-	67,000,000
Meristem Trustees Limited	Mr. Oluwole Abegunde	-	45,555,988
GASL Nominees Account 'E'	Mr. Oluwole Abegunde	113,814,750	392,036
GTI Asset Management & Trust Limited	Mrs. Afolake Lawal	30,380,000	30,380,000
GTI Securities Limited	Mrs. Afolake Lawal	45,166,000	45,006,000
GTI Capital Limited	Mrs. Afolake Lawal	16,880	16,892

Shareholding structure

Range	***No of shareholders***	***No of shares***	***Percentage***
1 - 1,000	8,673	4,751,230	0.36%
1,001 - 5,000	10,526	25,340,882	1.94%
5,001 - 10,000	2,853	20,923,853	1.60%
10,001 - 50,000	3,362	70,786,568	5.43%
50,001 - 100,000	453	32,987,145	2.53%
100,001 - 500,000	397	80,693,028	6.19%
500,001 - 1,000,000	45	31,193,697	2.39%
1,000,001 - 5,000,000	47	111,057,307	8.52%
5,000,001 - 100,000,000	19	382,449,956	29.33%
100,000,001 and above	3	543,960,981	41.71%
Total	**26,378**	**1,304,144,647**	**100%**

Directors Report

According to the register of members as at 31 December 2020, the following shareholders of the Company held more than 5% of the issued share capital of Eterna Plc.

Shareholder	2020 No of shares held	*Percentage %*	2019 No of shares held	*Percentage %*
Lenux Integrated Resources Limited	250,156,231	19.18%	250,156,231	19.18%
Global Energy Engineering & Raw Materials Limited	179,990,000	13.80%	179,990,000	13.80%
GASL Nominees Account 'E'	113,814,750	8.73%	-	-
Radix Trustees Limited	73,625,601	5.65%	73,625,601	5.65%
Meristem Stockbrokers Limited	-	-	67,000,000	5.14%

SHARE CAPITAL HISTORY

AUTHORISED (₦)			ISSUED & FULY PAID-UP (₦)		
YEAR	INCREASE	CUMULATIVE	INCREASE	CUMULATIVE	CONSIDERATION
1989	50,000	50,000	50,000	50,000	Cash
1990	1,950,000	2,000,000	1,950,000	2,000,000	Cash
1991	10,000,000	12,000,000	10,000,000	12,000,000	Cash
1992	8,000,000	20,000,000	2,000,000	14,000,000	Bonus
1993	_	20,000,000	6,000,000	20,000,000	Cash
1995	50,000,000	70,000,000	5,000,000	25,000,000	Bonus
1995	_	70,000,000	33,123,000	58,123,000	Cash
1996	_	70,000,000	9,338,000	67,461,000	Bonus
1997	_	70,000,000	2,539,000	70,000,000	Cash
1998	30,000,000	100,000,000	30,000,000	100,000,000	Cash
2001	20,000,000	120,000,000	20,000,000	120,000,000	Bonus
2002	130,000,000	250,000,000	_	120,000,000	_
2005	125,000,000	375,000,000	118,000,000	238,000,000	Cash
2005	_	375,000,000	12,000,000	250,000,000	Bonus
2007	_	375,000,000	75,000,000	325,000,000	Cash
2008	225,000,000	600,000,000	65,000,000	390,000,000	Bonus
2009	200,000,000	800,000,000	_	390,000,000	_
2009	_	800,000,000	262,072,323	652,072,323	Cash

Directors Report

Unclaimed Dividends as at 31st March 2021

GREENWICH REGISTRARS & DATA SOLUTION LIMITED.
UNCLAIMED DIVIDEND AS AT MARCH 31, 2021.

DIV. NUMBER	AMOUNT OF DIV. DECLARED	TOTAL DIV. PAID TILL DATE	DATE OF PAYMENT	UNCLAIMED DIVIDEND	REMITTANCE AFTER 15 MONTHS	DATE OF REMITTANCE	CASH POSITION
2	294,039,515.29	255,359,586.07	12/12/2016	38,679,929.22	35,421,085.79	14/09/2020	3,258,843.43
3	352,847,475.39	308,162,409.66	06/07/2017	44,685,065.73	40,763,951.57	14/09/2020	3,921,114.16
4	470,464,500.52	373,703,273.12	20/06/2018	96,761,227.40	88,045,733.09	14/09/2020	8,715,494.31
5	294,227,246.94	235,371,982.53	14/06/2019	58,855,264.41	53,405,472.56	14/09/2020	5,449,791.86
	1,411,578,738.14	**1,172,597,251.38**		**238,981,486.76**	**217,636,243.00**		**21,345,243.76**

Research and development

The Company, in its continuous efforts to ensure that its products are the best available in the market using modern and efficient manufacturing processes, continues to invest in research and development.

Employment of disabled persons

The Company has a policy of fair consideration of job applications by disabled persons having regard to their abilities and aptitude. The Company's policy prohibits discrimination of disabled persons in the recruitment, training and career development of its employees.

Employee training and involvement

The Directors maintain regular communication and consultation with the employees, the union leaders and staff representatives on matters affecting employees and the Company.

There is great emphasis on staff development and training through carefully planned training courses and seminars to update the special skills and job requirements of the staff throughout the Company.

Health, safety, Security and environment

The Company has established and enshrined in its operating protocols high standards of Health, Safety and Environmental (HSE) protection for its staff, third party staff and the public in all its operating environments. All Company and third-party personnel are subjected to regular and consistent induction and drills in healthy, safe and environmentally friendly practices.

We also update and monitor our HSSE performance against our objectives regularly to ensure we operate at the highest standard.

Fixed assets

Movement in fixed assets during the year is shown in Note 16 to the financial statements. In the opinion of the Directors, the market value of the Company's properties is not less than the value shown in the financial statements.

Directors Report

Donations and gifts

The Company made contributions to some charitable institutions and organizations during the year which amounted to N17.8 million (2019:N8.6 million).

Beneficiaries	Purpose	N'000
Coalition Against COVID-19(CA-COVID)	Eterna's Contribution to support indigent Nigerians under the CACOVID - Covid 19 Intervention	16,000
Bravapoint International Limited	Promotion of youth entrepreneurial ideas in the Next Titan	800
Institute of Directors, Nigeria	Sponsor The 2020 Annual Directors' Conference Of The Institute Of Directors Nigeria	1,000
Total		**17,800**

Auditors

In accordance with Section 401(2) of the Companies and Allied Matters Act, 2020, Messrs. Deloitte & Touche have indicated their willingness to continue in office as External Auditors of the Group.

A resolution will be proposed at the Annual General meeting authorising the Directors to determine their remuneration.

By order of the Board

Bunmi Agagu
Company Secretary/Legal Adviser
FRC/2013/NBA/00000004342
31st May 2021

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Corporate Governance Report

Corporate Governance Report

The governance principles applicable to Eterna Plc are a combination of the laws of Nigeria; the Memorandum and Articles of Association of the Company; the Code of Corporate Governance in Nigeria; the Listing Rules and the Continuing Obligations as issued by the Nigerian Stock Exchange from time to time; Code of Business Ethics and Policies as approved by the Board of Directors.

We have put in place a framework that sustains high standards of corporate governance and transparency in our dealings. Our intention is to take our corporate governance compliance beyond a box-ticking exercise.

Statement of Compliance with the Corporate Governance Codes

Eterna Plc is committed to adhering to the principles of sound corporate governance. The Board is guided by the provisions of the Securities and Exchange Commission (SEC) and Financial Reporting Council (FRC) Code of Corporate Governance (the Codes).

The Board has also developed a comprehensive Governance Framework in line with best practices to help in discharging its role of providing oversight and strategic direction for the Company.

Complaint Management Policy

Eterna Plc is committed to delivering exceptional value to all its stakeholders which includes our shareholders, employees, customers, the communities in which we operate, our regulators etc.

We acknowledge however, that our stakeholders may sometimes have cause to complain or give us feedback. The Company has developed a Complaint Management Policy to provide guidance to our stakeholders regarding the manner in which we receive and manage complaints. Our Complaint Management Policy also conforms with the guidelines set by the Securities and Exchange Commission on complaints management.

Securities Trading Policy

In compliance with the rules of the Nigerian Stock Exchange, Eterna Plc has established a Securities Trading Policy.

Our Securities Trading Policy sets out the conduct of Directors, Principal Officers, Employees, Persons Discharging Managerial Responsibility, External Advisers of the Company and persons closely connected to them in the course of executing securities transactions relating to the Company.

Corporate Governance Report

Board Evaluation Process
The Board's performance is evaluated by an independent consulting firm. The Board as a whole, Individual Directors and the various committees are evaluated on the basis of their ability to provide the required supervisory roles as expected in the various charters applicable to the committees and the Board.

Board Evaluation Report

DCSL Corporate Services Limited

May 2021

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS OF ETERNA PLC FOR THE YEAR ENDED DECEMBER 31, 2020.

DCSL Corporate Services Limited (DCSL) was engaged by Eterna Plc ("Eterna") to carry out a performance evaluation of the Board of Directors for the year-ended December 31, 2020 in line with the provisions of the Nigerian Code of Corporate Governance 2018 (NCCG), Securities and Exchange Commission (SEC) Corporate Governance Guidelines (SCGG), as well as global best practices on Corporate Governance.

The appraisal entailed a review of the Company's corporate and statutory documents, Minutes of Board and Committee meetings, policies and other ancillary documents made available to us and the administration of questionnaires to Directors.

To ascertain the extent of compliance with relevant corporate governance principles and appraise the performance of the Board, we benchmarked the Company's corporate governance structures, policies and processes against the abovementioned Codes as well as global Best Practices and considered the following seven key corporate governance themes:

1. Board Structure and Composition;
2. Strategy and Planning;
3. Board Operations and Effectiveness;
4. Measuring and Monitoring of Performance;
5. Risk Management and Compliance;
6. Corporate Citizenship; and
7. Transparency and Disclosure

The Board has the responsibility for putting in place adequate corporate governance structures and practices and approving policies that will ensure the Company carries on its business in accordance with its Memorandum and Articles of Association as well as in conformity with applicable laws, codes and regulations to guarantee sustainability. Upon the conclusion of the performance evaluation of the Board, we confirm that the Board and Company substantially complied with the provisions of the applicable Codes.

Details of our key findings and recommendations are contained in our detailed Reports.

Yours faithfully,
For: DCSL Corporate Services Ltd

Bisi Adeyemi
Managing Director
FRC/2013/NBA/00000002716

Corporate Governance Report

Governance Structure

Board of Directors

There were eight members on the Board of the Company as at 31st December 2020.

The members of the Board formulate policies and oversee the effective performance of the Management of the Company.

Our Directors are tested professionals with varied skills that enrich the deliberations of the Board. The affairs of the Company is monitored through the existence of standing committees that ensure performance of operations on behalf of the entire Board in key areas affecting the Company's business. The Board has the duty at all times, to act in the best interest of the Company.

Role of the Board

- Strategy and Policy Formulation
- Overseeing the Management and conduct of the entire business activities;
- Risk identification, monitoring and management;
- Ensuring the existence of an effective risk management system;
- Overseeing the effectiveness and adequacy of internal control;
- Ensuring effective communication with shareholders;
- Ensuring the integrity of financial reports;
- Ensuring that ethical standards are maintained;
- Ensuring compliance with the laws of Nigeria
- Determining the terms of reference of standing committees as well as reviewing and approving the reports of the committees

The Chairman

The position of Chairman and Managing Director/CEO are held by two distinct and seasoned professionals who complement each other's skills and work well together.

The Chairman's primary responsibility is to ensure that the Company's strategic objectives are achieved. He provides overall leadership and direction for the Board and the Company. The Chairman is a Non-Executive Director who is not involved in the day-to-day operations of the Company.

Role of the Chairman

The duties of the Chairman are as follows:

- Providing overall leadership and direction for the Board and the Company;
- Setting the Annual Board Plan;
- Setting the agenda for Board meetings in conjunction with the Managing Director/CEO and the Company Secretary;
- Playing a leading role in ensuring that the Board and its committees are composed of the relevant skills, competencies and desired experience;
- Ensuring that Board meetings are properly conducted and the Board is effective and functions in a cohesive manner;
- Ensuring that Board members receive accurate and clear information in a timely manner, about the affairs of the company to enable directors take sound decisions;

Corporate Governance Report

- Acting as the main link between the Board and the CEO as well as advising the Managing Director/CEO in the effective discharge of his duties;
- Ensuring that all the Directors focus on their key responsibilities and play constructive roles in the affairs of the company;
- Taking a lead role in the assessment, improvement and development of the Board;
- Presiding over Board Meetings and General Meetings of Shareholders.

The Managing Director/Chief Executive Officer
The Managing Director/CEO is the head of the Management team and he reports to the Board.

He is responsible for managing and controlling the Company's business and day-to-day operations with the aim of securing significant and sustained increase in the value of the Company for shareholders.

The Managing Director/CEO ensures proper implementation of the decisions of the Board of Directors. It is his duty to ensure that the Company's operations are in compliance with the laws and regulations applicable at the time.

Role of the Managing Director/CEO
The duties of the Managing Director/CEO are as follows:

- Provides the required leadership to achieve corporate objectives;
- Develops and defines future strategies and goals aimed at achieving the organisation's objectives;
- Ensures the establishment and maintenance of effective Community Affairs, Safety, Health, Environment and Security (CASHES) management systems, policies and procedures;
- Manages relationships with Strategic Financial, Technical and Operating partners to ensure strong and effective alliances are maintained that facilitate the Company's business;
- Directs and coordinates business activities to attain defined profit, return on capital & other financial targets;
- Provides the necessary vision and leadership required to get the Company to grow and to prepare it for its future tasks;
- Ensures that all corporate objectives are met within the defined period;
- Ensures the existence of internal controls to guarantee the integrity of financial statements and reports and safeguard the Company's assets;
- Ensures efficient management of the Company's support services functions and prudent management of its resources;
- Creates a corporate culture through shared vision with the Management team and team building with staff, directs the loyalty of the staff to align with the objectives of the Company;
- Networks with key industry players and relevant government functionaries to create a positive identification with the Company's Brand;
- Provides oversight of Company's activities by ensuring compliance with industry, regulatory and Company policies and procedures;
- Identifies, evaluates and develops new business opportunities and feasibility reports supporting growth based on the insight derived from market analysis;
- Leads the formulation, execution and monitoring of Company's business development, market penetration strategies and operating plans for enhancing business growth and operating efficiency;
- Performs any other responsibility as required by the board of directors from time to time.

Corporate Governance Report

Board Meetings (Attendance)

In 2020, the Board of Directors convened eight times (2019: four)

Directors	Number of Meetings attended	Date of Meeting
Mr. Lamis Dikko	7	30th April 2020 12th May 2020 13th May 2020 27th May 2020 23rd July 2020 16th October 2020 8th December 2020
Mr. Nnamdi Obiagwu	5	30th April 2020 23rd July 2020 16th October 2020 8th December 2020 21st December 2020
Ms. Kudi Badmus	5	30 April 2020 23rd July 2020 16th October 2020 8th December 2020 21st December 2020
Otunba Femi Deru	8	30 April 2020 12th May 2020 13th May 2020 27th May 2020 23rd July 2020 16th October 2020 8th December 2020 21st December 2020
Mrs. Afolake Lawal	8	30th April 2020 12th May 2020 13th May 2020 27th May 2020 23rd July 2020 16th October 2020 8th December 2020 21st December 2020
Mr. Oluwole Abegunde	8	30th April 2020 12th May 2020 13th May 2020 27th May 2020 23rd July 2020 16th October 2020 8th December 2020 21st December 2020

Corporate Governance Report

Directors	Number of Meetings attended	Date of Meeting
Mr. Adebode Adefioye	8	30th April 2020 12th May 2020 13th May 2020 27th May 2020 23rd July 2020 16th October 2020 8th December 2020 21st December 2020
Mr. Mahmud Tukur (exit date 31st August 2020)	5	30th April 2020 12th May 2020 13th May 2020 27th May 2020 23rd July 2020
Mr. Ibrahim Boyi (exit date 30thJune 2020)	4	30th April 2020 12th May 2020 13th May 2020 27th May 2020
Mr. Farouk Ahmed (Resumed 1st September 2020)	3	16th October 2020 8th December 2020 21st December 2020

Committees of the Board and Summary of their Roles and Responsibilities

The Board has four permanent Committees:

- The Audit Committee;
- The Governance, Nomination & Remuneration Committee.
- The Strategy, Finance & Investment Committee
- The Risk Management, Health, Safety and Environment Committee;

The Board of Directors appoint the chairmen of the Governance, Nomination & Remuneration Committee; the Risk Management, Health, Safety and Environment Committee and the Strategy, Finance & Investment Committee amongst its members for one year at a time. The chairman of the Audit Committee is appointed by members of the Audit Committee.

All Board Committees are headed by external, Non-Executive Directors to ensure high degree of independence necessary to provide a thorough review of management activities.

The Board of Directors has approved terms of reference that outline the key duties and operating policies for the Committees.

In addition, and whenever required, the Board may also set temporary working committees to prepare subjects for the Board.

Corporate Governance Report

The Audit Committee

The Audit Committee is the Board's preparatory body which focuses on matters relating to the Company's Financial Reporting and Controls.

The Committee makes sure that the Company's financial reporting, accounting and financial management as well as external and internal audit and risk management systems are properly organised. The Committee meets regularly to review the internal control systems, review management control reports and ensure independence of internal and external auditors.

In compliance with the provisions of section 359 of the Companies and Allied Matters Act [Cap C20, Laws of the Federation of Nigeria, 2004], the Committee has two representatives of shareholders and two Directors.

In 2020, the Audit Committee convened four times (2019: four). The average attendance of the members was 100 per cent. The Chairman of the Audit Committee is Mr. Ignatius Adegunle (a shareholder in the Company).

Composition:

1.	Mr. Ignatius Adegunle (Shareholder)	– Chairman
2.	Mr. Omokayode Adekunle (Shareholder)	- Member
3.	Otunba Femi Deru (Non-Executive Director)	- Member
4.	Mr. Adebode Adefioye (Independent Non-Executive Director)	- Member.

Audit Committee Meetings (Attendance)

Directors	Number of Meetings attended	Date of Meeting
Mr. Ignatius Adegunle	4	23rd April 2020 21st July 2020 18th August 2020 3rd December 2020
Mr. Omokayode Adekunle	4	23 April 2020 21st July 2020 18th August 2020 3rd December 2020
Otunba Femi Deru	4	23rd April 2020 21st July 2020 18th August 2020 3rd December 2020
Mr. Adebode Adefioye	4	23rd April 2020 21st July 2020 18th August 2020 3rd December 2020

Corporate Governance Report

The Governance, Nomination and Remuneration Committee

The purpose of the Governance, Nomination & Remuneration Committee is to assist the Board in fulfilling its obligations by providing a focus on governance that is intended to enhance the Board's performance, taking into consideration established governance best practices.

The Committee provides overall responsibility on organizational structuring, compensation structure, promotion and discipline of Management staff. The Committee is the Board's preparatory body which assists the Board of Directors in matters relating to the terms and conditions of appointment to the Board and employment of senior management.

The Committee convened nine times in the course of the year (2019 : four times)

Composition:

1.	Mrs. Afolake Lawal	Chairman;
2.	Mr. Ibrahim Boyi	Member – *resigned from the Board 30th June 2020*
3.	Otunba Femi Deru	Member
4.	Mr. Adebode Adefioye	Member
5.	Mr. Farouk Ahmed	Member – *became a member of the Committee in November 2020*

Corporate Governance Report

Governance Nomination and Remuneration Committee Meetings (Attendance)

Directors	Number of Meetings attended	Date of Meeting
Mrs. Afolake Lawal	9	21st April 2020 28th April 2020 4th June 2020 17th June 2020 20th July 2020 15th September 2020 25th September 2020 16th November 2020 11th December 2020
Mr. Adebode Adefioye	9	21st April 2020 28th April 2020 4th June 2020 17th June 2020 20th July 2020 15th September 2020 25th September 2020 16th November 2020 11th December 2020
Otunba Femi Deru	9	21st April 2020 28th April 2020 4th June 2020 17th June 2020 20th July 2020 15th September 2020 25th September 2020 16th November 2020 11th December 2020
Mr. Ibrahim Boyi	4	21st April 2020 28th April 2020 4th June 2020 17th June 2020
Mr. Farouk Ahmed	2	16th November 2020 11th December 2020

The Strategy, Finance and Investment Committee

The purpose of the Strategy, Finance and Investment Committee (the Committee) is to give strategic direction and provide required oversight to assist the Board on strategy, financial matters and substantial investments.

The Committee also carries out such other duties that may be delegated by the Board.

The Committee convened four meetings in the course of the year (2019: four meetings).

Composition:

1. Mr. Ibrahim Boyi — Chairman – *resigned from the Board 30th June 2020*
2. Mr. Oluwole Abegunde — Member
3. Mr. Mahmud Tukur — Member
4. Ms. Kudi Badmus — Member
5. Mr. Farouk Ahmed — Member – *became a member of the Committee in November 2020*

Corporate Governance Report

Strategy, Finance and Investment Committee Meetings (Attendance)

Directors	Number of Meetings attended	Date of Meeting
Mr. Ibrahim Boyi	3	28th January 2020 22nd April 2020 26th June 2020
Mr. Oluwole Abegunde	4	28th January 2020 22nd April 2020 26th June 2020 3rd December 2020
Mr. Mahmud Tukur	3	28th January 2020 22nd April 2020 25th June 2020
Ms. Kudi Badmus	4	28th January 2020 22nd April 2020 26th June 2020 3rd December 2020
Mr. Farouk Ahmed	1	3rd December 2020
Mr. Nnamdi Obiagwu	1	3rd December 2020

The Risk Management, Health, Safety and Environment Committee

The purpose of the Risk Management, Health, Safety, Security and Environment Committee is to conduct an independent and objective review of the Company's activities relating to Risk Management; Health, Safety, Security and Environment.

The Committee also has responsibility for ensuring that the Company takes reasonable and practicable steps to maintain a safe and healthy working environment which complies with statutory requirements.

Composition:

1.	Mr. Oluwole Abegunde	Chairman
2.	Mr. Adebode Adefioye	Member
3.	Mrs. Afolake Lawal	Member
4.	Mr. Mahmud Tukur	Member
5.	Ms. Kudi Badmus	Member

Corporate Governance Report

In 2020, the Risk Management, Health, Safety and Environment Committee convened five times; (2019: two meetings).

Risk Management, Health, Safety and Environment Committee Meetings (Attendance)

Directors	Number of Meetings attended	Date of Meeting
Mr. Oluwole Abegunde	5	24th April 2020 21st July 2020 24th August 2020 17th September 2020 7th December 2020
Mrs. Afolake Lawal	5	24th April 2020 21st July 2020 24th August 2020 17th September 2020 7th December 2020
Mr. Adebode Adefioye	5	24th April 2020 21st July 2020 24th August 2020 17th September 2020 7th December 2020
Mr. Mahmud Tukur	3	24th April 2020 21st July 2020 24th August 2020
Ms. Kudi Badmus	5	24th April 2020 21st July 2020 24th August 2020 17th September 2020 7th December 2020
Mr. Nnamdi Obiagwu	1	7th December 2020

By order of the Board

Bunmi Agagu
Company Secretary/Legal Adviser
FRC/2013/NBA/00000004342

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Statement of Directors' Responsibilities For the Preparation and Approval of the Financial Statements

The Directors of Eterna Plc accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group and Company as at 31 December 2020, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011.

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

- Properly selecting and applying accounting policies
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance.

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

The consolidated and separate financial statements for the year ended 31 December 2020 were approved by the Directors on 29 March, 2021.

On behalf of the Directors of the Group and Company

Nnamdi Obiagwu
Group Managing Director/CEO
FRC/2020/IODN/00000022059

Kudi Badmus
Executive Director/CFO
FRC/2016/ICAN/00000014237

Lamis Shehu Dikko
Chairman
FRC/2013/IODN/00000004347

Certification of Financial Statements

In accordance with section 405 of the Companies and Allied Matters Act, 2020, the Chief Executive Officer and the Chief Financial Officer certify that the financial statements have been reviewed and based on our knowledge, the

(i) audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and

(ii) audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for, the periods covered by the audited financial statements;

We state that management and directors:

(i) are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Company and its subsidiaries is made known to the officer by other officers of the group, particularly during the period in which the audited financial statement report is being prepared,

(ii) has evaluated the effectiveness of the group's internal controls within 90 days prior to the date of its audited financial statements, and

(iii) certifies that the group's internal controls are effective as of that date;

We have disclosed:

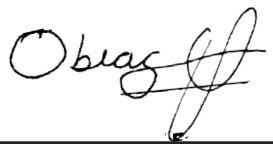
(i) all significant deficiencies in the design or operation of internal controls which could adversely affect the group's ability to record, process, summarise and report financial data, and has identified for the group's auditors any material weaknesses in internal controls, and

(ii) whether or not, there is any fraud that involves management or other employees who have a significant role in the group's internal control; and

(iii) as indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The financial statements of the Group for the year ended 31 December 2020 were approved by the directors on 29 March, 2021.

On behalf of the Directors of the Group and Company:



Nnamdi Obiagwu
Group Managing Director/CEO
FRC/2020/IODN/00000022059

Kudi Badmus
Executive Director/CFO
FRC/2016/ICAN/00000014237

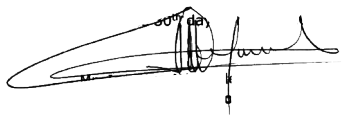
Report of the Audit Committee on the Consolidated and Separate Financial Statements

In accordance with the Statutory requirement of Section 404(7) of the Companies and Allied Matters Act, 2020, we the members of the Audit Committee of Eterna Plc, having carried out our statutory functions under the Act hereby confirm that the accounting and reporting policies of the Group and Company are in accordance with legal requirements and agreed ethical practices.

In our opinion:

1. The accounting and reporting policies of Eterna plc as contained in the company's audited financial statement for the year ended 31st December 2020 are in accordance with the legal requirements and agreed ethical practices.
2. The scope and planning of the audit for the year ended 31 December, 2020 were adequate.
3. The External Auditor's findings on Management Matters and Management's responses thereto were satisfactory.
4. We have kept under review the effectiveness of the company's system of accounting and internal controls.

Dated the 22nd day of March, 2021



Mr. Ignatius Adegunle
Chairman, Audit Committee
FRC/2013/ICAN/00000002921

Members of the Committee
Mr. Ignatius Adegunle
Mr. Omokayode Adekunle
Otunba Femi Deru (Alternate to Chief (Dr.) Michael Ade Ojo)
Mr. Adebode Adefioye

Independent Auditor Report To the Shareholders of Eterna Plc

Deloitte.

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Eterna Plc (The Company) and its subsidiaries (together referred to as the Group) set out on pages 51 to 104, which comprise the consolidated and separate statements of financial position as at 31 December 2020, and the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Eterna Plc as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act and Financial Reporting Council Act.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of consolidated Financial Statements in Nigeria.

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgement was of most significance in our audit of the consolidated and separate financial statements of the current year. This matter was addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. We have determined the matter described below to be the key audit matter to be communicated in our report. The key audit matter below relate to the audit of the separate financial statements.

Independent Auditor Report To the Shareholders of Eterna Plc

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Key Audit Matter	How the matter was addressed in the audit
Expected Credit Loss (ECL) on Trade Receivables	
IFRS 9 - Financial Instruments requires the Company to recognize Expected Credit Loss (ECL) on its trade receivable balances. This has been discussed further in note 22. Eterna Plc uses the simplified approach of the expected credit loss model to analyse historical data by risk groups to capture defaults, migration to defaults, collections, cure etc. for a statistically reasonable number of years. Based on the level of judgements involved in estimating the expected credit and the possibility of management bias in estimating the amount, we have considered expected credit loss on trade receivables a key audit matter.	In addressing this matter, we adopted a substantive approach to the audit of expected credit losses on trade receivables. The procedures adopted included the following: 1. Updated our understanding of the procedures put in place by management to identify impaired trade receivables. 2. Tested the ageing of receivables to confirm that all outstanding receivable balances have accurately aged. 3. Confirmed the appropriateness of the groupings of trade receivables based on the shared credit characteristics for the purpose of determining the loss rate. 4. Reviewed and challenged the judgements made by management in estimating the expected credit loss to identify whether indicators of possible management bias exist. 5. Reviewed and independently confirmed the accuracy of the forecast macro-economic data and other inputs used in the entity's expected credit loss model. Based on the procedures performed, we considered the method used and assumptions made by management to be reasonable.

Independent Auditor Report To the Shareholders of Eterna Plc

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Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Report and the Audit Committee's Report, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work we have performed on the other information obtained prior to the date of this auditor's report, if 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.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's and 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 Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent Auditor Report To the Shareholders of Eterna Plc

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- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group's and the Company'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 the 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 Group's and 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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate 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

Independent Auditor Report To the Shareholders of Eterna Plc

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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

In accordance with the first schedule of the Companies and Allied Matters Act, we expressly state that:

i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii) The Group has kept proper books of account, so far as appears from our examination of those books.

iii) The Group and Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Abraham Udenani,
FCA - FRC/2013/ICAN/00000000853

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
30 March, 2021

Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2020

		Group		Company	
		31 December	31 December	31 December	31 December
	Notes	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Revenue	7	58,715,576	229,274,785	58,715,576	229,274,785
Cost of sales	8.1	(53,207,683)	(224,324,578)	(53,363,485)	(224,436,229)
Gross profit		**5,507,893**	**4,950,207**	**5,352,091**	**4,838,556**
Selling and distribution expenses	8.2	(142,115)	(149,546)	(140,105)	(146,983)
General and administrative expenses	8.3	(3,901,148)	(3,574,268)	(3,671,312)	(3,319,877)
Other income	12	424,626	100,099	423,395	99,540
Foreign exchange (loss) / gain	13.1	(354,058)	33,248	(354,058)	33,337
Operating profit		**1,535,198**	**1,359,740**	**1,610,011**	**1,504,573**
Finance income	13	29,356	239,097	29,356	239,097
Finance cost	14	(1,016,408)	(1,487,397)	(1,014,747)	(1,485,967)
Profit before tax		**548,146**	**111,440**	**624,620**	**257,703**
Taxation	15	392,896	(255,729)	392,896	(306,306)
Profit/(loss) for the year		**941,042**	**(144,289)**	**1,017,516**	**(48,603)**
Attributable to:					
– Owners of the parent		941,057	(144,270)	1,017,516	(48,603)
– Non-controlling interests		(15)	(19)	-	-
		941,042	**(144,289)**	**1,017,516**	**(48,603)**
Other Comprehensive Income:					
Other comprehensive income net of tax		-	-	-	-
Total comprehensive income/(loss) for the year		**941,042**	**(144,289)**	**1,017,516**	**(48,603)**
Attributable to:					
– Owners of the parent		**941,057**	**(144,270)**	**1,017,516**	**(48,603)**
– Non-controlling interests		**(15)**	**(19)**	**-**	**-**
Total comprehensive income/(loss) for the year		**941,042**	**(144,289)**	**1,017,516**	**(48,603)**
Earnings/(loss) per share:					
Basic and Diluted	29	0.72	(0.11)	0.78	(0.04)

The accompanying notes form an integral part of these financial statements

Consolidated and Separate Statement of Financial Position

As at 31 December 2020

		Group		Company	
		31 December	31 December	31 December	31 December
	Notes	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Non-current assets					
Property, plant and equipment	16	11,398,386	9,771,625	10,823,488	9,183,312
Intangible assets	16	76,244	96,002	76,244	96,002
Right of use assets	17	2,046,208	2,044,955	2,046,208	2,044,955
Other investments	19.2	569,382	558,868	569,382	558,868
Investment in subsidiaries	19.1	-	-	50,990	50,990
		14,090,220	12,471,450	13,566,312	11,934,127
Current assets					
Inventory	21	6,899,708	5,296,762	6,858,012	5,255,550
Trade and other receivables	22	12,612,734	9,445,485	13,228,041	9,835,357
Prepayments	18	108,609	148,618	106,657	146,727
Cash and bank balances	23	2,056,285	1,171,071	2,033,293	1,138,414
		21,677,336	16,061,936	22,226,003	16,376,048
Total assets		**35,767,556**	**28,533,386**	**35,792,315**	**28,310,175**
Non-current liabilities					
Borrowings	24	448,738	345,429	448,738	345,429
Lease liability	27	213,274	10,162	213,274	10,162
Deferred tax liability	20	1,161,333	1,559,425	1,202,334	1,600,426
Decommissioning liability	25	131,878	100,614	119,963	90,360
		1,955,223	2,015,630	1,984,309	2,046,377
Current liabilities					
Trade and other payables	26	8,291,448	4,951,516	8,294,213	4,907,284
Borrowings	24	12,050,514	8,686,758	12,050,514	8,686,758
Tax payable	15.3	121,450	471,603	120,653	344,646
		20,463,412	14,109,877	20,465,380	13,938,688
Total liabilities		22,418,635	16,125,507	22,449,689	15,985,065
Equity attributable to shareholders					
Share capital	28	652,072	652,072	652,072	652,072
Share premium	28	5,796,053	5,796,053	5,796,053	5,796,053
Retained earnings		6,900,750	5,959,693	6,894,501	5,876,985
		13,348,875	12,407,818	13,342,626	12,325,110
Non-controlling interest		46	61	-	-
Total equity		13,348,921	12,407,879	13,342,626	12,325,110
Total equity and liabilities		**35,767,556**	**28,533,386**	**35,792,315**	**28,310,175**

The financial statements were approved by the board of directors and authorised for issue on 29 March, 2021. They were signed on its behalf by:

Nnamdi Obiagwu
Managing Director/Chief Executive Officer
FRC/2020/IODN/003/00000022059

Lamis Shehu Dikko
Chairman
FRC/2013/IODN/00000004347

Kudi Badmus
Group Executive Director /CFO
FRC/2016/ICAN/00000014237

The accompanying notes form an integral part of these financial statements

Consolidated and Separate Statement of Changes in Equity

	Attributable to equity holders of the parent						
	Group						
	Share Capital N'000	Share premium N'000	Retained Earnings N'000	Other Reserves N'000	Total amount attributable to equity holders N'000	Non - controlling interest N'000	Total Equity N'000
Balance at 1 January 2019	652,072	5,796,053	6,474,042	(44,042)	12,878,125	80	12,878,205
Comprehensive income							
Loss for the year	-	-	(144,270)	-	(144,270)	(19)	(144,289)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	(144,270)	-	(144,270)	(19)	(144,289)
Transaction with owners							
Dividend paid	-	-	(326,037)	-	(326,037)	-	(326,037)
Movement within equity	-	-	(44,042)	44,042	-	-	-
At 31 December 2019	**652,072**	**5,796,053**	**5,959,693**	**-**	**12,407,818**	**61**	**12,407,879**
Balance at 1 January 2020	652,072	5,796,053	5,959,693	-	12,407,818	61	12,407,879
Comprehensive income							
Profit for the year	-	-	941,057	-	941,057	(15)	941,042
Other Comprehensive income	-	-	-	-	**-**	-	**-**
Total comprehensive income	-	-	941,057	-	941,057	(15)	941,042
At 31 December 2020	**652,072**	**5,796,053**	**6,900,750**	**-**	**13,348,875**	**46**	**13,348,921**

Consolidated and Separate Statement of Changes in Equity

	Attributable to equity holders of the parent				
	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 2019	652,072	5,796,053	6,295,667	(44,042)	12,699,750
Comprehensive income					
Loss for the year	-	-	(48,603)	-	(48,603)
Other Comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	(48,603)	-	(48,603)
Transaction with owners					
Dividend paid	-	-	(326,037)	-	(326,037)
Movement within equity	-	-	(44,042)	44,042	-
At 31 December 2019	652,072	5,796,053	5,876,985	-	12,325,110
Balance at 1 January 2020	652,072	5,796,053	5,876,985	-	12,325,110
Comprehensive income					
Profit for the year	-	-	1,017,516	-	1,017,516
Other Comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	1,017,516	-	1,017,516
At 31 December 2020	**652,072**	**5,796,053**	**6,894,501**	**-**	**13,342,626**

Consolidated and Separate Statement of Cash Flows

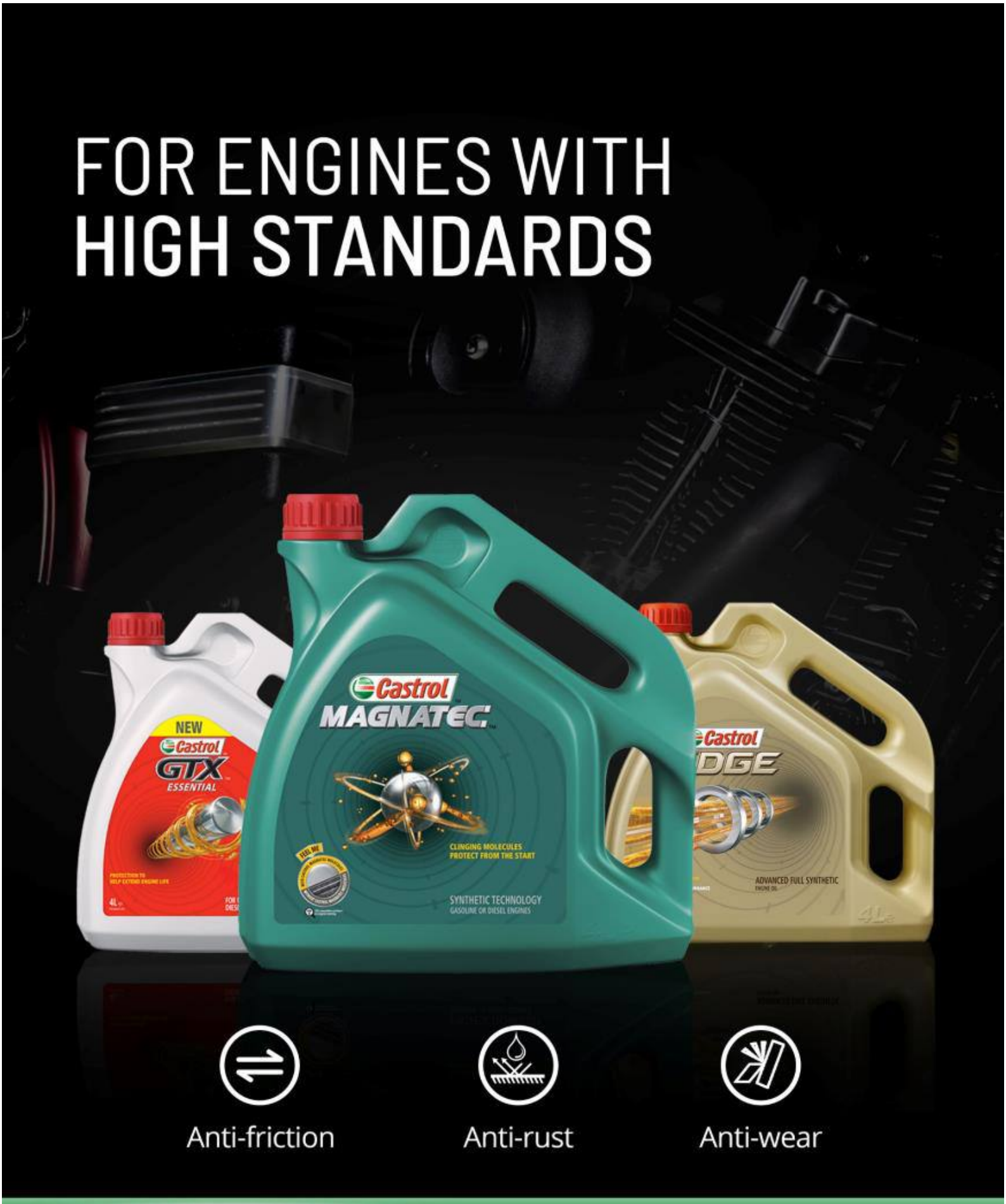
For the year ended 31 December 2020

		Group		Company	
		31 December	31 December	31 December	31 December
		2020 N'000	2019 N'000	2020 N'000	2019 N'000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Profit before taxation	**Notes**	548,146	111,440	624,620	257,703
Adjustments for non-cash items:					
Depreciation	16	694,346	593,287	626,731	525,225
Amortisation of Intangible Assets	16	20,373	19,450	20,373	19,450
Amortisation of prepayments	8.3	41,808	67,091	41,808	67,091
Amortisation of right of use assets	17	338,262	187,524	338,262	187,524
Bad Debt written off	8.3	49,678	7,420	49,678	7,420
Provision no longer required	12	(37,741)	(3,622)	(37,743)	(3,622)
Property, plant & equipment and Intangible assets Written off	16	4,836	6,477	4,836	6,477
Finance cost	14	911,006	1,699,878	909,345	1,696,715
Finance Income	13	(29,356)	(239,097)	(29,356)	(239,097)
Finance cost on Trading		456,189	628,266	456,189	629,999
Exchange loss on borrowings	24	-	141,642	-	141,642
Allowance for impairment		60,222	37,972	59,991	37,743
Loss on disposal of asset		64,869	4,229	64,486	2,342
Increase in employees benefits		-	5,036	-	5,036
		3,122,638	**3,266,993**	**3,129,220**	**3,341,648**
Changes in working capital:					
(Increase)/decrease in inventory	21	(1,602,947)	2,861,979	(1,602,464)	2,819,476
(Increase) / decrease in debtors	22	(3,239,406)	21,333,146	(3,464,609)	21,099,836
Decrease in short term prepayment	18	(1,799)	14,126	(1,738)	12,705
Increase/(decrease) in payables	26	3,339,932	(18,431,466)	3,386,931	(18,444,206)
		(1,504,220)	**5,777,785**	**(1,681,880)**	**5,487,811**
Cash flows generated by operating activities		**1,618,418**	**9,044,778**	**1,447,340**	**8,829,459**
Tax paid	15	(355,349)	(730,949)	(229,189)	(640,487)
Net cash from operating activities		**1,263,069**	**8,313,829**	**1,218,151**	**8,188,972**
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of property, plant and equipment	16	(2,374,954)	(2,037,027)	(2,320,372)	(1,944,075)
Proceeds on disposal of Property, plant and equipment	16	-	6,860	-	6,181
Purchase of Intangible assets	16	-	(10,099)	-	(10,099)
Payments for leasehold properties	18	(138,048)	(1,335,375)	(138,048)	(1,335,375)
Employee benefits Paid	24	-	(249,523)	-	(249,523)
Investment payment	19	(10,514)	(5,000)	(10,513)	(5,000)
Interest received	13	29,356	239,097	29,356	239,097
Net cash used in investing activities		**(2,494,160)**	**(3,391,067)**	**(2,439,577)**	**(3,298,794)**
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from borrowings	24	48,091,874	50,729,949	48,091,874	50,729,949
Repayment of borrowings and interest	24	(46,165,573)	(59,212,648)	(46,165,573)	(59,212,648)
Dividend Paid		-	(326,037)	-	(326,037)
Net cash generated by/(used in) financing activities		**1,926,301**	**(8,808,736)**	**1,926,301**	**(8,808,736)**
NET CHANGE IN CASH AND CASH EQUIVALENTS		695,210	(3,885,974)	704,875	(3,918,558)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		155,308	4,041,282	122,651	4,041,209
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER 2020	23	**850,518**	**155,308**	**827,526**	**122,651**

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statement

FOR ENGINES WITH HIGH STANDARDS



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Notes to the Consolidated and Separate Financial Statement

1. Consolidated segment information

The chief operating decision-maker (CODM) has been identified as the Management team of Eterna Plc. Management has determined the operating segments based on the information reviewed by the management team for the purposes of allocating resources and assessing performance. Management has also determined the operating segments based on these reports.

a) Reportable segments

The CODM considers the business singularly from a product perspective. Management separately considers three segments; Retail and Industrial Fuels, Lubricants and Chemicals and trading activities of the group. The following summary describes the operations in each of the Group's reportable segments:

i) Retail and Industrial Fuels

This segment derives revenue from the sale and distribution of petroleum products (white products and lubricants) in retail outlets and small units and to industrial customers across Nigeria.

ii) Lubricants and chemicals

This segment involves the manufacture and distribution of lubricants and chemicals to marine and energy customers across Nigeria.

iii) Trading

This segment represents the bulk importation and sale of fuels to offtakers (PMS, AGO, DPK), Base Oils, Bitumen, LPFO. It also involves lifting and sales of crude oil. The 2020 and 2019 figures are income generated from crude lifting.

i) The management team (CODM) reviews internal management reports at least on a quarterly basis. Information regarding the results of each reportable segment is included below.

	December 2020				December 2019			
	Retail & Industrial Fuels	Lubricants & chemicals	Trading	Group	Retail & Industrial Fuels	Lubricants & chemicals	Trading	Group
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Gross revenue	50,223,306	7,632,850	1,030,213	58,886,369	56,194,376	9,122,110	164,116,759	229,433,245
Intersegment sales	-	(170,793)	-	(170,793)	-	(158,460)	-	(158,460)
Net Revenue	**50,223,306**	**7,462,057**	**1,030,213**	**58,715,576**	**56,194,376**	**8,963,650**	**164,116,759**	**229,274,785**
Cost of sales	47,044,179	6,211,781	122,516	53,378,476	54,487,851	7,255,104	162,740,083	224,483,038
Intersegment cost of sales	-	(170,793)	-	(170,793)	-	(158,460)	-	(158,460)
Net cost of sales	**47,044,179**	**6,040,988**	**122,516**	**53,207,683**	**54,487,851**	**7,096,644**	**162,740,083**	**224,324,578**
Gross Profit	**3,179,127**	**1,421,069**	**907,697**	**5,507,893**	**1,706,525**	**1,867,006**	**1,376,676**	**4,950,207**
Operating profit before depreciation & amortisation	1,322,749	591,277	377,668	2,291,694	709,206	775,898	554,472	(2,039,576)
Depreciation & amortisation	(522,801)	(233,695)	-	(756,496)	(324,653)	(355,183)	-	(679,836)
Net finance cost	(682,134)	(304,918)	-	(987,052)	(596,120)	(652,180)	-	(1,248,300)
Profit/(loss) before tax	117,814	52,664	377,668	548,146	(211,567)	(231,465)	554,472	111,440
Income tax credit/(charge)	226,776	101,371	64,749	392,896	(88,160)	(96,450)	(71,119)	(255,729)
Profit/(loss) after tax	344,590	154,035	442,417	941,042	(299,727)	(327,915)	483,353	(144,289)

Notes to the Consolidated and Separate Financial Statement

The CODM measures performance based on segment profit before income tax, as included in the internal management reports. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of these segments. Intersegment pricing is determined on an arm's length basis.

The measurement policies the Group uses for segment reporting are the same as those used in its financial statements. There have been no changes from prior years in the measurement methods used to determine reported segment profit or loss.

Revenue are derived from varieties of external customers unlike 2019 where revenue approximately NGN180 billion were derived from five external customers. Of these revenues, 85% are attributed to Retail & Industrial Fuels segment (24%: 2019), 13% from Lubricants & Chemical segment (4%: 2019) and 2% from Trading Segment (72%:2019)

The geographical location of the group operations is Nigeria, operations outside Nigeria are non-existent and do not constitute a segment.

There is no disclosure of assets and liabilities per business segment because the assets and liabilities of the Group are not directly related to a particular business segment.

2. General information

Eterna Plc (the Company) was incorporated in Nigeria as a private limited liability Company in 1989. In 1997, it became a public Company. The Company's shares which are currently quoted on the Nigerian Stock Exchange (NSE) were first listed in August 1998. The Company is domiciled in Nigeria and the address of its registered office is:
5a Oba Adeyinka Oyekan Avenue
(Formerly Second Avenue)
Ikoyi
Lagos

Principal activities
The principal activities of the Company and its subsidiaries (together referred to as "the Group") are trading in crude oil and Condensates; manufacturing, sale and distribution of lubricating oils and petrochemicals; Bulk import and retail distribution of Petroleum Products (including PMS, AGO, ATK LPFO, Base Oils, Bitumen etc.) and gas.

2.2 Composition of Financial statements

The financial statements are drawn up in Nigerian Naira, the functional currency of Eterna Plc in accordance with International Financial Reporting Standards (IFRS) Accounting presentation.

The financial statements comprise:

- Consolidated and separate statement of profit and loss and other comprehensive income
- Consolidated and separate statement of financial position
- Consolidated and separate statement of changes in equity
- Consolidated and separate statement of cash flows

Notes to the Consolidated and Separate Financial Statement

- Notes to the financial statements.
  The Directors also provided the following additional statements in compliance with Companies and Allied Matters Act:
- Consolidated and separate value added statement
- Consolidated and separate five-year financial summary

2.3 Financial Period

These financial statements cover the period from 1 January 2020 to 31 December 2020 with comparative figures for the financial year from 1 January 2019 to 31 December 2019.

2.4 Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting standards as issued by the International Accounting Standards Board (IASB) as adopted by the Financial Reporting Council of Nigeria (FRC). It has also been prepared in conformity with the Companies and Allied Matters Act, 2020 and the Financial Reporting Council Act, No 6 2011.

2.5 Basis of measurement

The consolidated financial statements of Eterna Plc and its subsidiaries have been prepared in accordance with International Financial Reporting Standards. The financial statements have been prepared under the historical cost convention except for certain financial instruments that are measured at fair value. The Financial statements have also been prepared on a going concern basis.

The preparation of the consolidated and separate financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.

2.6 Basis of Consolidation

The consolidated financial statements comprises the financial information of Eterna Plc ("the Company") and its subsidiaries - Eterna Industries Limited (EIL) and Eterna Marine Services Limited (EMSL).

The Company has 99.98% equity interest in Eterna Industries Limited, while it has 99.99% holdings in Eterna Marine and Services Limited. The financial statements of these entities have been consolidated into the Group financial statements. Where necessary, adjustments are made to the financial statements of the subsidiaries to bring the accounting policies used in line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of a consolidated subsidiary are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests as at the date of the original business combination and the non-controlling interest's share of change in equity since the date of the combination.

Notes to the Consolidated and Separate Financial Statement

3.0 Adoption of new and revised IFRS standards

3.1 New and amended IFRS standards that are effective for the current year

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time in 2020, but do not have any material impact on the consolidated financial statements of the Group.

3.1.1 Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7.

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The amendments are not relevant to the Group given that it does not apply hedge accounting to its benchmark interest rate.

3.1.2 Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
c) There is no substantive change to other terms and conditions of the lease.

These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group have any rent concessions.

Notes to the Consolidated and Separate Financial Statement

3.1.2 Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16 (cont'd)

The Group has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Amendments to IFRS 3: Definition of a Business

The amendments to IFRS 3 clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset.

These amendments had no significant impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

3.1.3 Impact of other new and amended IFRS Standards that are effective for the current year

a. Amendments to IAS 1 and IAS 8: Definition of Material

The Group has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

Notes to the Consolidated and Separate Financial Statement

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

b. Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts

These amendments had no impact on the consolidated financial statements of the Group.

For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

c. Amendments to IAS 1 and IAS 8: Definition of Material

The amendments provide a new definition of material that states, “Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.”

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of the Group, nor is there expected to be any future impact to the Group.

The amendments are effective for annual reporting periods beginning on or after 1 January 2020.

d. Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

These amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relation is affected if the reform gives rise to uncertainties about the timing and of amount of benchmark-based cashflows of the hedged item or the hedging instrument. These amendments had no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Notes to the Consolidated and Separate Financial Statement

3.2 New standards, amendments and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for December 2020 reporting periods and have not been early adopted by the Group. The Group does not expect the new accounting standards and interpretations to have a material impact on its current or future reporting periods.

Details of these new standards and interpretations are set out below:

- IFRS 17 Insurance Contracts - Effective for annual periods beginning on or after 1 January 2023
- Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts beginning on or after 1 January 2021
- Classification of Liabilities as Current or Non-current - Amendments to IAS 1 - Effective for annual periods beginning on or after 1 January 2022.
- Amendments to IAS 16 Property, Plant and Equipment - Effective date for annual periods beginning on or after 1 January 2022
- Amendments to IAS 8 Accounting Policies and Accounting Estimates - Effective date for annual periods beginning on or after 1 January 2022

Amendments to IAS 37 Onerous Contracts - Costs of Fulfilling a Contract - Effective date for annual periods beginning on or after 1 January 2022.

4.0 Summary of significant accounting policies

4.1 Introduction to summary of accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary are the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred. If acquisition or business combination is

Notes to the Consolidated and Separate Financial Statement

achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

d) Joint arrangements

The Group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. Eterna plc has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the

Notes to the Consolidated and Separate Financial Statement

Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

4.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in thousand (Naira), which is the Group's presentation currency.

(b) Transactions and balances

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

4.4 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of borrowings using the effective interest method.

Fees paid on establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent that there is no evidence that is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.
All other borrowing costs are expensed in the income statement.

Notes to the Consolidated and Separate Financial Statement

4.5 Financial Assets

The Group classifies its financial assets in the following category: loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial assets at initial recognition.

a. Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

b. Trade receivables

Trade receivables are amounts due from customers for lubricating oils, petrochemicals and fuel sold and technical services in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade receivables, loans and other receivables, which are non-derivative financial assets that have fixed or determinable payments that are not quoted in an active market, are classified as loans and receivables. They are included in the current assets, except for maturities greater than 12 months after reporting date. The Company's loan and receivables comprise trade and other receivables in the financial statements.

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective rate method net of any impairment.

c. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. The Company's loans and receivables comprise of trade and other receivables and cash and cash equivalents.

(I) Initial measurement

Loans and receivables are initially recognised at fair value plus transaction costs.

(ii) Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method less provision for impairment.

(iii) Impairment

The Company assesses at each reporting date whether there is objective evidence that a

Notes to the Consolidated and Separate Financial Statement

financial asset is impaired. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms of loans and receivables. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss within administrative costs. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative costs in the profit or loss.

The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement.

4.6 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

a. Sale of goods

The companies in the Group manufacture and sell lubricating oils and petrochemicals, and import and resell fuels through its retail outlets, gas, power, upstream supply and technical services for companies in the oil industry. Sales of goods are recognised when a Group entity has delivered products to the customer and when there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Delivery does not occur until the products have been transferred to the specified location, the risks of obselescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Group has objective evidence that all the criteria for the acceptance have been satisfied.

Revenue is primarily derived from the sale of the following products: Fuel, lubricants, gas, marine fuel and crude oil.

4.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Notes to the Consolidated and Separate Financial Statement

4.8 Financial Instruments

i) Non-derivative financial assets- recognition and measurement

The Group 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 Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to 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 risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group has the following non-derivative financial assets: loans and receivables and cash and cash equivalents.

Financial assets

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not have debt instruments that are measured subsequently at fair value through profit or loss (FVTPL) or FVTOCI. Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch"

Notes to the Consolidated and Separate Financial Statement

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash balances with banks and call deposits with original maturities of three months or less.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised as the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. The Company does not hold financial liabilities measured at FVTPL.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Notes to the Consolidated and Separate Financial Statement

(iii) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group 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.

Impairment

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company always recognises twelve-month ECL for trade receivables. The expected credit losses onthese financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date where appropriate.

(iv) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, consideration is given to both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations. Irrespective of the outcome of the

Notes to the Consolidated and Separate Financial Statement

above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) the financial instrument has a low risk of default;
(2) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
(3) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

4.8 Financial Instrument (cont'd)

(i) Significant increase in credit risk (cont'd)

The Company considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there are no past due amounts. The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Notes to the Consolidated and Separate Financial Statement

(iii) Credit-impaired financial assets

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due unless there is adequate security. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date. The Company measures the loss allowance at an amount equal to twelve-month ECL at the current reporting date. An impairment gain or loss is recognised in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account

Non-financial assets: The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date. 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time

Notes to the Consolidated and Separate Financial Statement

value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. 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. A reversal of an impairment loss is recognised immediately in the profit or loss.

4.9 Provisions

Provisions for environmental restoration (i.e. restoration and abandonment of petroleum storage facilities), restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

4.10 Environmental Restoration

The Group makes provision for the future cost of decommissioning storage tanks on a discounted basis. These costs are expected to be incurred within 30 to 50 years. The provision has been estimated using existing technology at current prices, escalated at 10.3% (2015 – 10.3%) and discounted at 12.8% (2015 – 12.8%). 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.

A corresponding item of property, plant and equipment of an amount equivalent to the provision is also recognised. This is subsequently depreciated as part of the asset. Other than the unwinding discount on the provision, any change in the present value of the estimated expenditure is reflected as an adjustment to the provision and the corresponding item of property, plant and equipment.

4.11 Property, Plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment comprise tangible items that are held for use in the production or supply of goods and services or for administrative purposes and are

Notes to the Consolidated and Separate Financial Statement

expected to be used during more than one accounting period. Buildings comprise of factories and offices.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital 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 assets to a working condition for their intended use including, where applicable, the costs 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 or 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.

Property, plant and equipment are stated at cost less accumulated depreciation. Costs includes expenditure that are directly attributable to the acquisition of the fixed assets. When parts of an item of fixed assets have different useful lives, they are accounted for as separate items of fixed assets. Costs relating to fixed assets under construction or in the process of installation are disclosed as Capital Work in Progress. The cost attributable to each asset is transferred to the relevant category immediately the asset is available for use.

Gains and losses on disposal of fixed assets are included in the profit and loss account.
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Notes to the Consolidated and Separate Financial Statement

Depreciation is provided at rates calculated to write off the cost/valuation, less estimated residual value, of each asset on a straight-line basis over its estimated useful life as follows:

Asset category	Depreciation rate (years)
Freehold land	nil
Leasehold Land and Building	5-20
Plant and machinery:	10 -50
Office equipment	5 - 10
Buildings	20
Motor Vehicles	5
Furniture and fittings	5 - 10
Capital work in progress	nil

Depreciation is not calculated on fixed assets until they are available for use and is included in the statement of comprehensive income.

The assets' residual values and useful lives are reviewed, adjusted if appropriate, at the end of each reporting period.

4.12 Impairment of long lived assets

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

Assets are grouped into cash-generating units (or CGUs) and tested. A cash-generating unit is a homogeneous group of assets that generates cash inflows that are largely independent of the cash inflows from other groups of assets. The value in use of a CGU is determined by reference to the discounted expected future cash flows, based upon the management's expectation of future economic and operating conditions.

If this value is less than the carrying amount, an impairment loss on property, plant and equipment, or on other intangible assets, is recognized either in “Depreciation of property, plant and equipment, or in “Other expense”, respectively. Impairment losses recognized in prior periods can be reversed up to the original carrying amount, had the impairment loss not been recognized.

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

Notes to the Consolidated and Separate Financial Statement

4.13 Income taxation

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

(c) Current tax and deferred tax for the year

Current and deferred tax are recognised in 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 recognized in other comprehensive income or directly in equity respectively.

4.14 Impairment of assets with an indefinite useful life

Assets that have an indefinite useful life – for example, intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

4.15 Employee benefits

Defined contribution scheme

(a) Pension obligations

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined

Notes to the Consolidated and Separate Financial Statement

by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group 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. A defined benefit plan is a pension plan that is not a defined contribution plan.

The Group maintains a defined contribution pension scheme in accordance with the Pension Reform Act, 2015 (Amended). The contribution by the employer is 10% and employee is 8% of the Employees' monthly basic salary, transport and housing allowances respectively.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit scheme

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements. Past-service costs are recognised immediately in income statement. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in Finance cost in the income statement.

4.16 Accounting for Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the

Notes to the Consolidated and Separate Financial Statement

lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Leases are 'capitalised' by recognising the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, the company also recognises a financial liability representing its obligation to make future lease payments.

Lease

The Group leases certain land and buildings. Leases of land and buildings where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Lessor

The Group leases out certain fuel filling stations. Leases of these filling stations by the lessee are classified as operating leases. Payment under the operating leases are recognised under other income on a straight-line basis over the period of the lease.

4.17 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders.

4.18 Interest Income

Interest income is recognized using the effective interest method. Interest income is accrued on short term investments based on contractual investment period.

4.19 Intangible assets

1. **Licences**

   Licences are shown at historical cost. Licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method over a period of licence to allocate the cost of licences over their estimated useful life.

2. **Computer software**

   Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Amortisation is calculated using the straight-line method over a period of rights obtained to allocate the cost of computer software. If software is

Notes to the Consolidated and Separate Financial Statement

integral to the functionality of related property, plant and equipment (PPE), then it is capitalised as part of the PPE. Costs that are directly associated with the development of identifiable and unique software products controlled by the company, and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets and amortised as above. Costs include employee costs incurred as a result of developing software, borrowing costs if relevant and an appropriate portion of relevant overheads. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

4.20 Compound financial instruments

Compound financial instrument is an instrument that contains elements of both liability and equity in a single contract. In some instances, the instrument comprise an embedded derivative.

An embedded derivative is a component of a compound instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the compound instrument vary in a way similar to a stand-alone derivative.

Compound financial instruments issued by the Group comprise bonds with convertible options that can be converted to share capital at the option of the holder, and the number of shares to be issued varies with changes to in their fair value and other variables. The non-derivative host contract is the bond while the option granted to the holders is a standalone derivative.

Upon issue, it is determined whether the options granted are a financial liability or an equity instrument. The instrument is an equity instrument if, and only if, it is a derivative that will be settled by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments, otherwise it is a liability.

The option liability component of a compound instrument is recognized initially at the fair value of option on grant date. The bond liability component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the option liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion of their initial carrying amounts.

Subsequent to initial recognition, the bond liability component of the compound financial instrument is measured at amortised cost using the effective interest rate method. The option liability component of a compound financial instrument is re-measured at fair value subsequent to initial recognition at the end of every reporting period. The fair value gains or losses are recognized through profit and loss.

The financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the current reporting period.

4.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified

Notes to the Consolidated and Separate Financial Statement

as the Management team that makes strategic decisions.

In accordance with IFRS 8, the Group has the following business segments:

Segment	Description
Retail and Industrial Fuels	This segment derives revenue from the sale and distribution of petroleum products (white products and lubricants) in retail outlets and small units and to industrial customers across Nigeria.
Lubricants and chemicals	This segment involves the manufacture and distribution of lubricants and chemicals to marine and energy customers across Nigeria.
Trading	This segment represents the bulk importation and sales directly to customer facilities or offshore distribution of white products, Baseoils, Bitumen, and Low pour fuel oil. It also involves lifting and sales of crude oil.

5.0 Critical accounting judgement and key sources of estimating uncertainty

In the application of the Group's accounting policies, which are described in Note 3, The Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimated underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are revised and the revision affects only that year or in the year of the revision and the future years if the revision affects both current and future years.

5.1 Critical judgement in applying accounting policies

The following are the critical judgements, apart from those involving estimation (which are dealt with separately below) that the Directors have made in the process of applying the Group's accounting policies and that have a significant effect on the amounts recognised in the financial statements.

5.1.1 Provision for decommissioning and restoration costs

Management of the Group exercises significant judgement in estimating provisions for restoration costs. Should these estimates vary, profit or loss and statement of financial position in the following years would be significantly impacted.

5.2 Key sources of estimating uncertainty

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

5.2.1 Recoverability of assets carrying amount

The Group assesses its property plant and equipment for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable, or at least at every reporting date. Such indicators include changes in the, Group's

Notes to the Consolidated and Separate Financial Statement

business plans, changes in commodity prices, evidence of physical damage and, for oil and gas properties, significant downward revisions of estimated recoverable volumes or increases in estimated future development expenditure.

The assessment for impairment entails comparing the carrying value of the cash-generating unit with its recoverable amount, that is, value in use. Value in use is usually determined on the basis of discounted estimated future net cash flows. Determination as to whether and how much an asset is impaired involves management estimates on highly uncertain matters such as future commodity prices, the impaired involves management estimates on highly uncertain matters such as future commodity prices, the effects of inflation on operating expenses, discount rates, production profiles and the outlook for regional market supply-and-demand conditions for crude oil, natural gas and refined products.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Such estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.2.2 Provision for obsolete inventory

The Group reviews its inventory to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in profit or loss, the Group makes judgements as to whether there is any observable data indicating that there is any future saleability of the product and the net realizable value for such product. Accordingly, provision for impairment, if any, is made where the net realizable value is less than cost based on best estimates by the management.

5.2.3 Useful life of property, plant and equipment

The Group exercises judgment in determining the expected useful lives of items of property, plant and equipment. Factors such as prevailing physical condition of the assets, technological expectations and historical experience with the assets (or similar assets) are assessed at least annually. Changes to these estimates may have significant impact on future results because changes in accounting estimates are accounted for on a prospective basis, through depreciation and amortization expense.

5.2.4 Control over subsidiaries

The Group has 99.98% and 99.99% ownership interest and voting rights in Eterna Industries Limited and Eterna Marine Services Limited respectively.

The Directors assessed whether or not the Group has control over Eterna Industries Limited and Eterna Marine Services Limited based on whether the Group has the practical ability to direct the relevant activities of Eterna Industry Limited and Eterna Marine Services Limited unilaterally. In making their judgement, the Directors considered the Group's absolute size of holding in Eterna Industry Limited and Eterna Marine Services Limited and the relative size of and dispersion of the shareholdings owned by other shareholder. After assessment, the directors concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities of Eterna

Notes to the Consolidated and Separate Financial Statement

Industries Limited and Eterna Marine Services Limited and therefore the Group has control over the two subsidiaries.

5.2.5 Fair value hierarchy

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments

5.2.6 Valuation of financial liabilities

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

5.2.7 Recoverability of financial asset

The Group reviews all financial assets at least annually and when there is any indication that the asset might be impaired. Loss allowance for trade receivables is measured at an amount equal to twelve months ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group has recognised a loss allowance of 100% against all receivables over 365 days past due, because historical experience has indicated that these receivables are generally not recoverable. There has been no change in the estimation techniques or significant assumptions made during the current reporting year. The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, except where there is adequate security. None of the trade receivables that have been written off are subject to enforcement activities. Trade receivables are considered to be past due when they exceed the credit period granted.

5.2.8 Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions.

The Group uses the Binomial option pricing model in the independent valuation of the derivative contract. The model uses an iterative procedure, allowing for the specification of nodes, or points

Notes to the Consolidated and Separate Financial Statement

in time, during the time span between the valuation date and the option's expiration date. The stock price is assumed to follow a multiplicative binomial process over discrete periods. The rate of return on the stock over each period can have two possible values, up values and down values. Each column of the nodes represents each reset date.

6.0 Financial risk management

The Group's activities expose it to a variety of financial risks such as market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the finance department under policies approved by the board of directors. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

(a) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by ensuring that sufficient funds are available to meet its commitments as they fall due.

The Group uses both long term and short term cash flow projections to monitor funding requirements for activities and to ensure there are sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits on any of its borrowing facilities. Cash flow projections take into consideration the Group's debt financing plans, covenant compliance and internal balance sheet ratio targets.
The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed maturity periods. The table has been drawn based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Company can be required to pay.

	Due				
Group	within one year	1 - 2 year	2 - 3 years	3 - 5 years	Above 5 years
December 31, 2020					
Borrowings	10,844,747	448,738	-	-	-
Trade payables	8,291,448	-	-	-	-
Bank overdrafts	1,205,767	-	-	-	-
December 31, 2019					
Borrowings	8,016,424	345,429			-
Trade payables	4,951,516	-	-	-	-
Bank overdrafts	1,015,763	-	-	-	-

Notes to the Consolidated and Separate Financial Statement

Company	Due within one year	1 - 2 year	2 - 3 years	3 - 5 years	3 - 5 years
December 31, 2020					
Borrowings	10,844,747	448,738	-	-	-
Trade payables	8,294,213	-	-	-	-
Bank overdrafts	1,205,767	-	-	-	-
December 31, 2019					
Borrowings	8,016,424	345,429		-	-
Trade payables	4,907,284	-	-	-	-
Bank overdrafts	1,015,763	-	-	-	-

6.0 Financial risk management (cont'd)

(b) Market risk

(i) Price risk

The Group has limited exposure to commodity price risk as the Group's transactions are mostly Naira denominated. The Group is also not exposed to any equity price risks.

(ii) Interest rate risk

The Group's interest rate risk arises from long-term borrowings. The borrowings are issued at a fixed rate and expose the Group to fair value interest rate risk. During the current period, the Group had borrowings denominated in Naira only.

An increase/decrease in the interest rate by 10%, all other factors remaining constant, will lead to a 1.4% (2019: 2.4%) increase/decrease in the value of borrowings for the year.

(iii) Foreign exchange risk

Exposure may arise from the fluctuations of Naira against United States Dollars (USD). However, the analysis below shows that it is insignificant.

In December 2020, if the currency had weakened/strengthened by 10% against the United states Dollars (USD) with other variables constant, post tax profit for the year would have been N44m (2019:N183m) lower/higher, mainly as a result of foreign exchange gains/losses on translation of the USD denominated transactions. Similarly, the impact on equity would have been N44m (2019:N183m) higher/lower.

(c) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and accounts receivable.

The credit risk on cash is limited because the majority of deposits are with banks which have stable credit ratings assigned by international credit agencies as shown in the table

Notes to the Consolidated and Separate Financial Statement

below. The Group's maximum exposure to credit risk due to default of the counter party is equal to the carrying value of its financial assets.

The Group assesses the credit quality of the customers by taking into account the financial position, past experience and other factors related to that particular customer. Customer limits are set on each individual client based on past performance and sales are settled using cash. No credit limits were exceeded during the reporting period.

The analysis of the Group's trade and other receivables by performance is as follows

	31 December 2020 N'000	31 December 2019 N'000
Neither past due nor impaired	11,402,841	8,286,963
Past due but not impaired	1,149,671	1,120,550
Impaired	60,222	37,972
	12,612,734	**9,445,485**

The maturity analysis of past due but not impaired trade and other receivables is as follows:

Past due but not impaired:		
- by up to 90 days	974,567	832,567
- by 90 to 180 days	127,347	234,780
- later than 180 days	47,757	53,203
Total past due but not impaired	**1,149,671**	**1,120,550**

6.01 Capital management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of net debt ratio, that is, the ratio of net debt to net debt plus equity. Net debt is calculated as gross debt as shown in the balance sheet, less cash and cash equivalents.

Notes to the Consolidated and Separate Financial Statement

The Group's strategy which was considered since 2018 was to maintain a net debt ratio of below or within 45% to 55%. The net debt ratio as at 31st December 2020 and 31st December 2019 are as follows:

	31 December 2020 N'000	31 December 2019 N'000
Borrowings (Note 24)	12,499,252	9,032,187
Less: Cash and bank balances (Note 23)	(2,056,285)	(1,171,071)
	10,442,967	**7,861,116**
Equity	13,348,921	12,407,879
Net debt ratio	22%	37%

6.02 Financial instruments and fair values

Financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the statement of income or other comprehensive income. Those categories are: loans and receivables; and for liabilities, fair value through profit or loss and amortized cost.

The financial instruments in the table below are grouped into level 1 to 3 based on the degree to which the inputs used to calculate the fair value are observable. The fair value hierarchy are explained below:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities that the Group can assess at the measurement date.

Level 2 fair value measurements are those derived from inputs other than quoted prices included in level 1 that are observable either for the asset or liability either directly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the assets or liability that are not based on observable market data.

The following table shows the carrying values and fair values of the Group's assets and liabilities for each of these categories at December 31, 2020 and 2019.

	Carrying Amount			Fair Value	
	31 December 2020	31 December 2019	Level	31 December 2020	31 December 2019
Assets					
Loans and receivables:					
Cash and bank balances	2,056,285	1,171,071	3	2,056,285	1,171,071
Trade and other receivables	12,612,734	9,445,485	3	12,612,734	9,445,485
	14,669,019	**10,616,556**		**14,669,019**	**10,616,556**

Notes to the Consolidated and Separate Financial Statement

6.02 Financial instruments and fair values (cont'd)

	Carrying Amount			Fair Value	
	31 December 2020 N'000	31 December 2019 N'000	Level	31 December 2020 N'000	31 December 2019 N'000
Liabilities					
Amortized cost:					
Trade and other payables	8,291,448	4,951,516	3	8,291,448	4,951,516
Borrowings	11,293,485	8,016,424	3	11,293,485	8,016,424
Bank overdrafts	1,205,767	1,015,763	3	1,205,767	1,015,763
	20,790,700	**13,983,703**		**20,790,700**	**13,983,703**

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
7 Revenue				
Trading*	1,030,213	164,116,759	1,030,213	164,116,759
Fuel	45,352,221	53,645,785	45,352,221	53,645,785
Lubricants	7,462,057	8,963,650	7,462,057	8,963,650
Others	4,871,085	2,548,591	4,871,085	2,548,591
	58,715,576	**229,274,785**	**58,715,576**	**229,274,785**

* During the year, the contracts for trading activities were amended and the Company became an agent in the transactions. Hence only the premium/commission on those transactions were recognised in the revenue during the year.

8 Expenses by nature

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
8.1 Cost of sales				
Material cost	52,322,221	223,439,116	52,478,023	223,550,767
Delivery cost	885,462	885,462	885,462	885,462
	53,207,683	**224,324,578**	**53,363,485**	**224,436,229**

Included in cost of sales is finance costs of N456 million (2019: N628 million) relating to the purchase of materials.

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
8.2 Selling and distribution expenses				
Marketing and sales commission	136,430	145,582	136,376	145,577
Sampling and analysis	5,685	3,964	3,729	1,406
	142,115	**149,546**	**140,105**	**146,983**

Notes to the Consolidated and Separate Financial Statement

		Group		Company	
		2020 N'000	2019 N'000	2020 N'000	2019 N'000
8.3	**General and administration expenses**	**N'000**	**N'000**	**N'000**	**N'000**
	Staff costs	836,565	885,637	757,076	816,231
	Pension costs	41,641	43,513	36,946	39,375
	Legal and Professional fees	278,751	318,801	278,751	312,606
	Depreciation	694,346	593,287	626,731	525,225
	Employee Welfare and benefits	173,076	23,995	171,586	20,317
	Training and Staff Development	32,523	43,922	30,445	41,930
	Rent, Travelling & Entertainment	575,049	323,384	569,933	320,433
	Repairs and Maintenance	316,736	337,116	276,815	283,097
	Marketing and Business Development	72,850	150,433	72,813	150,433
	Donations and gifts	17,800	8,600	17,800	8,600
	Other expenses	60,272	48,270	57,171	39,178
	Stationery and communication	74,648	129,461	71,532	124,357
	Insurance, medical and security	116,757	147,316	106,460	130,852
	Licence fees	106,190	82,241	105,882	79,938
	Directors remuneration	67,000	67,000	67,000	67,000
	Amortisation on Prepayments	41,808	67,091	41,808	67,091
	Bad debt written off	49,678	7,420	49,678	7,420
	Auditors' remuneration	40,000	40,000	30,000	30,000
	Bank Charges	222,565	200,185	218,571	199,882
	Amortisation of Intangible assets	20,373	19,458	20,373	19,450
	Loss/(gain) on disposal of property, plant and equipment	2,529	(687)	3,950	(1,363)
	Allowance for impairment	59,991	37,825	59,991	37,825
	Total administrative expenses	**3,901,148**	**3,574,268**	**3,671,312**	**3,319,877**

		Group		Company	
		2020 N'000	2019 N'000	2020 N'000	2019 N'000
8.4	**Expenses by function**				
	Cost of sales	53,207,683	224,324,578	53,363,485	224,436,229
	Selling and distribution expenses	142,115	149,546	140,105	146,983
	General and administration expenses	3,901,148	3,574,268	3,671,312	3,319,877
		57,250,296	**228,048,392**	**57,174,902**	**227,903,089**

Notes to the Consolidated and Separate Financial Statement

9 Employees' remuneration and numbers

	Group		Company	
	2020 Number	2019 Number	2020 Number	2019 Number
Administration	28	28	27	27
Operations	37	37	30	30
Sales and marketing	17	18	17	18
	82	**83**	**74**	**75**
Senior Management	12	12	11	11
Management	9	9	8	8
Senior staff	61	62	55	56
	82	**83**	**74**	**75**

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

	Group		Company	
	2020 Number	2019 Number	2020 Number	2019 Number
N3,000,001 - N4,000,000	25	25	22	22
N4,000,001 - N5,000,000	10	10	6	6
Above 5,000,000	47	48	46	47
	82	**83**	**74**	**75**

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

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Salaries and wages	836,565	885,637	757,076	816,231
Employee welfare	173,076	18,959	171,586	15,281
Retirement benefits costs	-	5,036	-	5,036
	1,009,641	**909,632**	**928,662**	**836,548**

10 Directors' remuneration

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Fees for services as a director	67,000	67,000	67,000	67,000
Other emoluments as management	124,657	119,670	124,657	119,670
	191,657	**186,670**	**191,657**	**186,670**
The emoluments of the chairman of the board (excluding pension contributions)	17,000	17,000	17,000	17,000
The emoluments of the highest paid director	80,752	80,752	80,752	80,752

Notes to the Consolidated and Separate Financial Statement

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

	Company		Group	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Less than N500,001	-	-	-	-
N500,001 - N3,000,000	-	-	-	-
N8,000,001 - N12,000,000	6	5	6	5
More than N12,000,000	2	3	2	3
	8	**8**	**8**	**8**

12 Other income

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Other income (Note 12.1)	352,412	38,910	351,180	38,352
Provision no longer required	37,741	24,200	37,743	24,200
Rent income	23,576	16,578	23,576	16,578
Depot storage income	10,897	20,411	10,896	20,410
	424,626	**100,099**	**423,395**	**99,540**

12.1 Other income in the current year is largely compensation for lost revenue in a retail station.

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
13 Finance income				
Interest income on short-term bank deposits	29,356	239,097	29,356	239,097
	29,356	**239,097**	**29,356**	**239,097**
13.1 Foreign exchange loss/(gain)	354,058	(33,248)	354,058	(33,337)
	354,058	**(33,248)**	**354,058**	**(33,337)**

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
14 Finance cost				
Interest on bank overdrafts	105,402	107,521	105,402	107,521
Interest on Short term financing	798,214	905,973	798,214	905,973
Interest on long term financing	96,357	460,192	96,357	460,192
Effect of Discount on Extended lease contracts	1,645	1,415	1,645	1,415
Accretion charge	14,790	12,296	13,129	10,866
	1,016,408	**1,487,397**	**1,014,747**	**1,485,967**

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

Notes to the Consolidated and Separate Financial Statement

		Group		Company	
		2020 N'000	2019 N'000	2020 N'000	2019 N'000
15	**Taxation – Profit or loss**				
	Current taxes on income for the year	147,951	336,287	147,951	335,492
	Education tax levy for the year	24,991	18,001	24,991	18,001
	Tax Credit	(167,746)	-	(167,746)	-
	Deferred tax for the year	(398,092)	(98,559)	(398,092)	(47,187)
	Tax expense on Income statement	**(392,896)**	**255,729**	**(392,896)**	**306,306**
	Tax on Other Comprehensive Income	-	-	-	-
	Total tax expense	**(392,896)**	**255,729**	**(392,896)**	**306,306**

		Group			
		2020		2019	
15.1	**Reconciliation of effective tax rate**				
	Profit before income tax		548,146		111,440
	Income tax using the domestic corporation tax rate	34%	187,386	30%	33,432
	Disallowed expenses	37%	203,398	173%	192,691
	Non- taxable income	(3%)	(15,923)	(1%)	(822)
	Education tax levy	5%	24,991	16%	18,001
	Tax Incentives	(46%)	(249,883)	20%	22,635
	Minimum Tax Effect	2%	8,816	220%	245,487
	Temporary difference Effect	(73%)	(398,092)	(88%)	(98,559)
	Tax credit	(27%)	(167,746)	-	-
	Tax effect of balancing charge	3%	14,157	(141%)	(157,136)
	Total income tax expense in statement of comprehensive income	**(68%)**	**(392,896)**	**229%**	**255,729**

		Company			
		2020		2019	
15.2	**Reconciliation of effective tax rate**				
	Profit before income tax		624,620		257,703
	Income tax using the domestic corporation tax rate	30%	187,386	30%	77,311
	Disallowed expenses	33%	203,398	74%	191,123
	Non- taxable income	(3%)	(15,923)	0%	(413)
	Education tax levy	4%	24,991	7%	18,001
	Tax incentives	(40%)	(249,883)	(70%)	(180,010)
	Minimum Tax Effect	1%	8,816	95%	245,487
	Temporary difference Effect	(64%)	(398,092)	(18%)	(47,187)
	Tax credit	(27%)	(167,746)	-	-
	Tax effect of balancing charge	2%	14,157	1%	1,994
		(64%)	**(392,896)**	**119%**	**306,306**

Notes to the Consolidated and Separate Financial Statement

		Group		Company	
		2020 N'000	2019 N'000	2020 N'000	2019 N'000
15.3	**Taxation - Liabilities**				
	Opening balance	471,603	848,264	344,646	631,640
	Tax paid	(355,349)	(730,949)	(229,189)	(640,487)
	WHT utilised	-	-	-	-
	Income tax charge	5,196	354,288	5,196	353,493
	Closing balance	**121,450**	**471,603**	**120,653**	**344,646**
	Current	121,450	471,603	120,653	344,646
	Non-current	-	-	-	-
		121,450	**471,603**	**120,653**	**344,646**

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.

16 Property, plant and equipment and intangible assets

Group

	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
Cost									
At 1 January 2019	3,003,670	6,720,900	533,117	188,334	150,673	626,348	**11,223,042**	135,938	**135,938**
Additions in the year	944,083	307,538	241,850	92,692	102,611	360,950	**2,049,724**	-	**-**
Reclassifications *(Note 16.3)*	-	-	(10,099)	-	-	-	**(10,099)**	10,099	**10,099**
Transfers *(Note 16.5)*	172,709	32,518	(205,227)	-	-	-	**-**	-	**-**
Asset Written off *(Note 16.4)*	-	-	(6,477)	-	-	-	**(6,477)**	-	**-**
Asset Disposed	(1,501)	(33,292)	-	(4,412)	(3,589)	(35,338)	**(78,132)**	(2,099)	**(2,099)**
At 31 December 2019	4,118,961	7,027,664	553,164	276,614	249,695	951,960	**13,178,058**	143,938	**143,938**
Additions in the year	1,540,391	278,580	354,342	30,491	57,701	129,923	**2,391,428**	-	**-**
Transfers *(Note 16.5)*	32,713	44,705	(80,761)	160	3,183	-	**-**	-	**-**
Asset Written off *(Note 16.4)*	-	-	(4,836)	-	-		**(4,836)**		
Asset Disposed	(6,186)	(15,575)	-	(11,968)	(7,683)	(144,562)	**(185,974)**	(780)	**(780)**
At 31 December 2020	5,685,879	7,335,374	821,909	295,297	302,896	937,321	**15,378,676**	**143,158**	**143,158**
Accumulated Depreciation, Amortisation and Impairment									
At 1 January 2019	(269,872)	(2,246,198)	-	(101,143)	(62,406)	(204,921)	**(2,884,540)**	(30,463)	**(30,463)**
Charge for the year	(91,134)	(239,050)	-	(43,993)	(42,564)	(176,546)	**(593,287)**	(19,450)	**(19,450)**
Asset Disposed	864	31,221	-	4,250	3,125	31,934	**71,394**	1,977	**1,977**
At 31 December 2019	(360,142)	(2,454,027)	-	(140,886)	(101,845)	(349,533)	**(3,406,433)**	(47,936)	**(47,936)**
Charge for the year	(124,519)	(279,098)	-	(49,384)	(56,561)	(184,784)	**(694,346)**	(20,373)	**(20,373)**
Asset Disposed	3,926	14,839	-	10,830	6,341	84,553	**120,489**	1,395	**1,395**
At 31 December 2020	(480,735)	(2,718,286)	-	(179,440)	(152,065)	(449,764)	**(3,980,290)**	**(66,914)**	**(66,914)**
Net Book Value									
At 31 December 2019	**3,758,819**	**4,573,637**	**553,164**	**135,728**	**147,850**	**602,427**	**9,771,625**	96,002	**96,002**
At 31 December 2020	**5,205,144**	**4,617,088**	**821,909**	**115,857**	**150,831**	**487,557**	**11,398,386**	76,244	**76,244**

Notes to the Consolidated and Separate Financial Statement

16.1. 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.

16.2. 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, Ibafon, Apapa

16.3. Reclassification – These represents changes in the assets class done in the prior 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.

16.4. 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.

16.5. Transfers – These represent the movement of capital work in progress to the appropriate asset classes upon completion.

16.6. Included in land and buildings is freehold land of N2.4 billion (2019: N1.2 billion) which is not depreciated.

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
Cost									
At 1 January 2019	2,860,334	6,090,466	533,117	142,267	129,418	619,348	**10,374,950**	135,938	**135,938**
Additions in the year	910,243	279,652	241,750	82,917	90,147	353,950	**1,958,659**	-	**-**
Reclassifications *(Note 16.3)*	-	-	(10,099)	-	-	-	**(10,099)**	10,099	**10,099**
Transfers *(Note 16.5)*	172,710	32,517	(205,227)	-	-	-	**-**	-	**-**
Asset Written off *(Note 16.4)*	-	-	(6,477)	-	-	-	**(6,477)**		**-**
Asset Disposed	(1,501)	(19,379)	-	(3,757)	(2,024)	(35,338)	**(61,999)**	(2,099)	**(2,099)**
At 31 December 2019	3,941,786	6,383,256	553,064	221,427	217,541	937,960	**12,255,034**	143,938	**143,938**
Additions in the year	1,524,450	248,593	351,135	28,832	53,913	129,923	**2,336,846**	-	**-**
Transfers *(Note 16.5)*	32,713	44,705	(80,761)	160	3,183	-	**-**	-	**-**
Asset Written off *(Note 16.4)*	-	-	(4,836)	-	-		**(4,836)**		
Asset Disposed	(6,186)	(8,201)	-	(7,537)	(6,844)	(137,562)	**(166,330)**	(780)	**(780)**
At 31 December 2020	5,492,763	6,668,353	818,602	242,882	267,793	930,321	**14,420,714**	143,158	**143,158**
Accumulated Depreciation, Amortisation and Impairment									
At 1 January 2019	(247,087)	(2,034,954)	-	(69,732)	(52,746)	(197,919)	**(2,602,438)**	(30,463)	**(30,463)**
Charge for the year	(83,855)	(191,820)		(36,599)	(37,338)	(175,613)	**(525,225)**	(19,450)	**(19,450)**
Asset Disposed	865	17,985		3,595	1,561	31,934	**55,940**	1,977	**1,977**
At 31 December 2019	(330,077)	(2,208,789)	-	(102,736)	(88,523)	(341,598)	**(3,071,723)**	(47,936)	**(47,936)**
Charge for the year	(115,436)	(235,983)	-	(42,007)	(49,921)	(183,384)	**(626,731)**	(20,373)	**(20,373)**
Asset Disposed	3,926	7,561		6,687	5,501	77,553	**101,228**	1,395	**1,395**
At 31 December 2020	(441,587)	(2,437,211)	-	(138,056)	(132,943)	(447,429)	**(3,597,226)**	**(66,914)**	**(66,914)**
Net Book Value									
At 31 December 2019	**3,611,709**	**4,174,467**	**553,064**	**118,691**	**129,018**	**596,362**	**9,183,311**	96,002	**96,002**
At 31 December 2020	**5,051,176**	**4,231,142**	**818,602**	**104,826**	**134,850**	**482,892**	**10,823,488**	76,244	**76,244**

Notes to the Consolidated and Separate Financial Statement

16.1. 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.

16.2. 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, Ibafon, Apapa

16 Property, plant and equipment and intangible assets (cont'd)

16.3. Reclassification – These represents changes in the assets class done in prior 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.

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

16.5. Transfers – These represent the movement of capital work in progress to the appropriate asset classes upon completion.

16.6. Included in land and buildings is freehold land of N2.4 billion (2019: N1.2 billion) which is not depreciated.

17 Right of use assets

	Group		Company	
	31 Dec 2020 N'000	31 Dec 2019 N'000	31 Dec 2020 N'000	31 Dec 2019 N'000
Opening Balance	2,044,955	945,879	2,044,955	945,879
Additional lease	339,515	1,286,600	339,515	1,286,600
Depreciation	(338,262)	(187,524)	(338,262)	(187,524)
	2,046,208	**2,044,955**	**2,046,208**	**2,044,955**

18 Prepayments

	Group		Company	
	31 Dec 2020 N'000	31 Dec 2019 N'000	31 Dec 2020 N'000	31 Dec 2019 N'000
Prepaid rent				
Opening balance	27,691	46,007	27,691	46,007
Additions	21,550	48,775	21,550	48,775
Amortisation	(41,808)	(67,091)	(41,808)	(67,091)
	7,433	**27,691**	**7,433**	**27,691**
Other short term prepayments	101,176	120,927	99,224	119,036
Total prepaid rents	7,433	27,691	7,433	27,691
Total prepayments	**108,609**	**148,618**	**106,657**	**146,727**

19 Investments

	Company	
	31 Dec 2020	31 Dec 2019
19.1 Investment in subsidiaries is made up of:	**N'000**	**N'000**
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**

Notes to the Consolidated and Separate Financial Statement

These investments are ultimately consolidated at group level.

		Group		Company	
		31 Dec 2020 N'000	31 Dec 2019 N'000	31 Dec 2020 N'000	31 Dec 2019 N'000
19.2	**Other Investments**				
	JUHI 2 Project	569,382	558,868	569,382	558,868
		569,382	**558,868**	**569,382**	**558,868**

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.
In 2020, WABECO Petroleum limited sold its 10% equity in JUHI 2 stake worth N10 million to Eterna plc.

As at 31st December 2020, the project is still under construction and the joint venture is yet to commence operation.

20 Deferred Income Tax

The analysis of deferred tax liabilities is as follows:

	Group		Company	
	31 Dec 2020 N'000	31 Dec 2019 N'000	31 Dec 2020 N'000	31 Dec 2019 N'000
Deferred tax Liabilities				
Deferred tax liabilities to be recovered after more than 12 months	1,161,333	1,559,425	1,202,334	1,600,426
Deferred tax liabilities to be recovered within 12 months	-	-	-	-
	1,161,333	**1,559,425**	**1,202,334**	**1,600,426**

	Group					
Deferred tax liabilities	Trade and other Receivables N'000	Intangible Assets N'000	Property, Plant & Equipment N'000	Other Provisions N'000	Employee Benefits N'000	Total N'000
At 1 January 2019	239,300	-	1,413,684	11,521	(6,521)	1,657,984
Charged/(credited) to the income statement	(250,648)	-	160,321	(14,753)	6,521	(98,559)
At 31 December 2019	**(11,348)**	**-**	**1,574,005**	**(3,232)**	**-**	**1,559,425**
Credited to the income statement	(7,849)	-	(351,788)	(38,455)	-	(398,092)
At 31 December 2020	**(19,197)**	**-**	**1,222,217**	**(41,687)**	**-**	**1,161,333**

Notes to the Consolidated and Separate Financial Statement

	Company					
Deferred tax liabilities	**Trade and other Receivables N'000**	**Intangible Assets N'000**	**Property, Plant & Equipment N'000**	**Other Provisions N'000**	**Employee Benefits N'000**	**Total N'000**
At 1 January 2019	239,300	-	1,403,313	11,521	(6,521)	1,647,613
Charged/(credited) to the income statement	(250,648)	-	211,720	(14,780)	6,521	(47,187)
At 31 December 2019	**(11,348)**	**-**	**1,615,033**	**(3,259)**	**-**	**1,600,426**
Credited to the income statement	(7,849)	-	(351,788)	(38,455)	-	(398,092)
At 31 December 2020	**(19,197)**	**-**	**1,263,245**	**(41,714)**	**-**	**1,202,334**

		Group		Company	
		31 Dec 2020 N'000	**31 Dec 2019 N'000**	**31 Dec 2020 N'000**	**31 Dec 2019 N'000**
21	**Inventory**				
	Raw materials	972,764	1,101,593	972,764	1,078,675
	Finished goods	5,814,878	4,119,778	5,791,928	4,119,778
	Consumables	112,066	75,391	93,320	57,097
		6,899,708	**5,296,762**	**6,858,012**	**5,255,550**

The inventory transferred by the Group to cost of sales for the year 2020 is N53 billion (2019: N224billion).

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 and Separate Financial Statement

22 Trade and other receivables

	Group		Company	
	31 Dec 2020 N'000	31 Dec 2019 N'000	31 Dec 2020 N'000	31 Dec 2019 N'000
Trade receivables	2,672,381	2,459,680	2,672,977	2,460,277
Due to Group Companies (note 32)	-	-	636,725	423,307
Less: Impairment of trade receivables	(60,222)	(37,972)	(59,991)	(37,743)
Trade receivables – net	2,612,159	2,421,708	3,249,711	2,845,841
Advances to suppliers	2,767,639	2,893,754	2,767,821	2,893,936
WHT receivables	874,190	690,430	874,190	690,430
Bridging claims	248,225	-	248,225	-
Sundry debtors	-	19,814	-	19,814
Foreign exchange Forward contract	4,756,041	2,504,831	4,756,041	2,504,831
Other receivables	1,354,480	914,948	1,332,053	880,505
	12,612,734	**9,445,485**	**13,228,041**	**9,835,357**

Third party trade receivable above are non-interest bearing and include amounts which are past due at reporting date but against which the group has not recognised allowance for doubtful receivable because there has not been a significant change in credit quality as the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counter party. The average age of these receivables is generally between 30 to 220 days (2019: 30 to 220 days)

Loss allowance for trade receivables is measured at an amount equal to 12 months Expected Credit Loss (ECL). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtors and analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Excluded from expected credit loss calculation in 2020 is trade receivable balance of N362 million (2019: N273 million) which is covered by security deposits as well as a balance of N227 million (2019: N209 million) in respect of outstanding remittances from Company Owned Company Operate (COCO) filling stations.

The Group has recognised a loss allowance across all age bands of receivables. Below is the analysis of ECL based on Age band and industry.

Notes to the Consolidated and Separate Financial Statement

2020

Age Bands	Current	1-30 Days	31-60 Days	61-90 Days	91-180 Days	181-360 Days	Above 360 Days
Total Exposure	933,258,003	562,239,708	207,079,134	205,248,797	127,346,867	47,109,483	648,000
Total Expected Loss	1,251,275	2,070,734	1,498,003	1,586,886	1,746,796	3,309,769	648,000
Coverage Ratio	0.13%	0.37%	0.72%	0.77%	1.37%	7.03%	100.00%

2019

Age Bands	Current	1-30 Days	31-60 Days	61-90 Days	91-180 Days	181-360 Days	Above 360 Days
Total Exposure	1,672,365,292	155,468,626	65,006,528	20,425,189	18,481,096	17,966,438	28,248,253
Total Expected Loss	9,674,882	3,263,929	4,000,060	2,521,418	2,951,069	4,028,500	11,385,520
Coverage Ratio	1%	2%	6%	12%	16%	22%	40%

The foreign exchange forward contract relates to the advance purchase of USD in the forward market to cover the foreign exchange risk that may arise from a letters of credit and a Bills for collection on the importation of AGO and Base oils. The tenor of the forward is 30 -120 days maturity. Amount due from related parties are unsecured, non-interest bearing and repayable upon demand. The Directors consider that the carrying amount of trade and other receivables is appropriately equal to their fair value.

22 Trade and other receivables (cont'd)

The analysis of the Group's trade and other receivables by performance is as follows:

	Group		Company	
	31 Dec 2020 N'000	**31 Dec 2019 N'000**	**31 Dec 2020 N'000**	**31 Dec 2019 N'000**
Neither past due nor impaired	11,402,841	8,286,963	12,018,379	8,677,064
Past due but not impaired	1,149,671	1,120,550	1,149,671	1,120,550
Impaired	60,222	37,972	59,991	37,743
Total past due but not impaired	**12,612,734**	**9,445,485**	**13,228,041**	**9,835,357**

Notes to the Consolidated and Separate Financial Statement

Receivables that are neither past due nor impaired

Receivables that are neither past due nor impaired are credit worthy debtors with good payment records with the Company. Significant number of receivables of the Company's trade receivables arises from regular customers of the Company and losses have occurred infrequently.

Receivables that are past due but not impaired

The management has a credit policy in place to monitor and minimise the exposure of default. The Company trades only with recognised and credit worthy third parties. Trade receivables are monitored on an ongoing basis.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

	Group		Company	
	31 Dec 2020 N'000	31 Dec 2019 N'000	31 Dec 2020 N'000	31 Dec 2019 N'000
Past due but not impaired:				
- by up to 90 days	974,567	832,567	974,567	832,567
- by 90 to 180 days	127,347	234,780	127,347	234,780
- later than 180 days	47,757	53,203	47,757	53,203
Total past due but not impaired	**1,149,671**	**1,120,550**	**1,149,671**	**1,120,550**

The movements in the allowance for impairment losses of trade receivables during the financial year were:

Movements on the provision for impairment for trade receivables are as follows:

	Group		Company	
	31 Dec 2020 N'000	31 Dec 2019 N'000	31 Dec 2020 N'000	31 Dec 2019 N'000
Opening balance	(37,972)	(186,084)	(37,743)	(185,855)
Estimated credit loss (ECL)	(12,111)	(37,825)	(12,111)	(37,825)
Specific provision	(47,880)	-	(47,880)	-
Release of previous provision	37,741	185,937	37,743	185,937
Closing balance	**(60,222)**	**(37,972)**	**(59,991)**	**(37,743)**

The release of impairment provisions is included in 'other income' in the income statement (note 12).

		Group		Company	
		31 Dec 2020 N'000	31 Dec 2019 N'000	31 Dec 2020 N'000	31 Dec 2019 N'000
23	**Cash and Cash Equivalents**				
	Cash and bank	1,991,119	1,120,772	1,968,127	1,088,115
	Short term deposits with Financial institutions	65,166	50,299	65,166	50,299
	Cash and Cash equivalents	**2,056,285**	**1,171,071**	**2,033,293**	**1,138,414**
	Bank overdrafts	(1,205,767)	(1,015,763)	(1,205,767)	(1,015,763)
		850,518	**155,308**	**827,526**	**122,651**

Notes to the Consolidated and Separate Financial Statement

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.

24 Borrowings

	Group		Company	
Current	**31 Dec 2020 N'000**	**31 Dec 2019 N'000**	**31 Dec 2020 N'000**	**31 Dec 2019 N'000**
At 1 January	8,016,424	14,043,048	8,016,424	14,043,048
Additions	48,091,874	50,729,949	48,091,874	50,729,949
Interest on loans	1,350,760	2,314,433	1,350,760	2,314,433
Exchange loss	-	141,642	-	141,642
Repayment s	(46,165,573)	(59,212,648)	(46,165,573)	(59,212,648)
	11,293,485	**8,016,424**	**11,293,485**	**8,016,424**
Bank overdraft	1,205,767	1,015,763	1,205,767	1,015,763
	12,499,252	**9,032,187**	**12,499,252**	**9,032,187**
Current	12,050,514	8,686,758	12,050,514	8,686,758
Non-current	448,738	345,429	448,738	345,429

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 13% to 15% per annum with repayment period ranging from 15 to 270 days. The facilities are secured by lien on the products for resale and the Group's Petroleum Storage Depot. The loan facilities also include project orion long term facility which is above 1 year and classified as long term loan

25 Decommissioning Liability

	Group		Company	
	31 Dec 2020 N'000	**31 Dec 2019 N'000**	**31 Dec 2020 N'000**	**31 Dec 2019 N'000**
Balance as at 1 January	100,614	81,491	90,360	72,667
Additional obligations incurred	16,474	6,827	16,474	6,827
Accretion expenses	14,790	12,296	13,129	10,866
Balance at 31 December	**131,878**	**100,614**	**119,963**	**90,360**

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% (2019: 10.3% - 11%) and discounted between the range of 12.8% - 16.2% (2019: 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. Five filling station were acquired in 2020 and its discounted decommissioning cost amounted to N16.47m which was included in the capitalised cost of the asset in 2020.

Notes to the Consolidated and Separate Financial Statement

26 Trade and other payables

	Group		Company	
	31 Dec 2020 N'000	31 Dec 2019 N'000	31 Dec 2020 N'000	31 Dec 2019 N'000
Trade creditors	6,156,881	4,320,036	6,173,421	4,316,130
Tax related liabilities	26,021	42,364	25,606	24,260
Advance received	1,234,289	294,500	1,234,289	294,500
PSF Contribution	-	75,903	-	75,903
Accrued payables	331,265	61,833	330,904	55,948
Other payables	542,992	156,880	529,993	140,543
	8,291,448	**4,951,516**	**8,294,213**	**4,907,284**

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

27 Lease liability

	Group		Company	
	31 Dec 2020 N'000	31 Dec 2019 N'000	31 Dec 2020 N'000	31 Dec 2019 N'000
Right of use Assets	10,162	8,747	10,162	8,747
Additions	201,467	-	201,467	-
Effect of Discounted value	1,645	1,415	1,645	1,415
	213,274	**10,162**	**213,274**	**10,162**

28 Share Capital and Premium

	31 Dec 2020 N'000	31 Dec 2019 N'000
Authorised:		
1,600,000 thousands Ordinary shares of 50k each	800,000	800,000
Issued, alloted and fully paid:		
1,304,145 thousand Ordinary shares of 50k each		
	652,072	**652,072**

28 Share Capital & Premium (cont'd)

Movements during the year:	Number of shares	Ordinary shares	Share premium	Total
At 1 January 2020	1,304,145	652,072	5,796,053	6,448,125
Issue of new shares	-	-	-	-
At 31 December 2020	**1,304,145**	**652,072**	**5,796,053**	**6,448,125**

29 Earnings/ (loss) per share

(a) Basic

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

Notes to the Consolidated and Separate Financial Statement

	Group		Company	
	31 Dec 2020 N'000	31 Dec 2019 N'000	31 Dec 2020 N'000	31 Dec 2019 N'000
Profit/(loss) for the year attributable to shareholders (in N'000)	941,042	(144,289)	1,017,516	(48,603)
Weighted average number of ordinary shares in issue	1,304,145	1,304,145	1,304,145	1,304,145
Basic earnings/(loss)per share (in N'000)	0.72	(0.11)	0.78	(0.04)

(b) Diluted

The Group does not have any dilutive shares. Hence the diluted earnings per share is same as the basic earnings per share.

30 Contingent liabilities

The Group is involved in few legal proceedings that arise in the ordinary course of its businesses as at 31 December 2020. In our opinion and based on the various responses received from our external Solicitors handling our law suits, there are no significant claims likely to crystalize from legal cases against the Company.

31 Commitments

The Group has no commitment as at 31st December 2020.

32 Related party transactions

Eterna Plc. is not wholly controlled by any individual/Company/entity. However Lenux Integrated Resources Limited holds 19.18% of the shareholding of Eterna plc. and is represented by 2 directors out of the 8 directors on the board, while Global Energy Engineering & Raw Materials Limited holds 13.8% of the shareholding but not represented by a director.

32 Related party transactions (cont'd)

The Company has two subsidiaries: Eterna Marine Services Limited and Eterna Industries Limited. The Company carried out some transactions with its subsidiaries during the year under review. The balances due from/ (due to) these companies and the nature of the business relationships involved are as follows:

Company Name:	Relationship	31 Dec 2020 N'000	31 Dec 2019 N'000
Eterna Industries Limited	Subsidiary	572,533	362,115
Eterna Marine and Services Limited	Subsidiary	64,192	61,192

Notes to the Consolidated and Separate Financial Statement

Significant related party transactions and balances relating to the Company's financial statements are as follows:

a) Transactions

	31 Dec 2020	31 Dec 2019
	N'000	N'000
Sales		
Eterna Industries Limited	**170,793**	**158,460**

This represents the blending fee charged by Eterna industries for the production of Eterna Plc's Lubricants.

Purchases
Eterna Industries Limited

In 2020, there were no purchases by Eterna Industries from Eterna Plc. (2019: Nil)

b) Key management compensation

Key Management includes the Managing Director/CEO, The ED/Chief financial officer and the General Managers. The compensation paid or payable to key management for employee services is shown below:

	31 Dec 2020	31 Dec 2019
	N'000	N'000
Salaries and other shortterm employee benefits	195,670	190,047
Post-employment benefits	-	-
	195,670	**190,047**

33 Events after reporting period

Impact of COVID 19

COVID 19 pandemic has had an impact on the business of Eterna Plc. This is however not peculiar to the Group alone as many other businesses and economies globally are affected. Petroleum products were categorized as essential commodity; therefore sales and movement of products were not affected by the lockdown in Nigeria. The lockdown however resulted in lower sales volume at the filling stations especially in the second quarter of the year due to restriction of movement and other business activities.

The global lockdown also led to a fall in the demand for crude oil and a consequent fall in crude oil prices. This has had a negative impact on the Company's crude oil trading revenue stream leading to lower revenue from that stream. COVID 19 pandemic also led to a reduction in Nigeria's foreign exchange earnings and a consequent devaluation of the local currency (Naira). The Group reported FX loss of N354 million in 2020 as compared to FX gain of N33million in 2019.

On 29 March 2021, a dividend of 10k per share was proposed by the directors for approval at the annual general meeting. This will result in a dividend payment of N130 million.

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Other National DISCLOSURE

Consolidated and Separate Value Added Statement

The consolidated statement of value added is included for the purposes of the Companies and Allied Matters Act.

Group	31 Dec 2020 N'000	%	31 Dec 2019 N'000	%
Turnover	58,715,576		229,274,785	
Bought in materials and services - all local	(55,831,155)		(226,316,585)	
	2,884,421		2,958,200	
Interest income	29,356		239,097	
Other income	424,626		100,099	
Value added	**3,338,403**	**100**	**3,297,396**	**100**
Applied to pay as follows:				
Employees	836,565	25	885,637	27
Government	5,196	-	354,288	11
Fund Providers	1,238,973	37	1,687,582	50
For future growth:				
Deferred tax	(398,092)	(12)	(98,559)	(3)
Asset Maintenance	714,719	22	612,737	19
Retained in the business	941,042	28	(144,289)	(4)
	3,338,403	**100**	**3,297,396**	**100**

Company	31 Dec 2020 N'000	%	31 Dec 2019 N'000	%
Turnover	58,715,576		229,274,785	
Bought in materials and services - all local	(55,557,117)		(226,308,964)	
	3,158,459		2,965,821	
Interest income	29,356		239,097	
Other income	423,395		99,540	
Value added	**3,611,210**	**100**	**3,304,458**	**100**
Applied to pay as follows:				
Employees	757,076	21	816,231	25
Government	354,288	10	353,493	11
Fund Providers	1,233,318	34	1,685,849	50
For future growth:				
Deferred tax	(398,092)	(11)	(47,187)	(1)
Asset Maintenance	647,104	18	544,675	16
Retained in the business	1,017,516	28	(48,603)	(1)
	3,611,210	**100**	**3,304,458**	**100**

Consolidated Five-Year Financial Summary

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

	Group				
As at 31 December Financial performance	**2020 N'000**	**2019 N'000**	**2018 N'000**	**2017 N'000**	**2016 N'000**
Revenue	58,715,576	229,274,785	251,877,933	173,030,225	106,887,567
Profit before tax	548,146	111,440	1,989,899	2,812,941	2,400,172
Taxation	392,896	(255,729)	(980,903)	(811,039)	(922,613)
Profit/(loss) for the year	941,042	(144,289)	1,008,996	2,001,902	1,477,559
Actuarial gains or losses	-	-	(29,363)	(31,206)	(10,859)
Tax effect of actuarial gains and losses	-	-	8,809	9,362	3,258
Non - controlling interest	15	19	26	13	(7)
Total comprehensive income/(loss) for the year	941,057	(144,270)	988,468	1,980,071	1,469,951
Basic/dilutive earnings/(loss) per share (kobo)	0.72	(0.11)	0.77	1.54	1.13
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	46	61	80	106	119
Retained earnings	6,900,750	5,959,693	6,430,000	5,968,811	4,379,983
Total equity	**13,348,921**	**12,407,879**	**12,878,205**	**12,417,042**	**10,828,227**
Property, plant and equipment	11,398,386	9,771,625	8,338,502	7,380,587	5,987,593
Other non-current assets	2,691,834	2,699,825	1,605,222	900,931	644,546
Net current assets	1,213,924	1,952,059	6,375,455	6,087,182	6,753,692
Non-current liabilities	(1,955,223)	(2,015,630)	(3,440,974)	(1,951,658)	(2,557,604)
Net assets	**13,348,921**	**12,407,879**	**12,878,205**	**12,417,042**	**10,828,227**
Net assets per share (Naira)	10.24	9.51	9.87	9.52	8.30

Earnings/(loss) per share is based on the profit/(loss) attributable to shareholders computed on the basis of the weighted average 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.

Five-Year Financial Summary

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

	Company				
As at 31 December Financial performance	**2020 N'000**	**2019 N'000**	**2018 N'000**	**2017 N'000**	**2016 N'000**
Revenue	58,715,576	229,274,785	251,874,722	173,611,081	107,536,032
Profit before tax	624,620	257,703	2,117,616	2,900,813	2,456,293
Taxation	392,896	(306,306)	(978,099)	(830,967)	(933,140)
Profit/(loss) for the year	1,017,516	(48,603)	1,139,517	2,069,846	1,523,153
Actuarial gains or losses	-	-	(29,363)	(31,206)	(10,859)
Tax effect of actuarial gains and losses	-	-	8,809	9,362	3,258
Total comprehensive income/(loss) for the year	1,017,516	(48,603)	1,118,963	2,048,002	1,515,552
Basic/dilutive earnings per share (kobo)	0.78	(0.04)	0.87	1.59	0.97
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
Retained earnings	6,894,501	5,876,985	6,251,625	5,659,941	4,003,182
Total equity	**13,342,626**	**12,325,110**	**12,699,750**	**12,108,066**	**10,451,307**
Property, plant and equipment	10,823,488	9,183,312	7,772,513	7,139,714	5,769,259
Other non-current assets	2,742,824	2,750,815	1,656,212	951,921	695,536
Net current assets	1,760,623	2,437,360	6,692,804	5,952,077	6,501,062
Non-current liabilities	(1,984,309)	(2,046,377)	(3,421,779)	(1,935,646)	(2,514,550)
Net assets	**13,342,626**	**12,325,110**	**12,699,750**	**12,108,066**	**10,451,307**
Net assets per share (Naira)	9.93	9.45	9.74	9.28	8.01

Earnings/(loss) per share is based on the profit/(loss) 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.

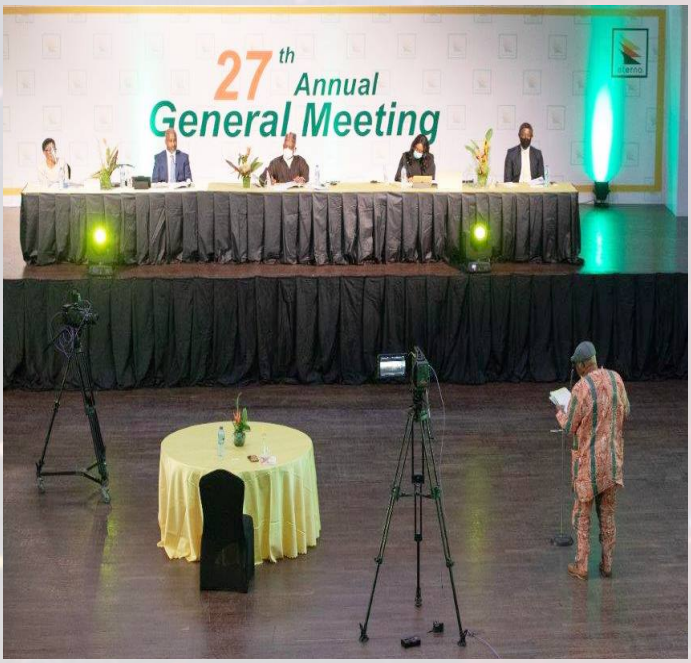
Fueling The Values
For an Empowered Nation

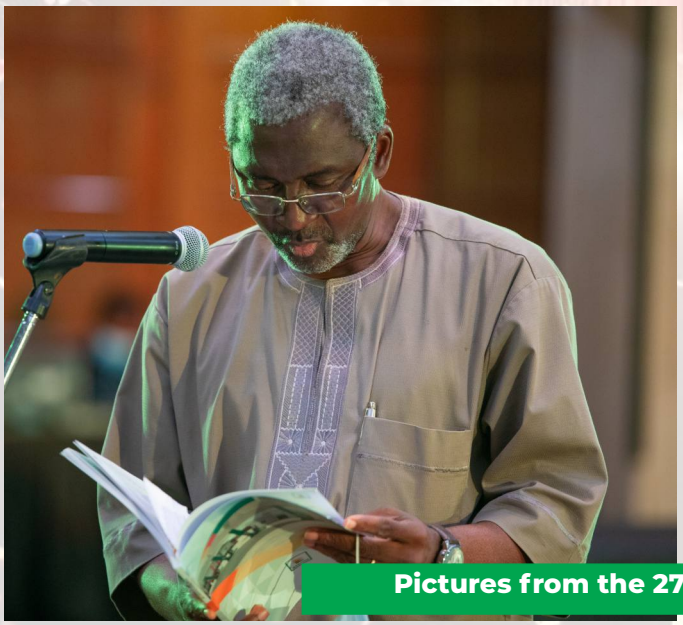
Eterna concerns itself with more than the business of retailing fuel. We are invested in the propelling power of vision and in enabling a system that creates wealth and positively impact culture.

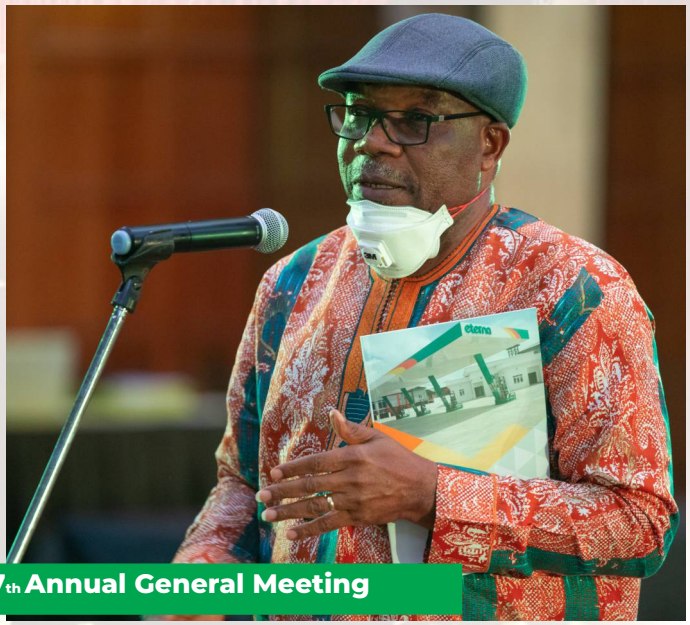
Our ethic as a business is one of integrity, loyalty, honesty, and transparency, and these values spread outward to foster accountability. In being accountable to our customers, our fuel attendants model a vision for a security in which we are all accountable to those who honours us with their trust.

0908-551-1111, 0908-561-1111, 0908-571-1111

E-mail: info@eternaplc.com **Website:** www.eternaplc.com







Pictures from the 27th Annual General Meeting

10-year Financial Performance Dashboard
N1.18trn
N40.82bn
N12.08bn
N8.25bn
N0bn
N8.02bn
N1.57 bn
N9.55bn

TOP
25

Polo

E-Dividend Mandate

GREENWICH REGISTRARS & DATA SOLUTIONS

Affix Current Passport Photograph

E-DIVIDEND MANDATE ACTIVATION FORM

Only Clearing Banks are acceptable

Instruction

Please complete all sections of this form to make it eligible for processing and return to the address below

The Registrar
Greenwich Registrars & Data Solutions Limited
274 Murtala Muhammed Way, Yaba Lagos

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my/our bank detailed below:

Bank Verification Number	
Bank Name	
Bank Account Number	
Account Opening Date	

Shareholder Account Information

Surname/Company Name	First Name	Other Names

Address

Surname/Company Name	State	Country

Previous Address (If Any)

CSCS Clearing House Number

Mobile Number 1	Mobile Number 2

Email Address

Shareholder's Signature	Company Seal (If Applicable)

2nd Signatory (Joint/Company Accounts)

Help Desk Telephone No/Contact Centre Information for Issue resolution or clarification: +234-(0)1-2917747, +234 -(0)1-2793160-2.

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Shareholder-Online Access

AFFIX
CURRENT
PASSPORT
(To be Stamped by Bankers)

Please write your name at the back of your passport photograph

INSTRUCTION
Authority to Receive Electronic Corporate Information

To prevent late receipt of corporate information, we would like to encourage our shareholders to embrace electronic delivery of corporate information such as the annual report & accounts, proxy forms etc.

If you would prefer to receive corporate information electronically via email or compact disk kindly complete the form below and return to:

The Company Secretary
Eterna Plc
5a Oba Adeyinka Oyekan Avenue
Ikoyi
Lagos
Email: investors@eternaplc.com

Or

The Registrar
Greenwich Registrars & Data Solutions Limited
274 Murtala Muhammed Way
Alagomeji Yaba Lagos, Nigeria

Surname:	
First Name:	
Other Names:	
Address:	
City:	
State:	
Country:	
Postal Code:	
Mobile Phone:	
Email:	
Signature:	
Corporate Seal/Stamp (for Corporate Shareholders):	

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GREENWICH
REGISTRARS & DATA SOLUTIONS

Affix Current Passport Photograph

E-DIVIDEND MANDATE ACTIVATION FORM

Date DD MM YY

Instructions

Please complete **all sections** of this form to make it eligible for processing and return to the address below:

The Registrar
Greenwich Registrars & Data Solutions Limited
274 Murtala Muhammed Way, Yaba, Lagos

Bank Mandate Information

I\We hereby request that henceforth, all the Dividend Payment(s) due to me\us from my\our holdings in all the companies ticked at the right hand column be credited directly to my\our bank detailed below:

Bank Verification Number	
Bank Name	
Bank Account Number	
Account Opening Date	DD MM YY

Shareholders Account Information

Surname/Company Name	First Name	Other Name(s)
Address		
City	**State**	**Country**
Previous Address (if any)		
CSCS Clearing House Number	**Email Address**	
Mobile Number (1)	**Mobile Number (2)**	
Shareholder's Signature	**2nd Signatory** (Joint/Company Accounts)	
Company Seal (if applicable)	By signing above, the Grantee(s) consents that the Company may process the Grantee's personal data, including name, BVN, address, telephone number and any other relevant information/documentation provided during the course of this transaction. Also, the Data may also be disclosed to a third party for the purpose of processing the transaction.	

Only Clearing Banks Are Acceptable

Tick	Company Name	Shareholders Account No.
	11 PLC	
	2LP Management Company Limited Series 1	
	Abplast Products PLC	
	Allianz Nigeria Plc (erstwhile Union Assurance Company Limited; Ensure Insurance)	
	Aluminum Extrusion PLC	
	Axxela Bond	
	Cashew Nuts Processing Industries PLC	
	Chellarams PLC	
	Christlieb PLC	
	DANA Group of Companies PLC Series 1 & 2	
	DN Tyre & Rubber PLC	
	Ekiti State Bond Tranche 2	
	Ekiti State Government Bond	
	EKOCORP PLC	
	Eterna PLC	
	FAN Milk PLC	
	General Telecoms PLC	
	GlaxoSmithKline Nigeria PLC	
	Global Biofuel Nigeria LTD	
	Great Nigeria Insurance PLC	
	Greenwich Alpha ETF	
	Greenwich Money Market Fund	
	Ikeja Hotels PLC	
	Impresit Bakolori PLC	
	Industrial & General Insurance PLC	
	IPWA PLC	
	John Holts PLC	
	Julius Berger Nigeria PLC	
	Kajola Integrated & Investment Company PLC	
	Lennard Nigeria PLC	
	Local Contractors Receivables Bond Tranche 1, 2 & 3	
	Meyer PLC	
	Municipality Waste Management Contractors Limited Series I,II & III	
	Nestle Nigeria PLC	
	Nigeria Cement Company PLC	
	Nigeria Entertainment Fund	
	Nigeria Reinsurance	
	Nigerian Enamelware PLC	
	Nigerian Lamp & Industries	
	Nigerian Wire & Cable PLC	
	Nova Bond Series I	
	Okitipupa Oil Palm PLC	
	Oluwa Glass Company	
	Primero BRT Securitization SPV	
	Studio Press Nigeria PLC	
	Sush SPV Bond II	
	The Tourist Company of Nigeria PLC	
	Tripple Gee & Company PLC	
	Unilever Nigeria PLC	
	Union Homes REITS	
	Union Homes Savings & Loans PLC	
	University Press PLC	
	Wema Bank PLC	
	Wema Funding SPV Plc Bond Series I & II	

Proxy Form

ETERNA PLC
RC.124136

(Please tear off and complete)

I/we .....

of .....

Being a member/members of ETERNA PLC hereby appoint

(a) Mr.Ignatiues Adegunle (Shareholders Representative, Audit Committee)
(b) Sir Sunny Nwosu (Minority Shareholder)
(c) Mr. Boniface Okezie (Minority Shareholder)
(d) Mrs. Bisi Bakare (Minority Shareholder)
(e) Engr. MOT Olayiwola Tobun (Minority Shareholder)

Or failing him/her, Mr. Lamis Dikko the Chairman of the meeting or failing him, Mr. Nnamdi Obiagwu, Managing Director/CEO as my proxy to act and vote for me/us an on my/our behalf at the Annual General Meeting to be held at 11.00am on Thursday 12th August 2021.

As witness my/our hand(s) this ..... Day of 2021

Signed.....

NOTE:

1. All proxy forms must be deposited at the office of the registrar, GTL Greenwich Registrars & Data Solutions Limited, 274 Murtala Muhammed Way, Alagomeji, Yaba, Lagos, not less than 48 hours before the time for holding the meeting.
2. In the case of joint shareholders, anyone of such may complete the form but the names of all joint shareholders must be stated.
3. It is a requirement of the law under the Stamp Duties Act, Cap C20, Laws of the Federation of Nigeria, 2004 that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must be duly stamped by the Commissioner for Stamp Duties.
4. If the shareholder is a corporation, this form must be under its common seal or under the hand of some officer.

	ORDINARY BUSINESS	FOR	AGAINST
	To consider and if thought fit, pass the following as Ordinary Resolutions:		
1.	To lay the Report of the Directors, the Audited Financial Statements, the Reports of the Auditors and the Audit Committee for the year ended 31st December 2020 before the shareholders.		
2.	To declare a Dividend.		
3.	To ratify the appointment of Mr. Farouk Ahmed and re-elect retiring Directors.		
4.	To re-appoint the Auditors and authorize the Directors to fix the remuneration of the Auditors.		
5.	To elect members of the Audit Committee.		
6.	To disclose the Remuneration of Managers of the Company in line with Section 257 of the Companies and Allied Matters Act, 2020		
	Special Business		
7.	To fix the remuneration of the Directors.		
8.	That in compliance with the rules of the Nigerian Exchange Limited governing transactions with related parties or interested persons, the Company be and is hereby granted a general mandate in respect of all recurrent transactions entered into with a related party or interested person which are of a revenue or trading nature or are necessary for the Company's day to day operations.		

**Please indicate with an "x" in the appropriate space how you wish your votes to be cast on the resolutions set out above.
Unless otherwise instructed, the proxy will vote or abstain at his discretion.

To be valid, this proxy form should be duly stamped by the commissioner of Stamp Duties and signed before posting it to the address above.

BEFORE POSTING THE ABOVE FORM, PLEASE CUT OFF THIS PART AND RETAIN IT FOR ADMISSION TO THE MEETING

ADMISSION CARD
ETERNA PLC

28th ANNUAL GENERAL MEETING

PLEASE ADMIT ONLY THE SHAREHOLDERS NAMED ON THIS CARD OR HIS DULY APPOINTED PROXY TO THE COMPANY'S 28th ANNUAL GENERAL MEETING TO BE HELD at Shell Hall, Muson Centre, Onikan, Lagos on Thursday 12th August 2021 at 11.00am prompt.

NAME OF SHAREHOLDER/PROXY: .....

SIGNATURE: ..... **ADDRESS:**.....

THIS CARD IS TO BE SIGNED AT THE VENUE IN THE PRESENCE OF THE REGISTRAR.

Note:

The attention of the Shareholder(s) is drawn to the right of the Chairman or failing him, the Managing Director/CEO to vote in his stead.

Hambak

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