

Eterna Plc
IFRS Financial Statements for Half Year
ended 30 June 2021

Consolidated statement of profit or loss and other comprehensive income for half year ended 30th June 2021

	Note	Group		Company	
		30 June	30 June	30 June	30 June
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
Revenue	1	37,990,881	28,518,814	37,819,160	28,435,419
Cost of sales	2.1	(35,373,265)	(26,175,397)	(35,358,305)	(26,169,447)
Gross profit		2,617,616	2,343,417	2,460,855	2,265,972
Selling and distribution expenses	2.2	(70,465)	(50,245)	(69,791)	(49,340)
General and administrative expenses	2.3	(1,844,804)	(1,550,686)	(1,728,537)	(1,441,433)
Other income	6	276,776	316,186	275,765	315,813
Foreign exchange gains	7.1	-	(376,461)	-	(376,461)
Operating profit		979,123	682,211	938,292	714,552
Finance income	7	0	10,825	0	10,825
Finance cost	8	(575,646)	(621,173)	(575,622)	(621,026)
Profit before tax		403,477	71,864	362,671	104,351
Taxation	9	(92,905)	(138,443)	(92,475)	(138,026)
Profit for the year		310,572	(66,580)	270,196	(33,675)
Attributable to:					
- Owners of the parent		310,572	(66,580)	270,196	(33,675)
- Non-controlling interests		-	-	-	-
		310,572	(66,580)	270,196	(33,675)
Total comprehensive income for the year		310,572	(66,580)	270,196	(33,675)
Attributable to:					
- Owners of the parent		310,572	(66,580)	270,196	(33,675)
- Non-controlling interests		-	-	-	-
Total comprehensive income for the year		310,572	(66,580)	270,196	(33,675)
Earnings per share:					
Basic	31	0.24	(0.05)	0.21	(0.03)
Diluted	31	0.24	(0.05)	0.21	(0.03)

Consolidated statement of profit or loss and other comprehensive income for second quarter ended 30th June 2021

	Note	Group		Company	
		Q2 2021	Q2 2020	Q2 2021	Q2 2020
		N'000	N'000	N'000	N'000
Revenue	10	23,600,903	10,973,811	23,357,582	10,940,270
Cost of sales	11.1	(22,366,018)	(9,910,001)	(22,185,854)	(9,907,479)
Gross profit		1,234,885	1,063,810	1,171,728	1,032,791
Selling and distribution expenses	11.2	(33,534)	(26,541)	(33,534)	(25,866)
General and administrative expenses	11.3	(1,049,605)	(768,697)	(989,209)	(713,963)
Other income	15	163,515	308,422	162,993	308,148
Foreign exchange gains	16.1	-	0	-	0
Operating profit		315,261	576,994	311,978	601,111
Finance income	16	0	6,432	0	6,432
Finance cost	17	(285,980)	(237,440)	(285,960)	(237,295)
Profit before tax		29,281	345,986	26,018	370,249
Taxation	18	(8,784)	(54,288)	(7,806)	(54,120)
Profit for the year		20,496	291,699	18,213	316,129
Attributable to:					
- Owners of the parent		20,496	291,699	18,213	316,129
- Non-controlling interests		-	-	-	-
Total comprehensive income for the year		20,496	291,699	18,213	316,129
Attributable to:					
- Owners of the parent		20,496	291,699	18,213	316,129
- Non-controlling interests		-	-	-	-
Total comprehensive income for the year		20,496	291,699	18,213	316,129
Earnings per share:					
Basic	31	0.02	0.22	0.01	0.24
Diluted	31	0.02	0.22	0.01	0.24

Consolidated statement of financial position

	Note	Group		Company	
		30 June	31 December	30 June	31 December
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
Non-current assets					
Property, plant and equipment	19	11,412,116	11,398,386	10,845,266	10,823,488
Intangible assets	19	74,222	76,244	74,222	76,244
Right of Use Assets	20	2,062,941	2,046,208	2,062,941	2,046,208
Other investments	22	575,382	569,382	575,382	569,382
Investment in subsidiaries	22	-	-	50,990	50,990
		<u>14,124,660</u>	<u>14,090,220</u>	<u>13,608,801</u>	<u>13,566,312</u>
Current assets					
Inventory	23	11,376,911	6,899,708	11,356,391	6,858,012
Trade and other receivables	24	6,787,270	12,612,734	6,779,090	13,228,041
Prepayments	20	112,753	108,609	89,613	106,657
Cash and bank balances	25	<u>2,010,121</u>	<u>2,056,285</u>	<u>2,869,752</u>	<u>2,033,293</u>
		<u>20,287,055</u>	<u>21,677,336</u>	<u>21,094,846</u>	<u>22,226,003</u>
Total assets		<u>34,411,717</u>	<u>35,767,556</u>	<u>34,703,647</u>	<u>35,792,315</u>
Non-current liabilities					
Borrowings	26	537,214	448,738	537,214	448,738
Lease Liability	29	215,254	213,274	215,254	213,274
Deferred tax liability	23	1,161,333	1,161,333	1,202,334	1,202,334
Decommissioning liability	27	131,878	131,878	119,963	119,963
		<u>2,045,680</u>	<u>1,955,222</u>	<u>2,074,765</u>	<u>1,984,308</u>
Current liabilities					
Trade and other payables	28	6,793,235	8,291,448	7,104,012	8,294,213
Borrowings	26	11,698,919	12,050,514	11,698,919	12,050,514
Tax payable	9	214,355	121,450	213,129	120,653
		<u>18,706,509</u>	<u>20,463,412</u>	<u>19,016,060</u>	<u>20,465,380</u>
Total liabilities		<u>20,752,189</u>	<u>22,418,634</u>	<u>21,090,825</u>	<u>22,449,688</u>
Equity attributable to shareholders					
Share capital	30	652,072	652,072	652,072	652,072
Share premium	30	5,796,053	5,796,053	5,796,053	5,796,053
Other reserves					
Retained earnings		<u>7,211,323</u>	<u>6,900,750</u>	<u>7,164,696</u>	<u>6,894,501</u>
		<u>13,659,448</u>	<u>13,348,875</u>	<u>13,612,822</u>	<u>13,342,626</u>
Non-controlling interest		80	46	-	-
Total equity		<u>13,659,528</u>	<u>13,348,921</u>	<u>13,612,822</u>	<u>13,342,626</u>
Total equity and liabilities		<u>34,411,717</u>	<u>35,767,556</u>	<u>34,703,647</u>	<u>35,792,315</u>

Aliu Kamiyo
Head of Finance
TBA

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

Consolidated statement of changes in equity

	Attributable to equity holders of the parent Group						
	Share Capital	Share premium	Retained Earnings	Other Reserves	Total amount attributable to equity holders	Non - controlling interest	Total Equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2020	652,072	5,796,053	5,959,693		12,407,818	61	12,407,880
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
Transaction with owners							
Dividend paid							
At 31 December 2020	652,072	5,796,053	6,900,751	-	13,348,876	46	13,348,921
Balance at 1 January 2021	652,072	5,796,053	6,900,751		13,348,876	46	13,348,921
Comprehensive income							
Profit for the year	-	-	310,572		310,572	-	310,572
Other Comprehensive income							
Total comprehensive income	-	-	310,572	-	310,572	-	310,572
Transaction with owners							
Dividend Paid							
At 30 June 2021	652,072	5,796,053	7,211,323	-	13,659,448	46	13,659,493

	Company				
	Share capital N'000	Share premium N'000	Retained earnings N'000	Other Reserves N'000	Total Equity N'000
	Balance at 1 January 2020	652,072	5,796,053	5,876,985	
Comprehensive income					
Profit for the year			1,017,516		1,017,516
Other Comprehensive income					
Total comprehensive income	-	-	1,017,516	-	1,017,516
Transaction with owners					
Dividend paid					
At 31 December 2020	652,072	5,796,053	6,894,501	-	13,342,626
Balance at 1 January 2021	652,072	5,796,053	6,894,501		13,342,626
Comprehensive income					
Profit for the year			270,196		270,196
Other Comprehensive income					
Total comprehensive income	-	-	270,196	-	270,196
Transaction with owners					
Dividend Paid					
At 30 June 2021	652,072	5,796,053	7,164,696	-	13,612,821

Consolidated statement of cash flows

	Note	Group		Company	
		30 June 2021 N'000	31 December 2020 N'000	30 June 2021 N'000	31 December 2020 N'000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Profit before taxation		403,477	548,146	362,671	624,620
Adjustments for non-cash items:					
Depreciation	19	392,432	694,346	356,583	626,731
Amortisation of Intangible Assets	19	7,763	20,373	7,763	20,373
Amortisation of prepayments	21	16,154	41,808	16,154	41,808
Amortisation of right of use assets	20	187,674	338,262	187,674	338,262
Bad Debt written off	2.3	313	49,678	313	49,678
Provision no longer required	6	-	(37,741)	-	(37,743)
Property, plant & equipment and Intangible assets Written off	19	-	4,836	-	4,836
Finance Cost	8	575,646	911,006	575,622	909,345
Finance Income	7	-	(29,356)	-	(29,356)
Finance cost on Trading	26	836,300	456,189	836,300	456,189
Allowance for impairment	2.3	-	60,222	-	59,991
Loss on disposal of asset	2.3	671	64,869	671	64,486
		2,420,429	3,122,638	2,343,750	3,129,220
Changes in working capital:					
(Increase) in inventory	23	(4,477,203)	(1,602,947)	(4,498,379)	(1,602,462)
(Increase) / decrease in debtors	24	6,411,578	(3,239,406)	6,826,650	(3,464,609)
(Increase) / decrease in Short term prepayment	21	1,952	(1,799)	23,140	(1,738)
Increase/(decrease) in payables	28	(1,498,213)	3,339,932	(1,190,201)	3,386,929
		438,113	(1,504,219)	1,161,210	(1,681,881)
Cash flows generated used in operating activities		2,858,542	1,618,418	3,504,960	1,447,340
Tax paid	9	-	(355,349)	-	(229,189)
Net cash generated used in operating activities		2,858,542	1,263,069	3,504,960	1,218,151
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of property, plant and equipment	19	(505,129)	(2,374,954)	(471,829)	(2,320,372)
Proceeds on disposal of Property, plant and equipment	25	116	-	116	-
Purchase of Intangible assets	19	(11,263)	-	(11,263)	-
Payments for leasehold properties	20	(22,250)	(138,048)	(22,250)	(138,048)
Investment payment	22	(6,000)	(10,514)	(6,000)	(10,513)
Interest received	7	0	29,356	0	29,356
Net cash used in investing activities		(544,526)	(2,494,160)	(511,227)	(2,439,578)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from borrowings	26	30,556,910	48,091,874	30,556,910	48,091,874
Repayment of borrowings and interest	26	(31,711,324)	(46,165,573)	(31,508,415)	(46,165,573)
Net cash generated from financing activities		(1,154,414)	1,926,301	(951,506)	1,926,301
NET CHANGE IN CASH AND CASH EQUIVALENTS		1,159,602	695,211	2,042,227	704,874
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		850,519	155,308	827,525	122,651
CASH AND CASH EQUIVALENTS AT END OF THE HALF-YEAR	25	2,010,121	850,519	2,869,752	827,525

Notes to the consolidated financial statements

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		Group		Company	
		2021	2020	2021	2020
1	Revenue				
	Trading	828,983	830,136	828,983	830,136
	Fuel	29,079,198	20,448,065	29,079,198	20,448,065
	Lubricants	7,011,122	3,675,141	7,011,122	3,675,141
	Others	1,071,578	3,565,472	899,857	3,482,077
		<u>37,990,881</u>	<u>28,518,814</u>	<u>37,819,160</u>	<u>28,435,419</u>
2	Expenses by nature				
		Group		Company	
		2021	2020	2021	2020
2.1	Cost of sales				
	Material cost	34,755,639	25,328,302	34,740,679	25,322,356
	Delivery cost	617,626	847,096	617,626	847,091
		<u>35,373,265</u>	<u>26,175,397</u>	<u>35,358,305</u>	<u>26,169,447</u>
2.2	Selling and Distribution expenses				
	Marketing and sales commission	68,613	47,018	68,613	46,972
	Sampling and analysis	1,852	3,227	1,178	2,368
		<u>70,465</u>	<u>50,245</u>	<u>69,791</u>	<u>49,340</u>
2.3	General and Administration expenses				
		Group		Company	
		2021	2020	2021	2020
	Staff costs	450,483	439,476	415,821	402,845
	Legal and Professional fees	138,083	95,526	136,337	95,526
	Depreciation	392,431	342,639	356,583	309,135
	Employee welfare	356	1,928	280	511
	rent	182,129	158,525	182,129	158,525
	Travelling	42,158	24,432	41,779	23,428
	Entertainment	11,812	12,633	8,869	10,895
	Repairs and Maintenance	141,721	110,168	120,553	93,190
	Marketing and Business Development	47,075	39,173	47,075	39,136
	Other expenses	81	4,551	85	4,555
	communication	34,201	9,101	34,132	8,858
	stationery	7,302	2,110	7,046	1,343
	Security	23,027	22,530	17,834	18,611
	medical	16,727	10,866	14,511	10,425
	insurance	34,908	45,465	34,908	45,465
	Licence fees	84,304	54,372	83,401	53,755
	Directors remuneration	33,500	33,500	33,500	33,500
	Amortisation on Prepayments	16,154	27,872	16,154	27,872
	Bad Debt	313	25	313	25
	Pension costs	19,784	21,438	17,725	19,145
	Audit Fees	40,800	21,350	35,800	16,000
	Amortisation of Intangible assets	10,462	10,186	10,462	10,186
	Loss on disposal of property, plant and equipment	(671)	6,692	(671)	6,319
	Investors' Relation	1,323	-	1,323	-
	Board Expenses	34,276	17,944	34,276	17,944
	utilities	18,600	15,512	15,059	12,635
	Health and Safety	31,092	13,328	31,092	13,328
	Retirement benefits costs	-	-	-	-
	Training and Development	32,373	9,341	32,163	8,277
	Accretion charge	-	-	-	-
	Allowance for impairment	-	-	-	-
	Total cost of sales, distribution costs and administrative expenses	<u>1,844,804</u>	<u>1,550,686</u>	<u>1,728,537</u>	<u>1,441,433</u>
	Expenses by function				
		Group		Company	
		2021	2020	2021	2020
3	Cost of sales	35,373,265	26,175,397	35,358,305	26,169,447
	Selling and Distribution expenses	70,465	50,245	69,791	49,340
	General and Administration expenses	<u>1,844,804</u>	<u>1,550,686</u>	<u>1,728,537</u>	<u>1,441,433</u>
		<u>37,288,534</u>	<u>27,776,328</u>	<u>37,156,633</u>	<u>27,660,220</u>

Notes to the consolidated financial statements

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4 Employees' remuneration and numbers

	Group		Company	
	2021	2020	2021	2020
	Number	Number	Number	Number
Administration	28	28	28	28
Operations	35	35	21	21
Sales and marketing	18	18	18	18
	<u>81</u>	<u>81</u>	<u>67</u>	<u>67</u>
Senior Management	12	12	8	8
Management	9	9	7	7
Senior staff	60	60	52	52
	<u>81</u>	<u>81</u>	<u>67</u>	<u>67</u>

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

	Group		Company	
	2021	2020	2021	2020
	Number	Number	Number	Number
N3,000,001 - N4,000,000	23	23	11	11
N4,000,001 - N5,000,000	10	10	32	32
Above 5,000,000	48	48	24	24
	<u>81</u>	<u>81</u>	<u>67</u>	<u>67</u>

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

	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Salaries and wages	450,483	439,476	415,821	402,845
Employee welfare	356	1,928	280	511
Retirement benefits costs	0	-	0	-
	<u>450,839</u>	<u>441,404</u>	<u>416,101</u>	<u>403,356</u>

5 Directors' remuneration

	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Fees for services as a director	1,323	-	1,323	-
Other emoluments as management	96,422	96,422	96,422	96,422
	<u>97,745</u>	<u>96,422</u>	<u>97,745</u>	<u>96,422</u>
The emoluments of the chairman of the board (excluding pension contributions)	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>

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

	Group		Company	
	2021	2020	2021	2020
	Number	Number	Number	Number
Less than N500,001	-	-	-	-
N500,001 - N3,000,000	-	-	-	-
N3,000,001 - N12,000,000	-	-	-	-
More than N12,000,000	8	8	8	8
	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>

6 Other income

	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Other income	259,780	304,727	258,770	304,355
Provision no longer required	0	-	0	-
Rental income	15,028	7,238	15,028	7,238
Depot storage income	1,968	4,221	1,968	4,221
	<u>276,776</u>	<u>316,186</u>	<u>275,765</u>	<u>315,813</u>

Notes to the consolidated financial statements

		Group		Company		N'000
		2021	2020	2021	2020	
7	Finance income					
	Interest income on short-term bank deposits	0	10,825	0	10,825	
		<u>0</u>	<u>10,825</u>	<u>0</u>	<u>10,825</u>	
7.1	Foreign exchange gain/Loss	-	(376,461)	-	-376,461	
		<u>-</u>	<u>(376,461)</u>	<u>-</u>	<u>-376,461</u>	
8	Finance cost					
	Interest and other financial charges	523,343	242,792	523,319	242,646	
	Interest on long term financing	52,303	378,380	52,303	378,380	
	Interest cost on employee benefits	0	0	0	0	
	Accretion charge	0	0	0	0	
		<u>575,646</u>	<u>621,173</u>	<u>575,622</u>	<u>621,026</u>	
	This amount represents interest charges on various short term loans, overdrafts and trade finances.					
9	Taxation					
	Current taxes on income for the year	92,905		92,475		
	Education tax levy for the year	-		-		
	Minimum Tax	92,905	84,156	92,475	83,906	
	Tax expense on Income statement	<u>185,809</u>	<u>84,156</u>	<u>184,951</u>	<u>83,906</u>	
	Tax on Other Comprehensive Income	-	-	-	-	
	Total tax expense	<u>185,809</u>	<u>84,156</u>	<u>184,951</u>	<u>83,906</u>	
	Opening balance	121,450	471,603	120,653	344,646	
	Tax paid	-	(355,349)	-	(229,189)	
	Tax write (back)/off	-	-	-	-	
	WHT utilised	-	-	-	-	
	Income tax charge	92,905	5,196	92,475	5,196	
	Closing balance	<u>214,355</u>	<u>121,450</u>	<u>213,129</u>	<u>120,653</u>	
	Current	214,355	121,450	213,129	120,653	
	Non-current	-	-	-	-	
		<u>214,355</u>	<u>121,450</u>	<u>213,129</u>	<u>120,653</u>	

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

Notes to the consolidated financial statements

		N'ooo			
		Group		Company	
		Q2 2021	Q2 2020	Q2 2021	Q2 2020
10	Revenue				
	Trading	423,534	116,286	423,534	116,286
	Fuel	18,547,940	7,603,510	18,547,940	7,603,511
	Lubricants	4,051,974	1,731,959	3,979,475	1,731,959
	Others	578,355	1,522,056	406,634	1,488,514
		<u>23,600,903</u>	<u>10,973,811</u>	<u>23,357,582</u>	<u>10,940,270</u>
11	Expenses				
		Group		Company	
		Q2 2021	Q2 2020	Q2 2021	Q2 2020
11.1	Cost of sales				
	Material cost	22,070,043	9,706,260	21,889,879	9,703,738
	Delivery cost	295,975	203,741	295,975	203,741
		<u>22,366,018</u>	<u>9,910,001</u>	<u>22,185,854</u>	<u>9,907,479</u>
11.2	Selling and Distribution expenses				
	Marketing and sales commission	32,406	24,363	32,406	24,355
	Sampling and analysis	1,128	2,178	1,128	1,511
		<u>33,534</u>	<u>26,541</u>	<u>33,534</u>	<u>25,866</u>
11.3	General and Administration expenses				
		Group		Company	
		Q2 2021	Q2 2020	Q2 2021	Q2 2020
	Staff costs	252,408	232,703	217,746	224,918
	Legal and Professional fees	120,996	49,326	119,250	49,326
	Depreciation	185,132	172,107	168,143	150,107
	Employee welfare	199	455	199	455
	rent	100,445	97,520	97,945	97,520
	Travelling	27,477	7,485	26,477	7,485
	Entertainment	3,823	1,956	3,823	1,956
	Repairs and Maintenance	79,746	42,888	79,746	31,888
	Marketing and Business Development	10,110	4,618	10,110	4,618
	Other expenses	81	1,848	81	1,848
	communication	18,360	3,886	18,360	3,886
	stationery	2,535	501	2,535	501
	Security	12,078	10,110	12,078	7,110
	medical	7,534	3,418	7,534	3,418
	insurance	18,821	25,986	18,821	25,986
	Licence fees	60,486	27,772	60,486	27,772
	Directors remuneration	16,750	16,750	16,750	16,750
	Amortisation on Prepayments	7,181	7,181	7,181	7,181
	Bad Debt	1,633	2	1,633	2
	Pension costs	10,085	10,671	9,085	8,671
	Audit Fees	30,800	11,350	28,300	7,000
	Amortisation of Intangible assets	5,368	5,093	5,368	5,093
	Loss on disposal of property, plant and equipment	(357)	3,842	(357)	3,242
	Investors' Relation	1,323	-	1,323	-
	Board Expenses	25,676	15,244	25,676	15,244
	utilities	13,874	5,071	13,874	2,071
	Health and Safety	12,211	5,625	12,211	5,625
	Retirement benefits costs	-	-	-	-
	Training and Development	24,830	5,289	24,830	4,289
	Accretion charge	-	-	-	-
	Allowance for impairment	-	-	-	-
	Total cost of sales, distribution costs and administrative expenses	<u>1,049,605</u>	<u>768,697</u>	<u>989,209</u>	<u>713,963</u>
	Expenses by function				
		Group		Company	
		Q2 2021	Q2 2020	Q2 2021	Q2 2020
12	Cost of sales	22,366,018	9,910,001	22,185,854	9,907,479
	Selling and Distribution expenses	33,534	26,541	33,534	25,866
	General and Administration expenses	1,049,605	768,697	989,209	713,963
		<u>23,449,157</u>	<u>10,705,239</u>	<u>23,208,597</u>	<u>10,647,308</u>

Notes to the consolidated financial statements

13 Employees' remuneration and numbers	Group		Company		N'000
	Q2 2021	Q2 2020	Q2 2021	Q2 2020	
	Number	Number	Number	Number	
Administration	29	29	28	28	
Operations	30	30	21	21	
Sales and marketing	18	18	18	18	
	<u>77</u>	<u>77</u>	<u>67</u>	<u>67</u>	
Senior Management	8	8	8	8	
Management	9	9	7	7	
Senior staff	60	60	52	52	
	<u>77</u>	<u>77</u>	<u>67</u>	<u>67</u>	

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

	Group		Company	
	Q2 2021	Q2 2020	Q2 2021	Q2 2020
	Number	Number	Number	Number
N3,000,001 - N4,000,000	14	14	11	11
N4,000,001 - N5,000,000	33	33	32	32
Above 5,000,000	30	30	24	24
	<u>77</u>	<u>77</u>	<u>67</u>	<u>67</u>

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

	Group		Company	
	Q2 2021	Q2 2020	Q2 2021	Q2 2020
	N'000	N'000	N'000	N'000
Salaries and wages	252,408	232,703	217,746	224,918
Employee welfare	199	455	199	466
	<u>252,608</u>	<u>233,157</u>	<u>217,945</u>	<u>225,385</u>

14 Directors' remuneration

	Group		Company	
	Q2 2021	Q2 2020	Q2 2021	Q2 2020
	N'000	N'000	N'000	N'000
Fees for services as a director	1,323	-	1,323	-
Other emoluments as management	96,422	96,422	96,422	96,422
	<u>97,745</u>	<u>96,422</u>	<u>97,745</u>	<u>96,422</u>
The emoluments of the chairman of the board (excluding pension contributions)	17,000	17,000	17,000	17,000

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

	Number	Number	Number	Number
	Q2 2021	Q2 2020	Q2 2021	Q2 2020
Less than N500,001	-	-	-	-
N500,001 - N3,000,000	-	-	-	-
N3,000,001 - N8,000,000	-	-	-	-
N8,000,001 - N12,000,000	-	-	-	-
More than N12,000,000	8	8	8	8
	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>

15 Other income

	Group		Company	
	Q2 2021	Q2 2020	Q2 2021	Q2 2020
Other income	154,809	304,443	154,288	304,170
Provision no longer required	-	-	-	-
Rental income	7,514	3,619	7,514	3,619
Depot storage income	1,192	360	1,192	360
	<u>163,515</u>	<u>308,422</u>	<u>162,993</u>	<u>308,148</u>

Notes to the consolidated financial statements

		Group		Company	
		Q2 2021	Q2 2020	Q2 2021	Q2 2020
		N'000			
16	Finance income				
	Interest income on short-term bank deposits	0	6,432	0	6,432
		0	6,432	0	6,432
16.1	Foreign exchange gain/Loss	0	0	0	0
		-	0	0	0
17	Finance cost				
	Interest and other financial charges	131,798	83,258	131,778	83,258
	Interest on long term financing	154,182	154,182	154,182	154,037
	Interest cost on employee benefits	-	0	-	0
	Accretion charge	-	0	-	0
		285,980	237,440	285,960	237,295
	This amount represents interest charges on various short term loans, overdrafts and trade finances.				
18	Taxation				
	Current taxes on income for the year	8,784		7,806	
	Education tax levy for the year				
	Minimum Tax	57,943	54,288	57,335	54,120
	Tax expense on Income statement	66,728	54,288	65,141	54,120
	Tax on Other Comprehensive Income	-	-	-	-
	Total tax expense	66,728	54,288	65,141	54,120
		Group	Company	Group	Company
		Q2 2021	Q2 2020	Q2 2021	Q2 2020
	Opening balance	1,021,428	1,021,428	854,472	854,472
	Tax paid	-	-	-	-
	Tax write (back)/off	-	-	-	-
	WHT utilised	-	-	-	-
	Income tax charge	8,784	-	7,806	-
	Closing balance	1,030,212	1,021,428	862,278	854,472
	Current	1,030,212	1,021,428	862,278	854,472
	Non-current	-	-	-	-
		1,030,212	1,021,428	862,278	854,472

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

Property, plant and equipment and intangible assets

	Group 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
Naira	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost									
At 1 January 2020	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	-	-
Reclassifications (Note 3)	-	-	-	-	-	-	-	-	-
Transfers (Note 16.5)	32,713	44,705	(80,761)	160	3,183	-	-	-	-
Asset Written off (Note 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
Additions in the year	155,099	152,716	(97,526)	23,234	35,093	236,512	505,129	11,263	11,263
Asset Written off (Note 4)	-	-	-	-	-	-	-	-	-
Asset Disposed	(153)	(3,829)	-	(898)	(1,539)	(42,000)	(48,420)	(2,824)	(2,824)
At 30 June 2021	5,840,825	7,484,261	724,383	317,633	336,451	1,131,833	15,835,386	151,598	151,598
Accumulated Depreciation, Amortisation and Impairment									
At 1 January 2020	(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)
Charge for the year	(109,082)	(190,979)	-	(40,018)	(32,990)	(19,363)	(392,432)	(7,763)	(7,763)
Asset Disposed	(93)	(7,008)	-	(660)	(787)	(42,000)	(50,548)	(2,699)	(2,699)
At 30 June 2021	(589,910)	(2,916,273)	-	(220,118)	(185,842)	(511,127)	(4,423,270)	(77,376)	(77,376)
Net Book Value									
At 31 December 2020	5,205,144	4,617,088	821,909	115,857	150,831	487,557	11,398,386	76,243	76,244
At 30 June 2021	5,250,915	4,567,988	724,383	97,515	150,609	620,706	11,412,116	74,222	74,222

Note 19 (Continued)	Company								
	Property Plant and Equipment							Intangibles	
	Land and Buildings	Plant and Machinery	Capital Work-In-Progress	Office Equipment	Furniture & Fittings	Motor Vehicles	Total PPE	Computer Software	Total Intangible Assets
N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost									
At 1 January 2020	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	-	-
Reclassifications (Note 3)	-	-	-	-	-	-	-	-	-
Transfers (Note 16.5)	32,713	44,705	(80,761)	160	3,183	-	-	-	-
Asset Written off (Note 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
Additions in the year	151,435.76	148,671	(97,745)	19,064	33,958	216,445	471,829	11,263	11,263
Asset Written off (Note 4)	-	-	-	-	-	-	-	-	-
Asset Disposed	(153)	(3,829)	-	(898)	(1,539)	(42,000)	(48,420)	(2,824)	(2,824)
At 30 June 2021	5,644,045	6,813,195	720,857	261,048	300,212	1,104,766	14,844,123	151,598	151,598
Accumulated Depreciation, Amortisation and Impairment									
At 1 January 2020	(330,077)	(2,208,789)	-	(102,736)	(88,523)	(341,598)	(3,071,723)	(47,936)	(47,936)
Charge for the year	(115,436)	(235,993)	-	(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)
Charge for the year	(108,402)	(180,320)	-	(24,226)	(29,646)	(13,990)	(356,583)	(7,763)	(7,763)
Asset Written off (Note 4)	-	-	-	-	-	-	-	-	-
Asset Disposed	(93)	(1,508)	-	(660)	(787)	(42,000)	(45,048)	(2,699)	(2,699)
At 30 June 2021	(550,081)	(2,619,039)	-	(162,942)	(163,376)	(503,419)	(3,998,857)	(77,376)	(77,376)
Net Book Value									
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
At 30 June 2021	5,093,964	4,194,156	720,857	98,106	136,836	601,347	10,845,266	74,222	74,222

Notes to the consolidated financial statements

20 Right of Use Assets	Group		Company	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
Opening Balance	2,046,208	2,044,955	2,046,208	2,044,955
Additional lease	204,408	339,515	204,408	339,515
Depreciation	(187,674)	(338,262)	(187,674)	(338,262)
21 Prepayments	2,062,941	2,046,208	2,062,941	2,046,208
	Group		Company	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
Prepaid rent	7,433	27,691	7,433	27,691
Additions	22,250	21,550	22,250	21,550
Amortisation	(16,154)	(41,808)	(16,154)	(41,808)
	13,529	7,433	13,529	7,433
Other short term prepayment	99,224	101,176	76,084	99,224
Total prepaid rents	13,529	7,433	13,529	7,433
Total prepayments	112,753	108,609	89,613	106,657
22 Investments			Company	
			30 June 2021	31 Dec 2020
Investment in subsidiaries is made up of:				
99.98% in Eterna Industries Limited			49,990	49,990
100% in Eterna Marine and Services Limited			1,000	1,000
			50,990	50,990
These investments are ultimately consolidated at group level.				
	Group		Company	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
Other Investments				
JUHI 2 Project	575,382	569,382	575,382	569,382
	575,382	569,382	575,382	569,382
23 Inventory	Group		Company	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
Raw materials	846,375	972,764	846,375	972,764
Finished goods	10,422,634	5,814,878	10,422,469	5,791,928
Consumables	107,902	112,066	87,546	93,320
	11,376,911	6,899,708	11,356,391	6,858,012
			957,068	

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

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

Notes to the consolidated financial statements

		N'000			
24 Trade and other receivables	Group		Company		
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020	
Trade receivables	4,913,234	2,672,381	4,913,831	2,672,977	
Due from Group Companies (note 29)	-	-	-	636,725	
Less: Impairment of trade receivables	(60,222)	(60,222)	(59,991)	(59,991)	
Trade receivables – net	<u>4,853,012</u>	<u>2,612,159</u>	<u>4,853,840</u>	<u>3,249,711</u>	
Advances	12,903	2,767,639	13,114	2,767,821	
WHT receivables	954,893	874,190	954,893	874,190	
Bridging claims	128,862	248,225	128,862	248,225	
Sundry debtors	32,383	-	32,383	-	
Foreign exchange Forward contract	556,095	4,756,041	556,095	4,756,041	
Other receivables	249,123	1,354,480	239,903	1,332,053	
Less: Impairment of Other receivables	-	-	-	-	
	<u>6,787,270</u>	<u>12,612,734</u>	<u>6,779,090</u>	<u>13,228,041</u>	

25 Cash and Cash Equivalents	Group		Company	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
Cash and bank	2,010,121	1,991,119	2,869,752	1,968,127
Short term deposits with banks	-	65,166	-	65,166
Cash and Cash equivalents	<u>2,010,121</u>	<u>2,056,285</u>	<u>2,869,752</u>	<u>2,033,293</u>

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

26 Borrowings	Group		Company	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
Current				
Opening balance	11,293,485	8,016,424	11,293,485	8,016,424
Additions	30,556,910	48,091,874	30,556,910	48,091,874
Interest on term loan	52,303	96,357	52,303	96,357
Interest on trading cost	836,300	1,254,403	836,300	1,254,403
Repayment	(31,454,182)	(46,165,573)	(31,454,182)	(46,165,573)
	<u>11,284,815</u>	<u>11,293,485</u>	<u>11,284,815</u>	<u>11,293,485</u>
Bank overdraft	951,318	1,205,767	951,318	1,205,767
	<u>12,236,133</u>	<u>12,499,252</u>	<u>12,236,133</u>	<u>12,499,252</u>
Current	11,698,919	12,050,514	11,698,919	12,050,514
Non-current	537,214	448,738	537,214	448,738
	<u>12,236,133</u>	<u>12,499,252</u>	<u>12,236,133</u>	<u>12,499,252</u>
			#REF!	

Notes to the consolidated financial statements

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27 Decommissioning Liability	Group		Company	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
Balance as at 1 January	131,878	100,614	119,963	90,360
Additional obligations incurred	-	16,474	-	16,474
Changes in estimated cash flows	-	-	-	-
Accretion expenses	-	14,790	-	13,129
Balance at 30 June	131,878	131,878	119,963	119,963

	Group		Company	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
28 Trade and other payables				
Trade creditors	6,403,963	6,156,881	6,624,292	6,173,421
Tax related liabilities	35,004	26,021	29,355	25,606
Advance received	16,606	1,234,289	16,606	1,234,289
PSF Contribution	-	-	-	-
Accrued payables	200,785	331,265	200,732	330,904
Other payables	136,877	542,992	233,026	529,993
Due to Group Companies (note 29)	(0)	-	(0)	-
	6,793,235	8,291,448	7,104,012	8,294,213

	Group		Company	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
29 Lease Liability				
Right of use Assets	213,274	10,162	213,274	10,162
Addition	-	201,467	-	201,467
Effect of Discounted value	1,981	1,645	1,981	1,645
	215,254	213,274	215,254	213,274

	30 June 2021	31 Dec 2020
30 Authorised: 1,600,000 thousands Ordinary shares of 50k each	800,000	800,000
Issued, allotted and fully paid: 1,304,145 thousand Ordinary shares of 50k each	652,072	652,072
Issued and fully allotted: 1,304,145 thousand Ordinary shares of 50k each	652,072	652,072

	Number of shares	Ordinary shares	Share premium	Total
Movements during the year:				
At 1 January 2019	1,304,145	652,072	5,796,053	6,448,125
Capitalised during the period	-	-	-	-
Issue of new shares	-	-	-	-
At 30 June 2020	1,304,145	652,072	5,796,053	6,448,125

Notes to the consolidated financial statements

N'000

31 Earnings per share

(a) Basic

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

	Group		Company	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
Profit for the year attributable to shareholders (in N'000)	310,572	(66,580)	270,196	(33,675)
Weighted average number of ordinary shares in issue	1,304,145	1,304,145	1,304,145	1,304,145
Basic earnings per share (in N'000)	0.24	(0.05)	0.21	(0.03)

(b) Diluted

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

	Group		Company	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
Profit for the year attributable to shareholders (in N'000)	310,572	(66,580)	270,196	(33,675)
Weighted average number of ordinary shares in issue	1,304,145	1,304,145	1,304,145	1,304,145
Adjustments for :				
- Share options	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share (thousands)	1,304,145	1,304,145	1,304,145	1,304,145
Basic earnings per share (in N'000)	0.24	(0.05)	0.21	(0.03)

32 Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Eterna Plc maintains effective Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy is regularly reviewed and updated by the Board. The Company has made specific inquiries of all the directors and other insiders and is not aware of any infringement of the policy during the period.

Consolidated five-year financial summary

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

	June 2021	Dec 2020	Group		Dec 2017
			Dec 2019	Dec 2018	
Financial performance					
Revenue	37,990,881	58,715,576	229,274,785	251,877,933	173,030,225
Profit/(loss) before tax	403,477	548,146	111,440	1,989,899	2,812,941
Taxation	(92,905)	392,896	(255,729)	(980,903)	(811,039)
Profit for the year	310,572	941,042	(144,289)	1,008,996	2,001,902
Actuarial gains or losses	-	-	-	(29,363)	(31,206)
Tax effect of actuarial gains and losses	-	-	-	8,809	9,362
Non - controlling interest	-	15	19	26	13
Total comprehensive income for the year	<u>310,572</u>	<u>941,057</u>	<u>(144,270)</u>	<u>988,468</u>	<u>1,980,071</u>
Basic earnings per share (kobo)	<u>0.24</u>	<u>0.72</u>	<u>(0.11)</u>	<u>0.77</u>	<u>1.54</u>
Diluted earnings per share (kobo)	<u>0.24</u>	<u>0.72</u>	<u>(0.11)</u>	<u>0.77</u>	<u>1.54</u>
Financial position					
Share capital	652,072	652,072	652,072	652,072	652,072
Share premium	5,796,053	5,796,053	5,796,053	5,796,053	5,796,053
Non -controlling interest	80	46	61	80	106
Retained Earnings/(Accumulated deficits)	7,211,323	6,900,750	5,959,693	6,430,000	5,968,811
Total equity	<u>13,659,528</u>	<u>13,348,921</u>	<u>12,407,879</u>	<u>12,878,205</u>	<u>12,417,042</u>
Property, plant and equipment	11,486,338	11,474,630	9,867,627	8,338,502	7,380,587
Other non-current assets	2,638,323	2,615,590	2,603,823	1,605,222	900,931
Net current (liabilities)/assets	1,580,546	1,213,924	1,952,059	6,375,455	6,087,182
Non-current liabilities	(2,045,680)	(1,955,225)	(2,015,630)	(3,440,974)	(1,951,658)
Net assets	<u>13,659,526</u>	<u>13,348,919</u>	<u>12,407,879</u>	<u>12,878,205</u>	<u>12,417,042</u>
Net assets per share (Naira)	10.47	10.24	9.51	9.87	9.52

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

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