eterna

2022
Annual Report & Accounts

eternaplc.com

Eternaplc

Energy for Life.

CONTENTS

Financial Highlights

	2022 N'000	2021 N'000	Change %
Turnover	116,472,441	82,197,987	42
Gross Profit	8,997,248	4,264,407	111
Profit/(Loss) before taxation	2,097,874	(936,415)	(324)
Taxation	(1,085,622)	(163,717)	563
Profit/(Loss) for the year	1,012,252	(1,100,132)	(192)
Total Assets	53,991,022	46,082,300	17
Net Assets	13,130,584	12,118,375	8
Earnings Per Share (EPS)	0.78	(0.84)	(193)
Proposed Dividend	15k	Nil	N/A

Directors, Professional Advisers, etc.

Directors: Dr. Gabriel Ogbechie, OON Mr. Nnamdi Obiagwu Ms. Phoebean Ifeadi Mrs. Godrey Ogbechie Mr. Anibor Kragha Mr. Emmanuel Omuojine Barr. Okechukwu Omezi Dr. Akinwande Ademosu Mr. Benjamin Nwaezeigwe	Chairman - Appointed 20th October 2021 Managing Director/CEO - Appointed 1st September 2020. Resigned April 2022 Executive Director -Appointed 20th October 2021 Non-Executive Director - Appointed 20th October 2021 Independent Non-Executive Director - Appointed 20th October 2021 Non-Executive Director - Appointed 20th October 2021 Independent Non-Executive Director - Appointed 20th October 2021 Independent Non-Executive Director - Appointed 1st March 2022 Executive Director - Appointed 1st March 2022 Managing Director/CEO - Appointed 1st August 2022
Company Secretary:	Mandella Golkus
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.
Auditors:	Deloitte & Touche Civic Towers Ozumba Mbadiwe Avenue Victoria Island Lagos Nigeria.
Principal Solicitors:	(a) Olaniwun Ajayi LP (b) Templars and Associates (c) Akabogu & Associates (d) Oluwakemi Balogun LP
Principal Bankers:	(a) United Bank for Africa Plc (b) Nova Merchant Bank Ltd (c) Union Bank of Nigeria Plc (d) First Bank Nigeria Limited (e) Fidelity Bank Plc

ETERNA PLC

NOTICE OF 30TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 30th Annual General Meeting of Eterna Plc will be held on **Thursday 11th May 2023** 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 2022 before the shareholders.

2. To declare a dividend.

3. To 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 consider and if thought fit, transact the following special business as ordinary resolutions of the Company:

7.1 To fix the remuneration of the Directors.

7.2 "That, in compliance with the Rules of the Nigerian Exchange Limited (NGX) governing transactions with Related Parties or Interested Persons, the company is hereby granted a general mandate in respect of all recurrent transactions entered into with a related party or interested person. Provided that such transactions are of a revenue or trading nature or are necessary for the Company's day-to-day operations. This Mandate shall commence on the date on which this resolution is passed and shall continue to operate until the date on which the next Annual General Meeting of the Company is held".

In compliance with the Rules of the Nigerian Exchange Limited (NGX), related parties or interested persons shall abstain from exercising any voting rights in respect of resolution 7.2 above at the meeting.

BY ORDER OF THE BOARD

Mandella Golkus
Company Secretary/Legal Adviser
FRC/2022/PRO/NBA/002/00000023899

Proxy:
Members who are entitled to attend and vote at the AGM of the Company are entitled to select a proxy to attend and vote in their place. A proxy form is provided with this Annual Reports. To be valid for the purpose of the Meeting, the form must be completed and duly stamped by the Commissioner of Stamped 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.All instruments of proxy shall be stamped at the Company's expense. A corporate body being a member of the Company is required to execute proxy instrument(s) under seal.

Dividend Payment:
On Friday May 12, 2023, dividends will be paid electronically to shareholders whose names appear on the Register of Members as at April 21, 2023, and who have completed the e-dividend registration and mandated the Registrar to pay their dividends directly into their Bank accounts.

Closure of Register and Transfer Books:
The Register of members and Transfer Books will be closed from Monday, 24th April 2023 to Tuesday 25th April 2023 (both days inclusive) for the purpose of updating the Register of Members.

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.

Unclaimed Dividend:
Shareholders are hereby informed that a number of dividends still remain unclaimed. The list of all unclaimed dividends will be circulated with the Annual Report and Financial Statements. Any member affected by this notice is advised to write to or call the office of the Company's Registrar.

Audit Committee:
In accordance with 404(6) of the Companies and Allied Matters Act 2020, such nomination should be in writing and should reach the Company Secretary at least twenty-one (21) days before the Annual General Meeting and any nomination not received prior to the meeting as stipulated is invalid. The Companies and Allied Matters Act 2020 and the Nigerian Code of Corporate Governance 2018 stipulate that, members of the Audit Committee should be financially literate and at least one member must be a member of a professional accounting body in Nigeria established by the Act of the National Assembly. Thus, a detailed Curriculum Vitae confirming the nominee's qualification should be submitted with each nomination to the Statutory Audit Committee

E-Annual Report:
The electronic version of the Annual report is available a 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 Thursday 4th May 2023.

Website:
A copy of this notice and full her 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. The link for the live streaming will be made available on the Company's website: www.eternaplc.com and our YouTube Channel www.youtube.com/eternaplc in due course.


CHOOSE THE RIGHT OIL
FOR YOUR CAR
Castrol
MAGNATEC
NON-STOP PROTECTION FROM EVERY START
GASOLINE AND DIESEL ENGINES
5L
Modern car engines are typically smaller and more efficient, but also generate incredible internal pressures and temperatures. It's why we have a range of mineral, part and fully synthetic oils capable of meeting the needs of even the most demanding modern engines.
Castrol
EDGE
NEW
Castrol
GTX
ESSENTIAL
IT'S MORE THAN JUST OIL. IT'S LIQUID ENGINEERING.
Castrol

Corporate Profile

Mission

To provide energy solutions in efficient and innovative ways

Vision

To be Africa's Preferred Energy Company

Core Values

- **A.** Accountability
- **R.** Respect
- **I.** Innovation
- **S.** Service
- **E.** Efficiency

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 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, Security 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.

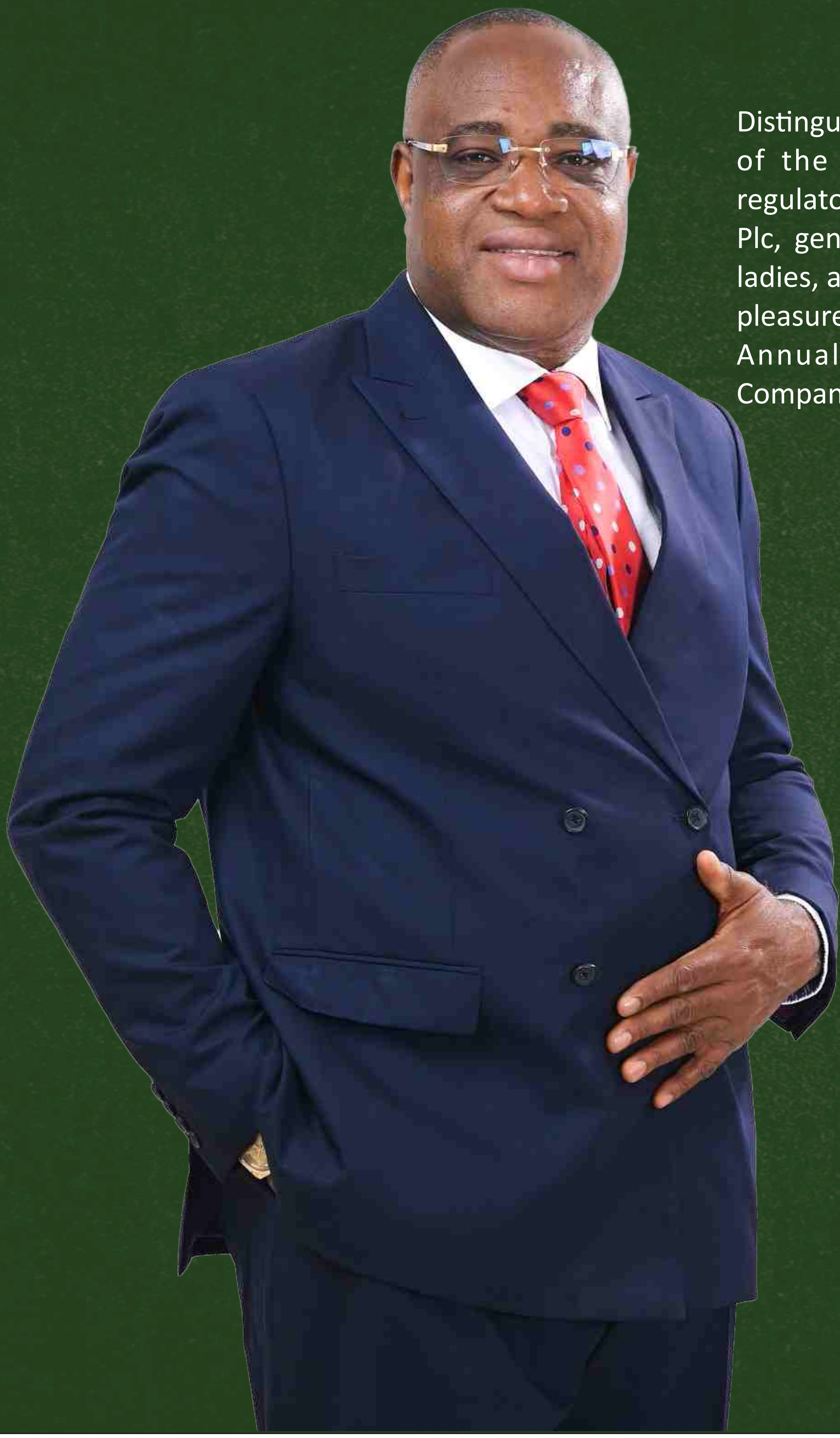
To effectively achieve this policy, the company requires all employees to contribute to, and be actively engaged in the implementation of the QMS. The Company expects positive participation in audits and reviews, as well as the submission of reports and proposals for continuous system improvements and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

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

Benjamin Nwaezeigwe
Managing Director

Revised: 24 March 2023

Chairman’s Statement



Distinguished shareholders, members of the Board, representatives of regulatory agencies, staff of Eterna Plc, gentlemen of the press, guests, ladies, and gentlemen. It is with great pleasure that I welcome you to the 30th Annual General Meeting of our Company, Eterna Plc holding in Lagos.

Dr. Gabriel Ogbechie, OON
Chairman

Chairman's Statement

It is my privilege and honor to present to you the financial statement and reports for the financial year ended 31st December 2022. Firstly, I will highlight some key issues in the operating landscape that have influenced and impacted our performance.

Global Operating Business Environment

Three years into a disruptive coronavirus pandemic, forecasters had predicted a gradual return to normalcy, without counting on China's zero covid policy or Russia-Ukraine crisis. Russia's bid for a full takeover of Ukraine in February 2022 met strong resistance from the Ukrainian military supported by the power blocs of the West.

Russia's invasion of Ukraine resulted in a unified Western response, largely economic in approach and the ripple effect has impacted most economies of the world.

The unanticipated war in the wake of a traumatic pandemic, accentuated economic anxieties. Recognized as two of the world's primary energy suppliers and breadbasket, the longer the invasion lasted, the worse the ramifications. With the world economy yet to recover from pandemic-driven supply chain disorder, energy, and food insecurity continues to threaten the poorest and most vulnerable nations.

Effectively, the disruption of key energy and grain exports from Russia and Ukraine overstretched supply chains, heightened pricing pressures, and fostered protectionism across the globe.

In response to these economic shocks, we have seen the rising cost of funds as Central Banks around the world raised interest rates to arrest the rising inflation. Businesses have found it difficult to repay loans, as commercial banks repriced their outstanding loans, which led to increased defaults. As a result, we have seen most economies downgraded by international rating agencies. In the first quarter of 2023, we have witnessed the fall of two banks in the United States.

Domestic Operating Business Environment

On the domestic front, available data from the National Bureau of Statistics (NBS) revealed that Real Gross Domestic Product (GDP) grew by 3.52% (year-on-year) in real terms in the fourth quarter of 2022, following a growth of 2.25% in the third quarter of 2022 and 3.98% in the fourth quarter of 2021. The economy has continued on a path of growth for eight consecutive quarters following the recession of 2020. Despite the 500 basis points increase by the Central Bank of Nigeria, from 11.5% in February 2022 to 16.5% in November 2022, the inflationary pressure has refused to contract owing to other economic spillovers from both the fiscal and economic space, inflation increased from 15.6% in January 2022 to 21.34% in December same year.

The Central Bank of Nigeria introduced the Naira Redesign Policy which took effect in December 2022. The policy which was initially slated to close out by January 2023 has inadvertently been extended to December 2023 amid a chaotic outcome that has seen Nigerians besieged by confusion, violence and business disruptions. Nigerian Banks have been impacted by unexpected pressure on both the technological and physical infrastructure being the alternative to a cashless policy.

Despite the sustained high crude oil prices which have moderated between $80 and $100 in 2022, the country recorded meager growth in crude oil revenues with declining production for seven (7) consecutive months in 2022. To arrest oil theft, the government appointed an independent security contractor and put other measures in place, these initiatives saw a reversal in trend and the production began trickling upwards. Despite these efforts by the government, Nigeria has failed to meet its OPEC quota of 2.2mbp. The country ended 2022 with an average production of 1.24mbpd, this is a far cry when compared to prior year numbers: 2020 1.42mbpd; 2019 1.96mbpd; 2018 1.9mbpd and 2017 1.96mpbd.

Persistent dollar shortage, rising import bills, and mounting offshore debt obligations continue to weigh on the naira value. The Naira which was exchanged for NGN420.00/USD at the start of the year on the I&E windows depreciated by 9.7% (2021: 8.23%) to settle at NGN461.950/USD at year-end. Similarly, the Parallel market which began 2022 at NGN570/USD depreciated by 31% to NGN750/USD at the end of the year.

Chairman's Statement

The average Nigeria Business was greatly affected by the uptick of energy prices, specifically, diesel prices which saw over 300% growth within the year, other operating expenses were also affected by the disruptions of the international supply chains and rising domestic and global inflations. The premium motor spirit (PMS) popularly referred to as petrol or gasoline has seen a long-sustained price rise from the last quarter of 2022 resulting in long queues at retail stations and arbitrary prices across the country. Without an end in sight, most businesses especially those that have high energy requirements or high cash demand for daily operations have begun to shut down.

Nigeria just completed the 2023 election rounds with some of the results being challenged in court. Nigerians can only hope that the new administration's economic policies will ameliorate the severe headwinds and reverse the dwindling fortunes of businesses.

Industry Highlights

Availability of petroleum products has remained a challenge during the year. Nigeria's 4 refineries remain grossly underutilized, the country is largely dependent on imports to meet its energy demand.

Throughout 2022, the Nigeria National Petroleum Corporation Limited (NNPCL) was the sole importer of PMS in Nigeria as the government continued to subsidize the product. Other products like AGO, ATK and LPG remain fully deregulated. Supply challenges led to recurring queues at the retail stations. We have seen increase in average PMS pump price from N165/liter to N185/liter in recent times.

We have also seen the continued implementation of the PIA, which led to the privatization of NNPC and thus paved way for its acquisition of OVH Energy Marketing (OVH). We have also seen the consolidation of DPR, PPMC and PPPRA under a new umbrella, the NMDPRA (The Authority) which regulates all activities within the midstream and the downstream sectors.

Operating Results

I am proud of the progress we made in the last twelve months and the outcome that continues to validate our strategic direction.

Our Company achieved a consolidated operating revenue of N116 billion representing a 14.2% improvement on last year's revenue of N82.2 billion. This was largely attributable to the improved economic activities coupled with the upward review of product prices. Our gross profit grew by 110% to N8.9 billion (2021: N4.3 billion), while net operating profit increased by 1207% from N233.1 million in 2021 to N3.05 billion. The improved result is on the back of prudent cost management decisions that ensure operating and administrative expenses are constantly kept in check despite the rising cost of doing business.

We recorded a year-end Profit before tax of N2.09 billion from a loss of N0.9 billion recorded in 2021.

Your Board is committed to improving Eterna Plc's results and delivering exceptional value to its shareholders. We will continue to work diligently towards this goal, leveraging our collective expertise and experience.

Dividends

The Board of Directors will be recommending a dividend of 15 kobo per ordinary share of 50 kobo each, to all shareholders whose names appear on the register of members on the 21st of April 2023, payable subject to shareholders' approval and deduction of withholding tax at the prevailing rate.

The proposed dividend under difficult business circumstances demonstrates the company's commitment to positive returns as a reward for your continued support and loyalty over the years.

Strategic Plans

The Board, working closely with Management has devised a 5-year strategic plan that captures our collective vision of being Africa's preferred energy company. This plan will run from 2023 through 2027. The overall vision result from the strategy stands on three key pillars, the stabilization pillar which speaks to our fuels business, the expansion pillar which speaks to our lubricant business and the discovery pillar which speaks to other non-fuel revenue businesses.

Chairman's Statement

We will continue to grow our retail footprints by adding to the number of our retail outlets across Nigeria which stood at 70 as of December 2022. To improve product supply, we will make significant investments in trucking both through truck acquisition and strategic partnerships with third-party transporters.

We are embarking on a phased approach to enhance our presence in the aviation industry and the Liquefied Petroleum Gas space. Our first step will be to focus on retailing Aviation Turbine Kerosene and Liquified Petroleum Products through our strategic assets and leveraging key partnerships. We plan to invest in the necessary infrastructure and resources to ensure successful market penetration in these two markets.

We will be making a significant investment in our lube blending plant at Sagamu, we have commissioned the fabrication of an end-of-the-line automated machine which is planned for completion in the fourth quarter of 2023. The automation of the manufacturing process will lead to an increase of circa 40% in the production of small-pack lubricants (1 - 5 Liters).

We have implemented several initiatives aimed at improving our market presence and increasing the volume of sales for our lubricants, while also building our brand locally. Furthermore, we are in discussions with potential strategic partners to explore opportunities for growth in specific areas within the energy sector.

We are grateful to all the stakeholders that have stayed committed to our Company and helped us achieve our goals thus far.

Board Appointments

Since the last AGM, Mr. Nwaezeigwe was appointed the substantive Managing Director/Chief Executive Officer of the Company in August 2022 having functioned in the role in an acting capacity following the exit of Mr. Nnamdi Obiagwu in April, 2022. His profile is contained in the Annual Report.

The following Directors who are retiring by rotation will be presented for re-election by the shareholders at this meeting: Barr. Okechukwu Omezi and Mr. Anibor Kragha. Their respective meeting attendance record for the year as well as profiles are contained in the Annual Report.

Health, Safety, Security and Environment (HSSE)

The Health, Safety and Security of our employees, customers and stakeholders is of paramount importance to us. We will continue to provide a safe and secure environment, in compliance with available guidelines recommended by our regulatory authorities.

Management constantly updates employees on domestic and international developments regarding any communicable diseases and continues to provide adequate provisions 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 Health, Safety, Security and Environmental (HSSE) 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 program to maintain a healthy workforce. The Company also encourages bonding and wellness through sports and other recreational activities among employees.

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

Chairman's Statement

maintain a very peaceful and enabling work environment for our staff and contractors.

As a company, we have a strong commitment to the society we operate in. We actively participate in activities that contribute to the development and sustainability of our host communities. We have adopted the School for Children with Special Needs, Sagamu as our CSR project and in the first phase, we have undertaken the renovation of the library block. We will continue to deepen our commitment to give back to the society we operate in.

We are in the process of developing a very robust ESG framework for our company that will ensure sustainable production and delivery of our goods and services in an integrated manner to support our current and future business initiatives, expansion and strategic plans.

Risk Management

Eterna has implemented an Enterprise Risk Management (ERM) system in our daily operations and adopted appropriate technology to capture and monitor day-to-day processes and risks. Although Foreign Exchange Risk remains one of our significant risks, our Board is taking adequate measures to ensure that it does not negatively impact our performance.

We are also faced with the scarcity of petroleum products, 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

The Internal Controls Audit Department (ICAD) conducts timely and unbiased assessments of the Company's internal controls, systems, and processes to ensure they are appropriate and effective in meeting the Company's strategic, operational, and financial goals.
In line with international best practice, the Head of Internal Controls and Audit reports to the Statutory Audit Committee of the Board in a functional capacity and to the Chief Executive Officer in an administrative capacity.

Quality Management System

We have been recertified under the NIS ISO 9001:2015 Quality Management Standard. The recertification is a testament of our adherence to international standards in our daily operations, procedures and processes and amplifies the importance we place on the quality of work and safety of our staff and properties.

We shall continue to provide high-quality products and services that meet and exceed the expectations of our customers, thereby creating sustainable value for 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 of 31st December 2022, we had 92 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.

Outlook

The global and domestic outlook is challenging, rating agencies are downgrading countries and companies' ratings, and the IMF has projected that 1/3rd of the world economy will slip into recession in 2023.

On the domestic front, we await a clear economic path following the results of the 2023 elections. The exchange rate, stability, labour migration with the attendant employee turnover poses grave corporate challenges.

Also, the federal government has repeatedly announced the planned removal of fuel subsidy in 2023. As per the approved budget for 2023, subsidy payment was only budgeted to cover the first half of 2023. We expect this policy to also affect business operations.

Chairman's Statement

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 once again for their commitment and hard work during the preceding year.

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

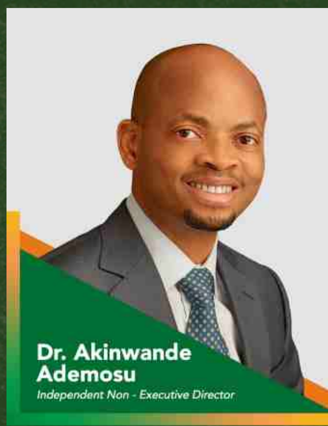
I am grateful to our shareholders for their confidence, commitment and for keeping faith in our Company as we look forward to taking the business to greater heights.

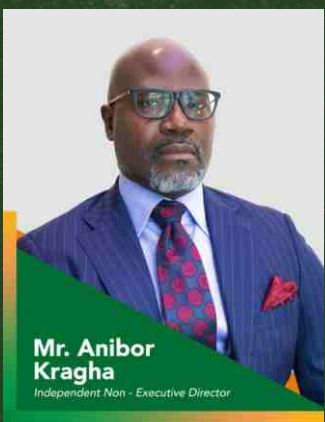
Finally, I would like to thank my colleagues on the Board, for their support always.

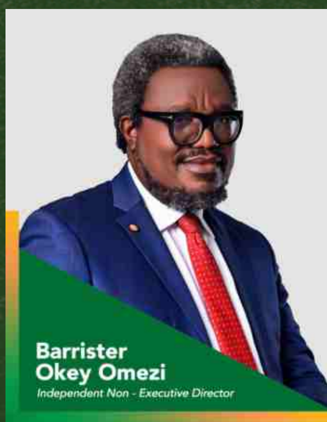
Thank you.

Dr. Gabriel Ogbechie, OON
Chairman

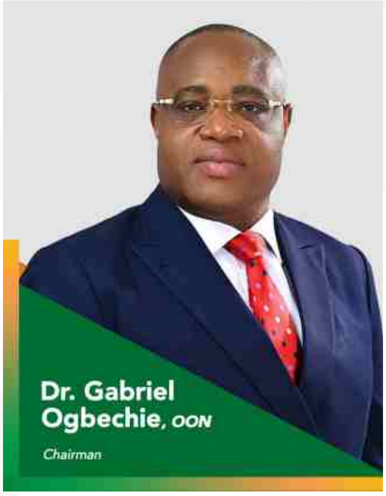
Board of Directors







Board of Directors' Profile



Dr. Gabriel Ogbechie is the founder and Group Managing Director of Rainoil Limited. He has over 30 years cognate experience in the oil and gas industry. In addition to his oil and gas proficiency, he oversees a large conglomerate of businesses which includes real estate marine and agriculture.

Dr. Ogbechie is a graduate of Production Engineering from the University of Benin. He holds an Honorary Doctorate Degree of Technology Management, from Novena University, Nigeria.

He began his career as a factory engineer between 1989 and 1991 and subsequently joined PricewaterhouseCoopers, a leading firm of Chartered Accountants and Management Consultants. He worked at Ascon Oil Limited as Head, Sales and Operations; prior to founding Rainoil Limited in 1997.

Dr. Ogbechie is a pioneer member of the Lagos Business School Owner Manager Programme and has attended several management courses locally and abroad, including the Harvard Business School Owner Manager Programme.

He is also a recipient of the honorary award of Officer of the Order of the Niger (OON).

He has established various philanthropic initiatives covering educational / vocational scholarships, youth development through sports and infrastructure projects.

He is happily married with children and is passionate about playing lawn tennis.

Mr. Nwaezeigwe is the Managing Director/Chief Executive Officer of the Company, a role he held since 1st August 2022 having functioned in the role in an acting capacity from 17th April, 2022. He was formerly the Executive Director/Chief Operating Officer of the Company and brings almost two decades of experience from different sectors of the economy with a specific bias for Oil & Gas.

He worked at Rainoil Limited and rose to the position of Deputy General Manager in charge of the Group's operations and overseeing trading and marine activities and the operation of 3 (three) petroleum products storage depots.

Prior to joining Eterna Plc as the Chief Operating Officer in December 2021, he founded BHR International Ventures Limited (BHR), a privately owned indigenous downstream company in Nigeria and was its former Chief Executive Officer.

He holds a Bachelor of Science degree in Industrial Chemistry from Ambrose Ali University, as well an MBA in Production and Operation Management from Lagos State University, Lagos. He has attended capacity building training programs offered by reputable institutions in and outside Nigeria.

Board of Directors' Profile

Mrs. Phoebean Ifeadi holds a Bachelor of Science degree in Chemistry from University of Ibadan. She also has a Master of Business Administration (MBA) from University of Lagos. She is a Professional Member of Nigerian Institute of Management (Chartered).

She has attended several professional management courses including the specialised programme on Key Issues in the Management of Human Resources at the Lagos Business School.

She has several years of cognate experience and has worked with Pharma Deko Plc as Head Human Resources. Prior to joining Eterna Plc, she was the Managing Director of Brilax Oil Limited, a private company in the downstream oil and gas sector.

She joined Eterna Plc as Executive Director, Corporate Services. As Executive Director Corporate Services, she oversees the Corporate Services function and this includes Human Resources, Procurement, Information Technology, Branding and Corporate Communications, Admin and Asset Management.

Mrs. Godrey Ogbechie is a 1988 graduate of Agricultural Economics and Extension from the University of Calabar. She also holds a master's degree in business administration.

She has extensive banking experience, spanning Operations, Customer Service / Relationship Management, Audit and Human Resource Management. Cumulatively, she spent 19 years with Universal Trust Bank Limited and Fidelity Bank Plc, where she managed high profile projects both within and outside the country. As the Head - Human Resources of Fidelity Bank, she was a key member of the Fidelity, FSB and Manny Bank Merger Team.

Mrs. Ogbechie joined Rainoil Limited in 2009 as an Executive Director, where she oversees Corporate Support Services functions which include; Human Resources, Information Technology, Brand and Corporate Communications, Admin and Facilities Management.

She has attended several management and leadership courses in Nigeria, UK, South Africa and Ghana.

Board of Directors' Profile

Mr. Omuojine is a certified Project Management Professional, a certified Six Sigma Green Belt, and a Chartered Accountant.

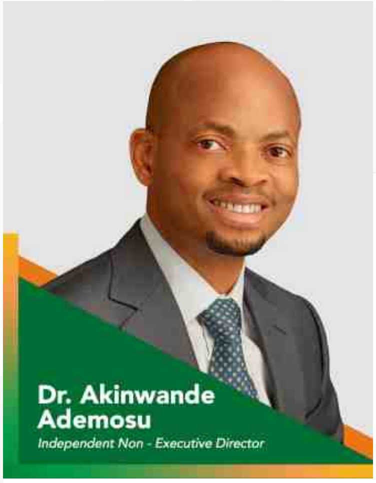
He began his career at the professional services firm of PricewaterhouseCoopers, Nigeria where he rose to the position of Manager, Strategy & Operations Advisory practice. He was involved in several business transformation projects covering Business Strategy Formulation and Validation, Business Process Review, Organisational Design, Risk Management, Internal Control Framework Design and Review.

He is the Executive Director at Rainoil Limited where he has responsibility for driving corporate strategic direction; business processes / controls and overseeing capital projects group-wide.

He is also a Non-Executive Director at Norsworthy Farms & Agro Allied Industries Limited.

Mr. Omuojine is married with two children. He is an avid reader and enjoys playing lawn tennis and chess.

Board of Directors' Profile



Dr. Ademosu is a business leader with global perspectives and a bias for Africa. He is an accomplished entrepreneur and intrapreneur in retail, consumer finance, and fintech. He has over two decades of banking, finance, retail, credit, and consumer finance experience spanning several banks and non-bank financial institutions in Nigeria. He is an acknowledged and exceptional business leader and strategist in extending business boundaries and frontiers.

In 2007, he led the start-up team that developed and birthed the first structured nonbank consumer lending business operations in Nigeria - Credit Direct Limited. He developed and executed the strategic roadmap that grew the company from an initial share capital investment of N200,000 to shareholder funds of approximately N9billion, and declared dividends consistently since inception. The company attained a valuation of N25billion in 2018.

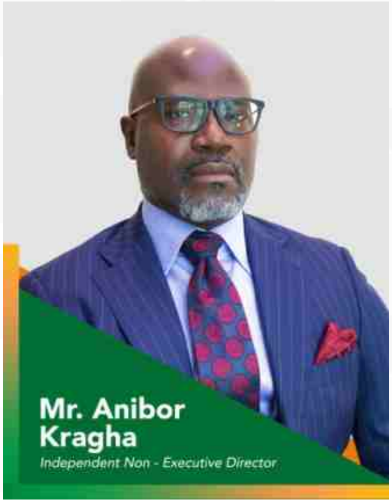
He is a recipient of the Harvard Business School Association of Nigeria Leadership Award for General Management; Consumer Finance Company CEO of the year; His company (Credit Direct) was equally awarded the most Innovative Consumer Finance Company 2018 and 2019; Africa Foresight Group's award for Global Champion 2019 and cfi.co international Best Social Impact Finance Partner in Nigeria in 2019; He was also featured in the top 50 leaders' list in the 2020 Guardian Newspaper report.

Dr. Ademosu is currently the President of the Finance Houses Association of Nigeria and a Fellow of several professional bodies. He mentors and coaches young leaders through his 'IMPACT CIRCLE' on life - faith, family, and career development. He holds a First Degree in Economics from Ogun State University, Nigeria; Master of Business Administration from the University of Nigeria; Doctor of Business Administration from Georgia State University, United States; a qualification in General Management Program (GMP) from Harvard Business School, Massachusetts, United States; an Executive MBA jointly issued by London School of Economics, HEC Paris and NYU Stern in New York.

Dr. Ademosu has a passion for knowledge and learning. He is currently pursuing Fintech specialization certification from Oxford/Said UK. He has business interests in real estate, fintech, retailing, logistics, agriculture, education, entertainment, and hospitality.

He is happily married with children and likes running, playing tennis, and soccer socially.

Board of Directors' Profile

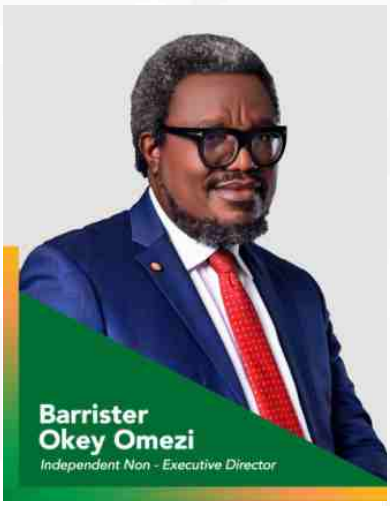


Mr. Anibor Kragha holds four degrees - a bachelor's in chemical engineering from the University of Minnesota (1996), a Masters in Plastics Engineering from the University of Massachusetts-Lowell (1998) and two Masters degrees from Massachusetts Institute of Technology (MIT) in 2003. At MIT, Mr. Kragha was a Leader for Global Operations (LGO) Fellow where he obtained both a Master of Science in Chemical Engineering and a Master of Business Administration (MBA).

He is a past president of the African Refiners & Distributors Association (ARA), the first ever pan-African organization for the Downstream oil sector in Africa. He currently holds the position of Executive Secretary of ARA, a position he has held from April 2020 to date.

Mr. Kragha spent over ten years working for Mobil Producing Nigeria (MPN), an affiliate of ExxonMobil, culminating in serving as the Upstream Treasurer for ExxonMobil Affiliates in Nigeria from July 2012 to September 2015. He also had various roles of increasing responsibility in ExxonMobil Upstream Africa Audit, MPN's Commercial and Treasurer's groups in Nigeria, the ExxonMobil Development Company and Corporate HQ Affiliate Finance department in the U.S.

He was the Chief Operating Officer for the Refineries & Petrochemicals Directorate of the Nigerian National Petroleum Corporation (NNPC) from April 2016 to July 2019. Before then, he served as Group General Manager, Treasury for NNPC from September 2015 to March 2016.



Barr. Omezi obtained his Bachelor of Laws (LLB) degree from University of Benin, Edo State. He is a Barrister & Solicitor of the Supreme Court of Nigeria, called to the Nigerian Bar in 1987 and a member of the Nigerian Bar Association and International Bar Association.

As a legal practitioner, Mr. Omezi has advised a wide range of clients (including private and public institutions) operating across industries on issues arising from all spheres of the legal profession including dispute resolution, corporate law, property, aviation and maritime and energy law. He possesses vast experience in dealing with government and regulatory agencies across sectors in Nigeria and is skilled in resolving complexities that usually arise from such engagements.

Over the years, he has held several top leadership roles in various organizations including the Redeemed Evangelical Mission (TREM) and High-Flyers Estate Limited (where he sits as the current chairman of the Board of Directors). He is currently the co-founder and a Partner in the Lagos based law firm of Ogbemudje, Omezi & Co.

Board of Directors' Profile

Mr. Golkus holds a Bachelor of Laws [LL.B] (Second Class Honors Upper Division) from the University of Jos. He is a Barrister & Solicitor of the Supreme Court of Nigeria called to the Nigerian Bar, having passed the Council of Legal Education Qualifying Examinations with Second Class Honors Upper Division. He holds a MiniMBA from the Tekedia Institute, Boston, USA and is currently undergoing a Master of Laws programme at the University of Lagos, Nigeria.

He has extensive legal, corporate commercial, company secretarial, compliance and corporate governance experience spanning about (12) years. Before his current role, he was the Lead Company Secretariat & Investor Relations at Eterna Plc. Prior to joining Eterna, he worked as a Legal Officer at Rainoil Limited, assisting the Company Secretary & Legal Adviser in the secretariat, compliance, and legal advisory role and overseeing the NFR portfolio of the Rainoil Group. Prior to that, he was Legal & Compliance Officer at FBN General Insurance Ltd, responsible for regulatory compliance and advisory support, and before that, he worked in Total E&P Nigeria CPFA Limited assisting the Company Secretary/Legal Adviser in the advisory, compliance, legal risk management and governance function.

He garnered core criminal and civil litigation, corporate commercial, and legal advisory expertise from serving in the Public Sector (Bauchi State Ministry of Justice) and working in corporate commercial law firms in Lagos in his formative years in practice.

In the course of a career spanning over a decade, he has garnered invaluable knowledge and experience in the legal aspects of energy, oil & gas, corporate finance, mergers and acquisitions, corporate restructurings, corporate governance and company secretarial practice.

Mr. Golkus is married with children. He is a published author, poet and a music enthusiast involved in many non-profit efforts aimed at alleviating human suffering.


eterna
POWERMAX
HD-40
PETROL
MULTIMAX
PREMIUM MOTOR ENGINE OIL
SAE 20W-50
API SF/CF
4L
POWERGEAR
EP-90
Automotive Gear Oil
4L
High Performance
Engine Oil

Directors' Report

Directors' report

The Directors submit their report together with the audited financial statements for the year ended 31 December 2022 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 Exchange Limited (NGX) were first listed in August 1998. The Company is domiciled in Nigeria. 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 42. The profit after tax for the year of N1.01billion (2021: N1.1billion loss) has been transferred to retained earnings.

The Board of Directors has proposed dividend of 15k 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 N116 billion representing overall percentage increase of 42% compared with N82 billion revenue in 2021.

The gross profit increased by 111% in 2022 to N8.99 billion compared to gross profit of N4.26 billion achieved in 2021.

Directors

The Directors who held office during the reporting year were:

Name	
Mr. Nnamdi Obiagwu (Managing Director/CEO)	Appointed as MD/CEO 1st September 2020 Resigned 1st April 2022
Mr. Benjamin Nwaezeigwe	Appointed Executive Director 1st March 2022 Appointed as MD/CEO 1st August 2022
Mrs. Phoebean Ifeadi	Appointed as Executive Director 20th October 2021
Dr. Gabriel Ogbechie, OON	Appointed as Chairman on 20th October 2021
Mrs. Godrey Ogbechie	Appointed as Non-Executive Director 20th October 2021
Mr. Anibor Kragha	Appointed as Non-Executive Director 20th October 2021
Mr. Emmanuel Omuojine	Appointed as Non-Executive Director 20th October 2021
Barr. Okechukwu Omezi	Appointed as Non-Executive Director 20th October 2021
Dr. Akinwande Ademosu	Appointed as Non-Executive Director 1st March 2022

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' Report

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:

Director	*No of shares held*	*No of shares held*
	31 Dec 2022	***31 Dec 2021***
Mr. Nnamdi Obiagwu	-	331,103
Mr. Emmanuel Omuojine	20,186	-
Mrs. Godrey Ogbechie	150,000	-

Indirect Shareholding	*Represented By:*		
Preline Limited	Dr. Gabriel Ogbechie, OON, Mrs. Godrey Ogbechie	819,319,923	805,213,517
Norsworthy Investment Limited	Dr. Gabriel Ogbechie, OON, Mrs. Godrey Ogbechie	34,062,967	34,062,967

Shareholding structure

Range	*No of shareholders*	*No of shares*	*Percentage*
1 - 1,000	8,868	4,759,073	0.36%
1,001 - 5,000	10,398	24,990,388	1.92%
5,001 - 10,000	2,812	20,596,134	1.58%
10,001 - 50,000	3,222	67,414,517	5.17%
50,001 - 100,000	446	32,300,855	2.48%
100,001 - 500,000	389	79,325,672	6.08%
500,001 - 1,000,000	43	31,560,068	2.42%
1,000,001 - 5,000,000	42	92,506,840	7.09%
5,000,001 - 100,000,000	11	131,371,177	10.07%
100,000,001 and above	1	819,319,923	62.82%
Total	**26,232**	**1,304,144,647**	**100%**

According to the register of members as at 31 December 2022, the following shareholders of the Company held more than 5% of the issued share capital of Eterna Plc.

	2022		**2021**	
Shareholder	**No of shares held**	***Percentage***	**No of shares held**	***Percentage***
Preline Limited	819,319,923	62.82%	805,213,517	61.74%

Research and development

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

Directors' Report

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 and environment

The Group has established and enshrined in its operating protocols high standards for 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 HSE 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 15 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.

Donations and gifts
The Company made contributions to some charitable institutions and organizations during the year 2022 amounting to N10.6million (2021: N5.5 million).

Beneficiary	Purpose	N'000
The School of Special Needs for Children, Sagamu, Ogun State	Renovation of classroom blocks, installation of solar lights and supply of lawn mowers	**10,618**

Auditors
In accordance with Section 401(2) of the Companies and Allied Matters Act, 2020,
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

Mandella Golkus
Company Secretary/Legal Adviser
FRC/2022/PRO/NBA/002/00000023899

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 Exchange Limited 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 mere 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 Exchange Limited, 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.

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.

DCSL Corporate Services Limited
235 Ikorodu Road
Ilupeju
P. O. Box 6315, Marina
Lagos, Nigeria

Tel: +234 8090381864
info@ dcsl.com.ng
www.dcsl.com.ng
RC NO. 352393

Abuja Office:
Suite A05, The Statement Hotel
Plot 1002, 1st Avenue
Off Shehu Shagari Way Central Business District
Abuja, Nigeria
Tel: +234 9 4614902-5

April 2023

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE AUDIT OF ETERNA PLC FOR THE YEAR-ENDED 31ST DECEMBER 2022

DCSL Corporate Services Limited ("DCSL") was engaged by Eterna PLC ("Eterna", "the Company") to carry out a performance evaluation of the Board of Directors and a Corporate Governance Compliance Audit for the year-ended 31st December 2022, in line with the provisions of **Principle 14.1 and 15.1 of the Nigerian Code of Corporate Governance, 2018 ("NCCG"), and Guideline 9 of the Securities and Exchange Commission (SEC) Corporate Governance Guidelines for Public Companies in Nigeria issued in 2020 ("SCGG").**

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 above-mentioned 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.

In conducting the appraisal, we reviewed the Company's corporate and statutory documents, Minutes of Board and Committee meetings, policies, processes, and ancillary documents made available to us. We also administered questionnaires and interacted with some members of the Board.

Our review confirms that Eterna has substantially complied with the provisions of the SCGG and NCCG, and that the activities of the Board and the Company significantly align with relevant legislation, regulations and corporate governance best practices. The Directors' Peer Assessment and Chairman's Leadership Assessment indicate that individual Directors discharged, satisfactorily, their governance responsibilities, performed creditably against the set objectives and continue to demonstrate strong commitment to enhancing the Company's growth.

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

Yours faithfully,
For: DCSL Corporate Services Limited

Bisi Adeyemi
Managing Director
FRC/2013/NBA/00000002716

Corporate Governance Report

Governance Structure

Board of Directors

There were eight (8) members on the Board of the Company as at 31st December 2022.

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 always has the duty, 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;
- 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;

Corporate Governance Report

- 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 stakeholders.

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 organization'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

In 2022, the Board of Directors convened five (5) times (2021: six times)

Board Meetings (Attendance)

Director	Number of Meetings Attended	Date of Meeting
Dr. Gabriel Ogbechie, OON (Appointed 20th October 2021)	5	30th March 2022 28th April 2022 26th July 2022 27th October 2022 15th December 2022
Mr. Nnamdi Obiagwu (Resigned 1st April 2022)	1	30th March 2022
Mrs. Phoebean Ifeadi (Appointed 20th October 2021)	5	30th March 2022 28th April 2022 26th July 2022 27th October 2022 15th December 2022
Mrs. Godrey Ogbechie (Appointed 20th October 2021)	5	30th March 2022 28th April 2022 26th July 2022 27th October 2022 15th December 2022
Mr. Emmanuel Omuojine (Appointed 20th October 2021)	5	30th March 2022 28th April 2022 26th July 2022 27th October 2022 15th December 2022
Mr. Anibor Kragha (Appointed 20th October 2021)	5	30th March 2022 28th April 2022 26th July 2022 27th October 2022 15th December 2022
Barr. Okechukwu Omezi (Appointed 20th October 2021)	5	30th March 2022 28th April 2022 26th July 2022 27th October 2022 15th December 2022
Mr. Benjamin Nwaezeigwe (Appointed 1st March 2022)	5	30th March 2022 28th April 2022 26th July 2022 27th October 2022 15th December 2022
Dr. Akinwande Ademosu (Appointed 1st March 2022)	5	30th March 2022 28th April 2022 26th July 2022 27th October 2022 15th December 2022

Corporate Governance Report

Committees of the Board and Summary of their Roles and Responsibilities

The Board has four permanent Committees:

· The Statutory 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 Statutory 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.

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 organized. 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 404 (3) of the Companies and Allied Matters Act 2020, the Committee has three representatives of shareholders and two Directors.

In 2022, the Audit Committee convened four (4) times (2021: four times). The Chairman of the Audit Committee is Engr. MOT Olayiwola Tobun (a shareholder in the Company).

Composition:

1.	Mr. Ignatius Adegunle	Chairman (Tenure expired 16th June 2022)
2.	Engr. MOT Olayiwola Tobun	Chairman (Elected 16th June 2022)
3.	Mr. Omokayode Adekunle	Member
4.	Mrs. Anike Odusote	Member
5.	Mr. Anibor Kragha	Member
6.	Mr. Emmanuel Omuojine	Member

Corporate Governance Report

Audit Committee Meetings (Attendance)

Director	Number of Meetings Attended	Date of Meeting
Mr. Ignatius Adegunle	1	24th March 2022
Engr. MOT Olayiwola Tobun	3	16th June 2022 13th October 2022 9th December 2022
Mr. Omokayode Adekunle	4	24th March 2022 16th June 2022 13th October 2022 9th December 2022
Mrs. Anike Odusote	4	24th March 2022 16th June 2022 13th October 2022 9th December 2022
Mr. Emmanuel Omuojine	4	24th March 2022 16th June 2022 13th October 2022 9th December 2022
Mr. Anibor Kragha	4	24th March 2022 16th June 2022 13th October 2022 9th December 2022

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.

Corporate Governance Report

The Committee convened three (3) times over the year 2022 (2021: three meetings)

Composition:

1. Barr. Okechukwu Omezi	Chairman
2. Mrs. Godrey Ogbechie	Member
3. Mr. Anibor Kragha	Member

Governance Nomination and Remuneration Committee Meetings (Attendance)

Director	Number of Meetings Attended	Date of Meeting
Barr. Okechukwu Omezi	3	15th March 2022 27th September 2022 6th December 2022
Mr. Anibor Kragha	3	15th March 2022 27th September 2022 6th December 2022
Mrs. Godrey Ogbechie	3	15th March 2022 27th September 2022 6th December 2022

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 two (2) meetings in the year 2022 (2021: two meetings).

Composition:

1. Mrs. Godrey Ogbechie	Chairperson
2. Mr. Nnamdi Obiagwu	Member (Resigned from the Board April 2022)
3. Mr. Benjamin Nwaezeigwe	Member (Appointed to the Board March 2022)
4. Dr. Akinwande Ademosu	Member (Appointed to the Board March 2022)
5. Mr. Emmanuel Omuojine	Member

Strategy, Finance and Investment Committee Meetings (Attendance)

Director	Number of Meetings Attended	Date of Meeting
Mrs. Godrey Ogbechie	2	12th October 2022 13th December 2022
Mr. Nnamdi Obiagwu	Nil	NA
Mr. Emmanuel Omuojine	2	12th October 2022 13th December 2022
Mrs. Phoebean Ifeadi	2	12th October 2022 13th December 2022
Mr. Benjamin Nwaezeigwe	2	12th October 2022 13th December 2022

Corporate Governance Report

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. Anibor Kragha	Chairman
2. Mr. Nnamdi Obiagwu	Member (Resigned from the Board April 2022)
3. Mr. Benjamin Nwaezeigwe	Member (Appointed to the Board March 2022)
4. Mr. Okechukwu Omezi	Member
5. Mr. Emmanuel Omuojine	Member
6. Mrs. Phoebean Ifeadi	Member

In 2022, the Risk Management, Health, Safety and Environment Committee convened three (3) meetings; (2021: two meetings).

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

Director	Number of Meetings Attended	Date of Meeting
Mr. Anibor Kragha	3	25th February 2022 8th April 2022 1st August 2022
Mr. Nnamdi Obiagwu	1	25th February 2022
Mr. Okechukwu Omezi	3	25th February 2022 8th April 2022 1st August 2022
Mr. Emmanuel Omuojine	3	25th February 2022 8th April 2022 1st August 2022
Mrs. Phoebean Ifeadi	3	25th February 2022 8th April 2022 1st August 2022
Mr. Benjamin Nwaezeigwe	2	8th April 2022 1st August 2022

BY ORDER OF THE BOARD

Mandella Golkus
Company Secretary/Legal Adviser
FRC/2022/PRO/NBA/002/00000023899
31st March, 2023

eterna

Need Cooking Gas?

Cooking Gas **now available**
@ select Eterna Service
Stations

Ogba, Lagos

09122687667
08085763896

Alapere, Lagos

07025942768
08085763896

Iju, Lagos

07058108992
08085763896

Castrol Authorised Distributor of Castrol

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

The Directors of Eterna Plc and its subsidiaries ("GROUP") are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 December 2022 and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with the 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;"
- prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and are consistently applied; and
- making an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for:

- designing, implementing, and maintaining an effective and sound system of internal controls throughout the Company,
- maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS.
- maintaining statutory accounting records in compliance with legislation of Nigeria and IFRS; and
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and preventing and detecting fraud and other irregularities.

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 2022 were approved by the Directors on 28th March 2023.

Signed on behalf of the Directors of the Group and Company.

Benjamin Nwaezeigwe
Managing Director/CEO
FRC/2022/PRO/DIR/003/00000023332

Gabriel Ogbechie
Chairman
FRC/2022/PRO/DIR/003/00000023899

Certification of the Financial Statement

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) 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 2022 were approved by the directors on 28th March 2023.

Benjamin Nwaezeigwe
Managing Director/CEO
FRC/2022/PRO/DIR/003/00000023332

Abudukerimu Sule
Chief Financial Officer
FRC/2022/PRO/ICAN/001/00000023899

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

In accordance with the Statutory requirement of Section 404(4) 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 2022 are in accordance with the relevant financial reporting framework and agreed ethical practices.
2. The scope and planning of the audit for the year ended 31 December 2022 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 2023

Engr. M.O.T Olayiwola Tobun
Chairman, Audit Committee
FRC/2013/COREN/00000003231

Members of the Committee
Mr. Ignatius Adegunle (Removed 16th June 2022)
Engr. M.O.T Olayiwola Tobun - Chairman (Elected 16th June 2022)
Mr. Omokayode Adekunle
Mrs. Odusote O. Anike
Mr. Anibor Kragha
Mr. Emmanuel Omuojine

In compliance with Rule 10 of Financial Reporting Council (FRC), the appointment of the new audit committee chairman was done due to the expiration of tenure of the former chairman.

Independent Auditor's Report to the Shareholders of Eterna Plc

Deloitte.

P.O. Box 965
Marina
Lagos
Nigeria

Deloitte & Touche
Civic Towers
Plot GA 1, Ozumba Mbadiwe Avenue
Victoria Island
Lagos
Nigeria

Tel: +234 (1) 904 1700
www.deloitte.com.ng

To the shareholders of Eterna Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of **Eterna Plc** and its subsidiaries (the Group and Company) set out on pages 42 to 90, which comprise the consolidated and separate statement of financial position as at 31 December 2022, the 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 financial position of the Group and Company as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act 2020 and Financial Reporting Council Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated and separate financial statements section of our report. We are independent of the Group 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 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 financial statements of the current year. However, we have not identified such matter in our audit of the financial statements in the current year.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit Committee's Report, corporate governance report and other national disclosures, which we obtained prior to the date of this report. 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.

Deloitte.

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 2020, the Financial Reporting Council Act, 2011 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or 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:

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 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 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.

Independent Auditor's Report to the Shareholders of Eterna Plc

Deloitte.

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.

Report on Other Legal and Regulatory Requirements

In accordance with the Fifth schedule of Companies and Allied Matters Act 2020, 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
31 March 2023

Consolidated and Seperate Statement of Profit or Loss and other comprehensive income

		Group		Company	
		31 December	31 December	31 December	31 December
	Notes	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Revenue	6	116,472,441	82,197,987	116,472,441	82,197,987
Cost of sales	7.1	(107,475,193)	(77,933,580)	(107,667,859)	(78,192,664)
Gross profit		**8,997,248**	**4,264,407**	**8,804,582**	**4,005,323**
Selling and distribution expenses	7.2	(283,021)	(235,660)	(282,951)	(233,955)
General and administrative expenses	7.3	(5,739,135)	(4,225,165)	(5,399,741)	(3,946,129)
Other income	10	72,673	429,533	71,328	428,047
Operating profit		**3,047,765**	**233,115**	**3,193,218**	**253,286**
Finance income	11	41,047	9,091	41,047	9,091
Impairment (charge)/reversal on credit loss	12	(300,671)	3,350	(300,671)	3,350
Finance cost	13	(690,267)	(1,181,971)	(690,267)	(1,180,555)
Profit/(loss) before tax		**2,097,874**	**(936,415)**	**2,243,327**	**(914,828)**
Taxation	14	(1,085,622)	(163,717)	(1,085,622)	(163,717)
Profit/(loss) after tax		**1,012,252**	**(1,100,132)**	**1,157,705**	**(1,078,545)**
Other comprehensive income net of tax		-	-	-	-
Total comprehensive income/(loss) for the year		**1,012,252**	**(1,100,132)**	**1,157,705**	**(1,078,545)**
Profit/(loss) for the year attributable to:					
– Owners of the parent		**1,012,296**	**(1,100,128)**	**1,157,705**	**(1,078,545)**
– Non-controlling interests		**(44)**	**(4)**	**-**	**-**
		1,012,252	**(1,100,132)**	**1,157,705**	**(1,078,545)**
Total comprehensive income/(loss) attributable to:					
– Owners of the parent		**1,012,296**	**(1,100,128)**	**1,157,705**	**(1,078,545)**
– Non-controlling interests		**(44)**	**(4)**	**-**	**-**
Total comprehensive income for the year		**1,012,252**	**(1,100,132)**	**1,157,705**	**(1,078,545)**
Earnings per share:					
Basic	28	0.78	(0.84)	0.89	(0.83)
Diluted	28	0.78	(0.84)	0.89	(0.83)

The accompanying notes form an integral part of these financial statements

Consolidated and separate statement of financial position
As at 31 December 2022

	Notes	Group 31 December 2022 N'000	Group 31 December 2021 N'000	Company 31 December 2022 N'000	Company 31 December 2021 N'000
Non-current assets					
Property, plant and equipment	15	12,241,840	12,401,291	11,650,591	11,779,193
Intangible assets	15	40,571	64,451	40,571	64,451
Right of Use	16	1,784,325	2,065,088	1,784,325	2,065,088
Investment in Juhi 2	18.2	575,382	625,382	575,382	625,382
Investment in subsidiaries	18.1	-	-	50,990	50,990
		14,642,118	15,156,212	14,101,859	14,585,104
Current assets					
Inventories	20	11,190,254	12,037,556	11,126,474	12,019,495
Trade and other receivables	21	16,691,547	12,367,813	17,443,963	12,960,126
Prepayments	17	307,291	94,560	306,964	94,233
Cash and bank balances	22	11,159,812	6,426,159	11,159,276	6,422,003
		39,348,904	30,926,088	40,036,677	31,495,857
Total assets		**53,991,022**	**46,082,300**	**54,138,536**	**46,080,961**
Non-current liabilities					
Borrowings	23	-	1,060,374	-	1,060,374
Lease Liability	26	-	147,664	-	147,664
Deferred tax liability	19	1,365,224	951,211	1,406,225	992,212
Decommissioning liability	24	194,979	170,866	178,889	157,020
		1,560,203	**2,330,115**	**1,585,114**	**2,357,270**
Current liabilities					
Trade and other payables	25	11,759,488	11,329,921	11,714,875	11,292,724
Borrowings	23	26,835,967	20,056,872	26,835,967	20,051,081
Tax payable	14.3	704,780	247,017	711,209	246,220
		39,300,235	**31,633,810**	**39,262,051**	**31,590,025**
Total liabilities		**40,860,438**	**33,963,925**	**40,847,165**	**33,947,295**
Equity attributable to shareholders					
Share capital	27	652,072	652,072	652,072	652,072
Share premium	27	5,796,053	5,796,053	5,796,053	5,796,053
Retained earnings		6,682,461	5,670,208	6,843,246	5,685,541
		13,130,586	12,118,333	13,291,371	12,133,666
Non -controlling interest		(2)	42	-	-
Total equity		**13,130,584**	**12,118,375**	**13,291,371**	**12,133,666**
Total equity and liabilities		**53,991,022**	**46,082,300**	**54,138,536**	**46,080,961**

The financial statements were approved by the board of directors and authorised for issue on 28th March, 2023. They were sign ed on its behalf by:

Benjamin Nwaezeigwe	**Abudukerimu Sule**	**Gabriel Ogbechie**
Managing Director/Chief Executive Officer	**Chief Financial Officer**	**Chairman**
FRC/2022/PRO/DIR/003/00000023332	**FRC/2022/PRO/ICAN/001/00000023899**	**FRC/2022/PRO/DIR/003/00000023899**

The accompanying notes form an integral part of these financial statements

Consolidated And Separate Statement Of Changes in Equity

	Share Capital N'000	Share premium N'000	Retained Earnings N'000	Total amount attributable to equity holders N'000	Non - controlling interest N'000	Total Equity N'000
	Attributable to equity holders of the parent Group					
Balance at 1 January 2021	**652,072**	**5,796,053**	**6,900,750**	**13,348,875**	**46**	**13,348,921**
Comprehensive income						
Loss for the year	-	-	(1,100,128)	**(1,100,128)**	(4)	**(1,100,132)**
Total comprehensive income	-	-	**(1,100,128)**	**(1,100,128)**	**(4)**	**(1,100,132)**
Dividend paid	-	-	(130,414)	**(130,414)**	-	**(130,414)**
At 31 December 2021	**652,072**	**5,796,053**	**5,670,208**	**12,118,333**	**42**	**12,118,375**
Balance at 1 January 2022	652,072	5,796,053	5,670,208	**12,118,333**	42	**12,118,375**
Comprehensive income						
Profit for the year	-	-	1,012,252	**1,012,252**	(44)	**1,012,209**
Total comprehensive (loss)/income	**-**	**-**	**1,012,252**	**1,012,252**	**(44)**	**1,012,209**
Dividend paid	-	-	-	-	-	
At 31 December 2022	**652,072**	**5,796,053**	**6,682,461**	**13,130,586**	**(2)**	**13,130,584**

	Share capital N'000	Share premium N'000	Retained earnings N'000	Total Equity N'000
	Company			
Balance at 1 January 2021	652,072	5,796,053	6,894,501	**13,342,626**
Comprehensive income				
Loss for the year	-	-	(1,078,545)	**(1,078,545)**
Total comprehensive income	**-**	**-**	**(1,078,545)**	**(1,078,546)**
Share issue expenses			(130,414)	**(130,414)**
At 31 December 2021	**652,072**	**5,796,053**	**5,685,541**	**12,133,666**
Balance at 1 January 2022	**652,072**	**5,796,053**	**5,685,541**	**12,133,666**
Comprehensive income				
Profit for the year	-	-	1,157,705	**1,157,705**
Total comprehensive (loss)/income	**-**	**-**	**1,157,705**	**1,157,705**
Dividend paid	-	-	-	
At 31 December 2022	**652,072**	**5,796,053**	**6,843,246**	**13,291,371**

Consolidated And Separate Statement Of Cash Flows

	Notes	Group		Company	
		31 December 2022 N'000	31 December 2021 N'000	31 December 2022 N'000	31 December 2021 N'000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Profit/(loss) before taxation		2,097,874	(936,415)	2,243,327	(914,828)
Adjustments for non-cash items:					
Depreciation	15	824,327	768,984	753,890	695,856
Amortisation of Intangible Assets	15	22,023	21,473	22,023	21,473
Amortisation of prepayments	17	26,839	28,028	26,839	28,028
Amortisation of right of use assets	16	397,271	393,185	397,271	393,185
Bad Debt written off	7.3	12,155	110,682	12,155	110,682
Impairment reversal on credit loss	12	(8,761)	(12,111)	(8,761)	(12,111)
Property, plant & equipment written off	15	74,385	-	74,385	-
Intangible assets written off	15	1,857	-	1,857	-
Finance cost on long & short-term financing		449,463	1,037,332	449,463	1,033,986
Finance Income	11	(41,047)	(9,091)	(41,047)	(9,091)
Finance cost on trading	23.1	1,182,226	595,111	1,182,226	596,526
Impairment charge on credit loss	21	309,432	8,761	309,432	8,761
Adjustment for loan receivables in Juhi-2	18.2.1	50,000	-	50,000	-
(Profit)/loss on disposals of property, plant and equipment	10	-	(804)	-	(804)
		5,398,044	**2,005,135**	**5,473,060**	**1,951,663**
Changes in working capital:					
Decrease/(increase) in inventory		847,302	(5,137,848)	893,021	(5,161,483)
(Increase)/decrease in trade & other receivables		(4,808,178)	101,102	(4,968,282)	124,101
(Increase)/decrease in prepayment		(210,150)	15,442	(210,150)	13,817
Increase in trade & other payables		429,568	3,038,473	422,155	2,998,512
		(3,741,458)	**(1,982,831)**	**(3,863,255)**	**(2,025,053)**
Cash flows from operating activities		**1,656,586**	**22,304**	**1,609,805**	**(73,390)**
Tax paid	14	(7,228)	(203,026)	-	(203,026)
Net cash generated from/(used in) operating activities		**1,649,359**	**(180,722)**	**1,609,805**	**(276,416)**
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of property, plant and equipment	15	(781,877)	(1,777,199)	(742,289)	(1,655,551)
Proceeds on disposal of Property, plant and equipment		47,356	6,111	47,356	4,791
Purchase of Intangible assets	15	-	(9,680)	-	(9,680)
Investment in JUHI-2	18.2	-	(56,000)	-	(56,000)
Loan to JUHI-2	18.2.1	(35,000)	-	(35,000)	-
Interest received	11	41,047	9,091	41,047	9,091
Payments for Right of Use Assets	16	(116,508)	(441,486)	(116,508)	(441,486)
Net cash used in investing activities		**(844,983)**	**(2,269,163)**	**(805,395)**	**(2,148,835)**
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from borrowings	23	78,366,233	69,475,461	78,366,233	69,475,461
Repayment of borrowings principal	23	(71,865,057)	(60,841,339)	(71,865,057)	(60,841,339)
Repayment of borrowings interest	23	(1,631,689)	(1,613,404)	(1,631,689)	(1,613,404)
Payments for lease liability - principal	26	(147,664)	(65,610)	(147,664)	(65,610)
Dividend paid		-	(130,414)	-	(130,414)
Net cash generated from financing activities		**4,721,824**	**6,824,694**	**4,721,824**	**6,824,694**
NET CHANGE IN CASH AND CASH EQUIVALENTS		5,526,201	4,374,808	5,526,234	4,399,443
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		5,236,519	850,518	5,238,155	827,526
Effect of foreign exchange rate changes		(10,092)	11,193	(12,299)	11,187
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER 2022	22	**10,752,628**	**5,236,519**	**10,752,092**	**5,238,155**

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements

Notes to the Consolidated and Separate Financial Statements

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, 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

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

ii) Lubricants and chemicals

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

iii) Trading

This segment represents the premium derived from lifting and sales of crude oil.

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 2022				December 2021			
	Retail & industrial	Lubricants & chemicals	Trading	Group	Retail & industrial	Lubricants & chemicals	Trading	Group
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Gross revenue	96,488,735	19,993,350	183,231	116,665,316	65,836,934	15,572,184	1,075,181	82,484,299
Intercompany sales	-	(192,875)	-	(192,875)	-	(286,312)	-	(286,312)
Net Revenue	**96,488,735**	**19,800,475**	**183,231**	**116,472,441**	**65,836,934**	**15,285,872**	**1,075,181**	**82,197,987**
Cost of sales	90,377,172	17,290,895	-	107,668,068	64,859,305	13,360,587	-	78,219,892
Intercompany cost of sales	-	(192,875)	-	(192,875)	-	(286,312)	-	(286,312)
Net cost of sales	**90,377,172**	**17,098,021**	**-**	**107,475,193**	**64,859,305**	**13,074,275**	**-**	**77,933,580**
Gross profit	**6,111,563**	**2,702,454**	**183,231**	**8,997,248**	**977,629**	**2,211,597**	**1,075,181**	**4,264,407**
Operating profit before depreciation & amortisation	2,440,920	1,079,343	73,181	3,593,444	235,728	533,265	259,250	1,028,243
Depreciation & amortisation	(586,852)	(259,498)	-	(846,350)	(549,012)	(242,766)	-	(791,778)
Net finance cost	(537,786)	(111,434)	-	(649,220)	(948,528)	(224,352)	-	(1,172,880)
Profit/(loss) before tax	**1,316,282**	**708,411**	**73,181**	**2,097,874**	**(1,261,812)**	**66,147**	**259,250**	**(936,415)**

Notes to the Consolidated and Separate Financial Statements

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 is derived from varieties of external customers as obtained in 2021 as well. Of these revenues, 82% are attributed to Retail & Industrial Fuels segment (80%: 2021), 17% from Lubricants & Chemical segment (19%: 2021) and 1% from Trading Segment (1%:2021)

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

2.1 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 statements

Notes to the Consolidated and Separate Financial Statements

The Directors also provided the following additional statements in compliance with the Companies and Allied Matters Act 2020:

- 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 2022 to 31 December 2022 with comparative figures for the financial year from 1 January 2021 to 31 December 2021.

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. The Financial statements have also been prepared on a going concern basis.

The preparation of 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

Control is achieved when the Company:

- Has the power over the investee;
- Is exposed, or has rights to variable returns from its involvement with the investee;
- Has the ability to use its power to effect its returns.

The Group reassess periodically whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting right of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power.

The consolidated financial statements comprise 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. The accounting policies used by the subsidiaries are consistent with 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.

2.7 External Auditor

Messrs. Deloitte & Touche acted as our external auditor for the 2022 financial year. The Board confirms that the company has complied with the regulatory requirement as enshrined in the amended Rule 2B of Financial Reporting Council of Nigeria (FRCN).

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 2022, but do not have any material impact on the consolidated financial statements of the Group.

a. Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use

The Group has adopted the amendments to IAS 16 Property, Plant and Equipment for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

b. Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract

The Group has adopted the amendments to IAS 37 for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

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 2022 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 this financial statement.

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

- Amendments to IFRS 17 – Insurance Contracts – Effective for annual periods beginning on or after January 1, 2023.
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies- Effective for annual period beginning on or after January 1, 2023.
- Amendments to IAS 12 - Deferred Tax - Effective date for annual period beginning on or after January 1, 2023.
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current - Effective for annual periods beginning on or after January 1, 2023.
- Amendments to IAS 8 - Accounting Policies and Accounting Estimates - Effective date for annual periods beginning on or after January 1, 2023.
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Effective date for annual periods beginning on or after January 1, 2023.
- Amendments to IFRS 17 Insurance Contracts - Effective date for annual periods beginning on or after January 1, 2023

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 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 equal 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.

(e) 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

Notes to the Consolidated and Separate Financial Statements

profits or losses and movements in other comprehensive income. When the 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 Group operates ('the functional currency'). The financial statements are presented in thousand (Naira), which is the Group's presentation currency.

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. All foreign exchange gains and losses are presented under Other Income in the statement of profit or loss and other comprehensive income.

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 borrowing costs relating to trading operations (purchase of products) are added to the cost of sales as

Notes to the Consolidated and Separate Financial Statements

parts of product costs.

All other borrowing costs are expensed in the income statement.

4.5 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when the performance obligation is satisfied and the customer obtains controls of the products. 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.

Revenue is primarily derived from the sale of the following products: Fuels, lubricants, gas, and premium on crude oil transaction.

Sale of goods

The companies in the Group manufacture and sell lubricating oils and petrochemicals, purchase 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 has satisfied its performance obligation by delivering 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 obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all the criteria for the acceptance have been satisfied. In other words, revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product to a customer. The group acts as agent in the crude lifting and sales, thereby earns revenue in form of a premium from the crude lifting and sales activities.

4.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution

4.7 Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Notes to the Consolidated and Separate Financial Statements

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into one of the following categories:

- amortised cost
- fair value through profit or loss (FVTPL), or
- fair value through other comprehensive income (FVOCI).

In the periods presented the Group does not have any financial assets categorised as FVTPL or FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset.

All revenue and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items.

Subsequent measurement of financial assets

Financial assets at amortised cost:

- Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):
- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, lease receivables, trade receivables and contract assets, as well as on financial guaranteed 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 Group always recognises lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Notes to the Consolidated and Separate Financial Statements

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Classification and measurement of financial liabilities
The Group's financial liabilities include borrowings, trade and other payables and bank overdrafts.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income."

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included in liabilities.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the statement of financial position.

4.8 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.

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% (2021 – 10.3%) and discounted at 12.8% (2021 – 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.

4.9 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 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.

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
Buildings	20
Plant and machinery	10 - 50
Capital work in progress	nil
Office equipment	5 - 10
Furniture and fittings	5 - 10
Motor Vehicles	5
Intangible assets	3 - 10

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

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

4.11 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.

4.12 Income taxation

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

The calculation of current and deferred tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method. The carrying amounts of deferred tax are reviewed at the end of each reporting period on the basis of its most likely amount and adjusted if needed. Assessing the most likely amount of current and deferred tax in case of uncertainties (eg as a result of the need to interpreting the requirements of the applicable tax law), requires the group to apply judgments in considering whether it is probable that the taxation authority will accept the tax treatment retained.

Deferred tax assets are recognised to the extent it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although IAS 12 specifies limited exemptions. As a result of these exemptions the Group does not recognise deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries (only to the extent that the group control the timing of the reversal of the taxable temporary difference and that reversal is not likely to occur in the foreseeable future). The Group does not offset deferred tax assets and liabilities unless it has a legally enforceable right to do so and intends to settle on a net basis.

4.13 Intangible assets

(i) Recognition and measurement

Intangible assets that are acquired by the company and have infinite lives are measured at cost less accumulated amortisation and accumulated impairment losses.

The Group's intangible assets with finite useful lives comprise acquired computer software. These are capitalised on the basis of acquisition costs as well as costs incurred to bring the assets to use.

Notes to the Consolidated and Separate Financial Statements

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific intangible asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(iii) Amortisation of intangible assets

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

4.14 Post-employment benefits and short-term employee benefits

Post-employment benefit plans

The Group provides post-employment benefits through various defined contribution plans.

Defined contribution plans

The Group pays fixed contributions into independent entities in relation to retirement plans and insurances for individual employees. The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

Short-term employee benefits

Short-term employee benefits, including annual leave entitlement, are current liabilities and other employee obligations, measured at the undiscounted amount the Group expects to pay as a result of the unused entitlement.

4.15 Accounting for Leases

(a) The Group as lessee

The Group assesses whether a contract is, or contains, a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group. Lease payments included in the measurement of the lease liability comprise:

Notes to the Consolidated and Separate Financial Statements

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- The amount expected to be payable by the lessee under residual value guarantees.
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options.
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease."

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented as there is no lease liability.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and

Notes to the Consolidated and Separate Financial Statements

accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

(b) The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

The Group also rents equipment to retailers necessary for the presentation and customer fitting and testing of footwear and equipment manufactured by the Group.

Leases for which the Group is a lessor are classified as finance or operating leases.
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

4.16 Equity, reserves and dividend payments

Share capital represents the nominal (par) value of shares that have been issued.

Share premium includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Retained earnings includes all current and prior period retained profits.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

4.17 Interest Income

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

4.18 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 as the Management team that makes strategic decisions. This is usually the Chief Executive Officer.

Segment	Description
Retail and Industrial Fuels	This segment derives revenue from the sale and distribution of petroleum products (white products) 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, Low pour fuel oil. It also involves lifting and sales of crude oil.

Notes to the Consolidated and Separate Financial Statements

The Group has three operating segments: retail and industrial fuels, Lubricant and chemicals and trading. In identifying these operating segments, management generally follows the Group's service lines representing its main products and services.

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 4, 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 Income taxes

The Group is subjected to income taxes only within the Nigerian tax authority which does not require significant judgement in terms of provision for income taxes but a certain level of judgement is requires for recognition of the deferred tax asset or liability. Management is required to assess the ability of the Group to generate future taxable economic earnings that would be utilized for all deferred tax assets or liabilities whether the Group will be able to generate enough future cash flows as part of the management assumptions.

Taxes are paid by companies under a number of different regulations and laws which are subject to varying interpretations. In this environment, it is possible for the tax authorities to review transactions and activities that have not been reviewed in the past and scrutinize these in full details, with additional taxes being assessed based on new interpretations of the applicable laws and regulations. Accordingly, management interpretation of the applicable tax law and regulations as applied to the transactions and activities of the Group may be challenged by the relevant tax authorities.

The Group's management believes that its interpretation of the relevant tax law and regulation is appropriate, and the tax position included in these financial statements will be sustained.

5.1.2 Impairment of financial assets

The loss allowance for financial assets is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the Group's past history, existing market conditions as well as forward looking estimate at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 21.

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 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

5.2.2 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 salability 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 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.

5.2.5 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.

Notes to the Consolidated and Separate Financial Statements

5.3 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.

(a) Liquidity risk

	Due within one year	1 - 2 year
Group		
December 31, 2022	**N'000**	**N'000**
Borrowings	26,428,783	-
Trade and other payables	9,864,439	-
Bank overdrafts	407,184	-
December 31, 2021		
Borrowings	18,867,232	1,060,374
Trade and other payables	10,717,570	-
Bank overdrafts	1,189,640	-
Company		
December 31, 2022		
Borrowings	26,428,783	-
Trade and other payables	9,827,374	-
Bank overdrafts	407,184	-
December 31, 2021		
Borrowings	18,867,232	1,060,374
Trade and other payables	10,681,422	-
Bank overdrafts	1,183,848	-

Notes to the Consolidated and Separate Financial Statements

(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 no long-term borrowings.

An increase/decrease in the interest rate by 10%, all other factors remaining constant, will lead to a 1.5% (2021: 1.5%) increase/decrease in the value of borrowings for the year (2022: N0.24million, 2021: N0.28million)

(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 2022, 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 N15m (2021: N35m) 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 N15m (2021: N35m) 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 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.

Notes to the Consolidated and Separate Financial Statements

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

	31 December 2022	31 December 2021
	N'000	N'000
Neither past due nor impaired	14,236,503	10,451,726
Past due but not impaired	962,097	784,932
Impaired	309,432	8,761
	15,508,031	**11,245,419**

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	646,884	573,879
- by 90 to 180 days	315,213	211,053
- later than 180 days	-	-
Total past due but not impaired	**962,097**	**784,932**

The financial assets and loss allowances thereon are disclosed as follows:

December 31, 2022	Gross carrying amount	Loss allowance	Net carrying amount
	N'000	N'000	N'000
Trade and other receivables	15,493,258	321,587	15,171,671
Due from related party	336,360	-	336,360
Cash and cash equivalents	10,752,628	-	10,752,628
	26,582,246	**321,587**	**26,260,659**

December 31, 2021	Gross carrying amount	Loss allowance	Net carrying amount
	N'000	N'000	N'000
Trade and other receivables	11,180,362	119,443	11,060,919
Due from related party	184,500	-	184,500
Cash and cash equivalents	5,236,519	-	5,236,519
	16,601,381	**119,443**	**16,481,938**

Notes to the Consolidated and Separate Financial Statements

5.4 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.

The net debt ratio as at 31st December 2022 and 31st December 2021 are as follows:

	31 December 2022 N'000	31 December 2021 N'000
Borrowings (Note 23)	26,835,967	21,117,246
Less: Cash and bank balances (Note 22)	(11,159,812)	(6,426,159)
	15,676,155	14,691,087
Equity	13,130,584	12,118,375
Net debt ratio	119%	121%

5.4.1 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, 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 One 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 Two 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 directly (i.e., derived from prices).

Level Three 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, 2022 and 2021.

	Carrying Amount			Fair Value	
	31 December 2022	31 December 2021	Level	31 December 2022	31 December 2021
	N'000	N'000		N'000	N'000
Assets					
Loans and receivables:					
Cash and cash equivalents	10,752,628	5,236,519	3	10,752,628	5,236,519
Trade and other receivables	15,508,031	11,245,419	3	15,508,031	11,245,419
	26,260,659	**16,481,938**		**26,260,659**	**16,481,938**

Notes to the Consolidated and Separate Financial Statements

	Carrying Amount			Fair Value	
	31 December 2022 N'000	31 December 2021 N'000	Level	31 December 2022 N'000	31 December 2021 N'000
Liabilities					
Amortized cost:					
Trade and other payables	9,864,439	10,717,570	3	9,864,439	10,717,570
Borrowings	26,428,783	19,927,606	3	26,428,783	19,927,606
Bank overdrafts	407,184	1,189,640	3	407,184	1,189,640
	36,700,405	**31,834,817**		**36,700,405**	**31,834,817**

6 Revenue

The Group derives its revenue from contracts with customers for the transfer of products at a point in time in the following major product lines. The disclosure of revenue by product lines is consistent with the revenue information that is disclosed for each reportable segment (Note 1).

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Trading	183,231	1,075,181	183,231	1,075,181
Fuel	96,488,735	64,486,012	96,488,735	64,486,012
Lubricants	15,304,067	15,285,872	15,304,067	15,285,872
Others	4,496,408	1,350,922	4,496,408	1,350,922
	116,472,441	**82,197,987**	**116,472,441**	**82,197,987**

Others represent revenue from the sales of Base oil and Liquified Petroleum Gas.
Revenue from Lubricants includes N27.5m (2021: N161m) derived from exports sales.

7 Expenses by nature

	Group		Company	
	2022	2021	2022	2021
7.1 Cost of sales	N'000	N'000	N'000	N'000
Trading	-	-	-	-
Fuel	90,377,172	62,300,116	90,377,172	62,300,116
Lubricants	12,668,731	13,074,275	12,861,397	13,333,359
Others	4,429,290	2,559,189	4,429,290	2,559,189
	107,475,193	**77,933,580**	**107,667,859**	**78,192,664**
7.2 Selling and Distribution expenses				
Marketing and sales commission	281,124	230,009	281,054	230,009
Sampling and analysis	1,897	5,651	1,897	3,946
	283,021	**235,660**	**282,951**	**233,955**

Notes to the Consolidated and Separate Financial Statements

		Group		Company	
		2022	2021	2022	2021
		N'000	N'000	N'000	N'000
7.3	**General and Administration expenses**				
	Staff costs	1,283,715	991,157	1,207,079	914,398
	Pension costs	41,979	41,768	38,776	37,642
	Legal and professional fees	156,312	277,974	122,271	271,393
	Technical Supports Service fees (note 7.3.1)	873,543	-	873,543	-
	Depreciation	824,327	770,305	753,890	695,856
	Employee Welfare	7,844	8,470	7,524	8,356
	Training and Staff Development	50,327	37,397	50,318	36,912
	Travelling & Entertainment	83,940	80,986	78,982	73,697
	Rental Expenses	73,772	41,766	72,618	41,766
	Amortisation of right of use assets	397,271	393,185	397,271	393,185
	Repairs and Maintenance	590,719	391,897	496,336	321,199
	Business Development	60,973	105,193	60,751	105,143
	Donations and gifts	10,618	1,000	10,618	1,000
	Other expenses (note 7.3.2)	85,260	79,825	72,001	73,221
	Stationery and communication	92,962	62,380	91,829	58,209
	Insurance, medical and security	190,835	226,196	179,064	210,187
	License fees	194,441	189,932	183,820	187,204
	Directors' remuneration	103,667	73,565	103,667	73,565
	Board Expenses	66,219	71,094	66,219	71,094
	Bad Debt written off	12,155	110,682	12,155	110,682
	Auditors' remuneration (note 7.3.3)	60,000	37,000	45,000	30,000
	Bank charges	432,119	192,881	432,117	192,840
	Amortisation of Intangible assets	22,023	21,473	22,023	21,473
	Accretion charge	24,113	19,039	21,869	17,108
		5,739,135	**4,225,165**	**5,399,741**	**3,946,129**

7.3.1 The Group engaged Messrs. Preline Limited for technical support services to provide accounting supports services, human resources effectiveness supports services and operations supports services. The consideration for the support services as agreed was 0.75% of the Group's turnover payable quarterly.

7.3.2 Other expenses include office toiletries & consumables (2022: N32.1m, 2021: N38.5m) and electricity bills (2022: N22.5m, 2021: N28.6m)

7.3.3 This represents the audit fees to 'Deloitte & Touche Nigeria', external auditors for the audit services rendered for the year. There were no non-audit services rendered to the Company during the year, hence no fee was paid in that respect.

		Group		Company	
8	**Employees' remuneration and numbers**	2022	2021	2022	2021
		Number	Number	Number	Number
	Administration	31	28	29	27
	Operations	41	37	38	30
	Sales and marketing	21	18	18	18
		93	**83**	**85**	**75**
	Senior Management	10	12	9	11
	Management	8	9	7	8
	Senior staff	75	62	69	56
		93	**83**	**85**	**75**

Notes to the Consolidated and Separate Financial Statements

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

	Group		Company	
	2022	2021	2022	2021
	Number	Number	Number	Number
N3,000,001 - N4,000,000	27	25	26	22
N4,000,001 - N5,000,000	19	10	17	6
Above 5,000,000	47	48	42	47
	93	**83**	**85**	**75**

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

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Salaries and wages	1,283,715	993,075	1,207,079	916,316
Employee welfare	7,844	1,360	7,524	1,246
Pension costs	41,979	41,768	38,776	37,642
	1,333,538	**1,036,203**	**1,253,379**	**955,204**

9 Directors' remuneration

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Fees for services as directors	37,000	73,565	37,000	73,565
Other allowances as director	66,667	-	66,667	-
Other emoluments as management	93,496	56,362	93,496	56,362
	197,163	**129,927**	**197,163**	**129,927**
The emoluments of the chairman of the board (excluding pension contributions)	8,000	17,000	8,000	17,000
The emoluments of the highest paid director	43,117	53,498	43,117	53,498

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

	Group		Company	
	Number	Number	Number	Number
	2022	2021	2022	2021
N6,000,000 - N12,000,000	5	6	5	6
More than N12,000,000	3	2	3	2
	8	8	8	8

There were no loans to key management personnel during the year under review (2021: Nil)

Notes to the Consolidated and Separate Financial Statements

10 Other income	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Other gains	125,242	164,060	123,897	162,575
Profit on disposal of property, plant & equipment	-	804	-	804
Rent income	107,175	52,688	107,175	52,688
Depot storage income	-	1,969	-	1,968
Foreign exchange (loss)/gain	(159,744)	210,012	(159,744)	210,012
	72,673	**429,533**	**71,328**	**428,047**

Other gains in the current year represents the amount recovered from lost inventories, while prior year relates to handling fee with respect to a transaction with a customer.

Profit on disposal of property, plant & equipment is N475. This is not showing in full because the figures in the financials are reported in thousand (N'000).

Foreign exchange gain/(loss) represents the gain/loss resulting from exchange rate differences on foreign currency denominated transactions.

11 Finance income	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Interest income on short-term bank deposits	41,047	9,091	41,047	9,091
	41,047	**9,091**	**41,047**	**9,091**

12 Impairment (charge)/reversal on credit loss	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Impairment reversal (note 21.1)	8,761	12,111	8,761	12,111
Impairment charge (note 21)	(309,432)	(8,761)	(309,432)	(8,761)
	(300,671)	**3,350**	**(300,671)**	**3,350**

13 Finance cost	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Interest on bank overdrafts	240,804	163,677	240,804	163,676
Interest on Short term financing	335,888	948,001	335,888	946,586
Interest on long term financing	113,576	70,293	113,576	70,293
	690,267	**1,181,971**	**690,267**	**1,180,555**

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

Notes to the Consolidated and Separate Financial Statements

		Group		Company	
14	**Taxation**	**2022**	**2021**	**2022**	**2021**
		N'000	**N'000**	**N'000**	**N'000**
	Current taxes on income for the year	583,767	206,093	583,767	206,093
	Education tax levy for the year	87,842	-	87,842	-
	Tax credit	-	167,746	-	167,746
	Deferred tax for the year	414,013	(210,122)	414,013	(210,122)
	Tax expense on Income statement	1,085,622	163,717	1,085,622	163,717
	Tax on Other Comprehensive Income	-	-	-	-
	Total tax expense	**1,085,622**	**163,717**	**1,085,622**	**163,717**

14.1	**Reconciliation of effective tax rate**				
	Profit/(loss) before income tax		2,097,874		(936,415)
	Income tax using the domestic corporation tax rate	30%	629,362	29%	(274,449)
	Disallowed expenses	15%	318,192	12%	247,818
	Non- taxable income	0%	-	(0%)	(804)
	Education tax levy	4%	87,842	0%	-
	Tax Incentives	(44%)	(920,031)	(32%)	(668,482)
	Minimum Tax Effect	28%	583,767	10%	206,093
	Tax credit	0%	-	8%	167,746
	Tax effect of balancing charge	(1%)	(27,523)	(2%)	(51,762)
	Total income tax expense in statement of comprehensive income	**32%**	**671,609**	**25%**	**373,839**

14.2	**Reconciliation of effective tax rate**				
	Profit/(loss) before income tax		2,243,327		(914,829)
	Income tax using the domestic corporation tax rate	30%	672,998	30%	(274,449)
	Disallowed expenses	14%	318,192	(27%)	247,818
	Non- taxable income	0%	-	0%	(804)
	Education tax levy	4%	87,842	0%	-
	Tax incentives	(43%)	(963,667)	73%	(668,482)
	Minimum Tax Effect	26%	583,767	(23%)	206,093
	Tax credit	0%	-	(18%)	167,746
	Tax effect of balancing charge	(1%)	(27,523)	6%	(51,762)
		30%	**671,609**	**41%**	**373,839**

14.3	**Tax Payable**				
	As at 1 January 2022	247,017	121,450	246,218	120,653
	Tax paid	(7,228)	(203,026)	-	(203,026)
	WHT utilised	(206,618)	(45,246)	(206,618)	(45,246)
	Income tax charge	671,609	373,839	671,609	373,839
	As at 31 December 2022	**704,780**	**247,017**	**711,209**	**246,220**
	Current	704,780	247,017	711,209	246,220
	Non-current	-	-	-	-
		704,780	**247,017**	**711,209**	**246,220**

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 and Finance Act 2022. The Tertiary Education tax of 2.5 per cent is based on the provisions of the Tertiary Education Trust Fund Act 2011 and Finance Act 2022.

15 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 2021	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	151,481	249,665	1,017,190	47,994	19,209	291,660	**1,777,199**	9,680	**9,680**
Transfers (Note 15.4)	92,320	74,056	(174,678)	-	8,302	-	-	-	-
Assets disposed	(153)	(11,789)		(3,722)	(1,539)	(127,050)	**(144,253)**	-	-
At 31 December 2021	5,929,526	7,647,306	1,664,421	339,569	328,868	1,101,931	**17,011,621**	152,838	**152,838**
Additions in the year	60,055	41,193	435,887	30,487	17,601	196,654	**781,877**	-	-
Transfers (Note 15.4)	897,772	96,654	(1,027,943)	10,931	22,586		-	-	-
Asset written off (Note 15.3)	(3,182)	(5,405)	(65,293)	(235)	(270)	-	**(74,385)**	(1,857)	**(1,857)**
Assets disposed	-	(9,796)	-	(162)	(330)	(118,427)	**(128,715)**	-	-
At 31 December 2022	**6,884,172**	**7,769,952**	**1,007,072**	**380,590**	**368,455**	**1,180,158**	**17,590,399**	**150,981**	**150,981**
Accumulated Depreciation, Amortisation and Impairment									
At 1 January 2021	(480,735)	(2,718,286)	-	(179,440)	(152,065)	(449,764)	**(3,980,290)**	(66,914)	**(66,914)**
Charge for the year	(163,219)	(311,538)	-	(48,145)	(53,308)	(192,775)	**(768,984)**	(21,473)	**(21,473)**
Assets disposed	93	7,688		3,328	787	127,050	**138,946**	-	-
At 31 December 2021	(643,862)	(3,022,136)	-	(224,257)	(204,586)	(515,489)	**(4,610,328)**	(88,387)	**(88,387)**
Charge for the year	(196,906)	(318,273)	-	(46,943)	(51,182)	(211,024)	**(824,327)**	(22,023)	**(22,023)**
Asset written off (Note 15.3)	1,720	2,572	-	176	270	-	**4,739**	-	-
Assets disposed	-	9,796	-	162	330	71,071	**81,359**	-	-
At 31 December 2022	**(839,048)**	**(3,328,041)**	**-**	**(270,861)**	**(255,168)**	**(655,441)**	**(5,348,559)**	**(110,410)**	**(110,410)**
Net Book Value									
At 31 December 2021	5,285,664	4,625,170	1,664,421	115,312	124,282	586,442	**12,401,291**	64,451	**64,451**
At 31 December 2022	6,045,124	4,441,911	1,007,072	109,729	113,287	524,717	**12,241,840**	40,571	**40,571**

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 2021	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	145,821	158,917	1,018,279	42,868	18,073	271,592	**1,655,551**	9,680	**9,680**
Transfers (Note 15.4)	92,320	74,056	(174,678)	-	8,302	-	**-**	-	**-**
Assets disposed	(153)	(6,289)	-	(3,722)	(1,539)	(127,050)	**(138,753)**	-	**-**
At 31 December 2021	5,730,750	6,895,037	1,662,203	282,028	292,629	1,074,863	**15,937,512**	152,838	**152,838**
Additions in the year	59,260	20,816	432,209	16,321	17,029	196,654	**742,289**	-	**-**
Transfers (Note 15.4)	897,772	96,654	(1,027,943)	10,931	22,586	-	**-**	-	**-**
Asset written off (Note 15.3)	(3,182)	(5,405)	(65,293)	(235)	(270)	-	**(74,385)**	(1,857)	**(1,857)**
Assets disposed	-	-	-	-	-	(118,427)	**(118,427)**	-	**-**
At 31 December 2022	**6,684,601**	**7,007,102**	**1,001,176**	**309,045**	**331,974**	**1,153,090**	**16,486,989**	**150,981**	**150,981**
Accumulated Depreciation, Amortisation and Impairment									
At 1 January 2021	(441,587)	(2,437,211)	-	(138,056)	(132,943)	(447,429)	**(3,597,226)**	(66,914)	**(66,914)**
Charge for the year	(152,082)	(267,124)	-	(42,138)	(46,816)	(187,696)	**(695,856)**	(21,473)	**(21,473)**
Assets disposed	93	3,477	-	3,359	787	127,050	**134,766**	-	**-**
At 31 December 2021	(593,577)	(2,700,858)	-	(176,835)	(178,972)	(508,075)	**(4,158,316)**	(88,387)	**(88,387)**
Charge for the year	(185,379)	(275,716)	-	(41,252)	(45,932)	(205,610)	**(753,890)**	(22,023)	**(22,023)**
Asset written off (*Note 15.3)*	1,720	2,572	-	176	270	-	**4,739**	-	**-**
Assets disposed	-	-	-	-	-	71,071	**71,071**	-	**-**
At 31 December 2022	**(777,236)**	**(2,974,002)**	**-**	**(217,911)**	**(224,634)**	**(642,614)**	**(4,836,396)**	**(110,410)**	**(110,410)**
Net Book Value									
At 31 December 2021	5,137,173	4,194,179	1,662,203	105,193	113,657	566,788	**11,779,193**	64,451	**64,451**
At 31 December 2022	5,907,365	4,033,100	1,001,176	91,134	107,340	510,476	**11,650,591**	40,571	**40,571**

Notes to the Consolidated and Separate Financial Statements

15.1. Capital WIP – Assets categorized as Capital Work-In-Progress are the cost of land and building, survey, cost of processing land documentation and various stations upgrades costs.

15.2. 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 and the owned stations across the country. The value of security is N7.7billion.

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

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

15.5. Included in land and buildings is freehold land of N2.5 billion (2021: N2.5 billion) which is not depreciated.

16 Right of Use Assets

	Group		Company	
	31 Dec 2022	**31 Dec 2021**	**31 Dec 2022**	**31 Dec 2021**
	N'000	**N'000**	**N'000**	**N'000**
As at 1 January 2022	2,065,088	2,046,208	2,065,088	2,046,208
Additional lease	116,508	412,065	116,508	412,065
Depreciation	(397,271)	(393,185)	(397,271)	(393,185)
	1,784,325	**2,065,088**	**1,784,325**	**2,065,088**

16.1

		Group & Company	
	Retail Stations	**Others - Offices & Warehouses**	**Right of Use of Asset**
Cost or valuation	**N'000**	**N'000**	**N'000**
At 1 January 2021	2,402,731	169,256	2,571,987
Additions	412,065	-	412,065
At 31 December 2021	2,814,796	169,256	2,984,052
Additions	58,175	58,333	116,508
At 31 December 2022	2,872,971	227,589	3,100,560
Accumulated depreciation and impairment			
At 1 January 2021	457,458	68,322	525,779
Charge for the year	345,513	47,672	393,185
At 31 December 2021	802,970	115,994	918,964
Charge for the year	327,203	70,068	397,271
At 31 December 2022	1,130,173	186,062	1,316,235
Carrying amount			
At 31 December 2022	**1,742,798**	**41,527**	**1,784,325**
At 31 December 2021	**2,011,826**	**53,262**	**2,065,088**

The group leases several fueling stations and tank farms. The average lease term is 7 years (2021: 7 years).

There are usually an extension or termination options on the lease. None of the leased property expired during the year under review (2021: Nil)

Notes to the Consolidated and Separate Financial Statements

17	Prepayments	Group		Company	
		31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
		N'000	N'000	N'000	N'000
	Balance as at January	8,826	7,433	8,826	7,433
	Additions	194,513	29,421	194,513	29,421
	Amortisation	(26,839)	(28,028)	(26,839)	(28,028)
		176,499	**8,826**	**176,499**	**8,826**
	Other short-term prepayment	130,792	85,734	130,465	85,407
	Prepayments	176,499	8,826	176,499	8,826
		307,291	**94,560**	**306,964**	**94,233**

17.1 Other short-term prepayment represents staff upfront payments and insurance premiums.

18	Investments	Company	
		31 Dec 2022	31 Dec 2021
18.1	**Investment in subsidiaries is made up of:**	N'000	N'000
	99.98% in Eterna Industries Limited	49,990	49,990
	99.99% in Eterna Marine and Services Limited	1,000	1,000
		50,990	**50,990**

These investments are ultimately consolidated at group level.

		Group		Company	
		31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
18.2	**Investments in Juhi-2**	N'000	N'000	N'000	N'000
	JUHI 2 Project	575,382	625,382	575,382	625,382
		575,382	625,382	575,382	625,382

Investment in JUHI 2 represents the equity contribution on the aviation tank farm development project (Joint User Hydrant Installation II). This is a joint venture arrangement among consortium of downstream operators. Eterna Plc holds 31% ownership of the project as at 31st December 2022. The investment is accounted for using the equity method.

18.2.1 The Group reclassify N50m payments made in prior year as a loan to Juhi-2 from investment into receivables as the conditions for converting the loan to equity have not been triggered. An additional loan of N35m was given to Juhi-2 in 2022. As at 31st December 2022, the project has been completed and the joint venture is awaiting commissioning.

Notes to the Consolidated and Separate Financial Statements

19 Deferred Income Tax

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	N'000	N'000	N'000	N'000
The analysis of deferred tax liabilities is as follows:				
Deferred tax Liabilities				
Deferred tax liabilities to be recovered after more than 12 months	1,365,224	951,211	1,406,225	992,212
Deferred tax liabilities to be recovered within 12 months	-	-	-	-
	1,365,224	**951,211**	**1,406,225**	**992,212**

The deferred tax is based on the tax rate of 30% as provided in the Companies Income Tax Act CAP C21 LFN 2004 and Finance Act 2022

The deferred tax effects from leases or the decommissioning liability is N58m, and this has been included in the total deferred tax liabilities for the year.

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior year.

	Group			
Deferred tax liabilities	**Trade and other Receivables**	**Property, Plant & Equipment**	**Other Provisions**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
At 1 January 2022	(19,197)	1,222,217	(41,687)	1,161,333
Charged/(credited) to the income statement	16,350	(230,145)	3,673	(210,122)
At 31 December 2021	**(2,847)**	**992,072**	**(38,014)**	**951,211**
(Credited)/charged to the income statement	(94,871)	628,631	(119,747)	414,013
Charged/(credited) to other comprehensive income	-	-	-	-
At 31 December 2022	**(97,718)**	**1,620,703**	**(157,761)**	**1,365,224**

Notes to the Consolidated and Separate Financial Statements

Deferred tax liabilities	Trade and other receivables N'000	Company Property, Plant & Equipment N'000	Other Provisions N'000	Total N'000
At 1 January 2022	(19,197)	1,263,245	(41,714)	1,202,334
Charged/(credited) to the income statement	16,350	(230,145)	3,673	(210,122)
At 31 December 2021	**(2,847)**	**1,033,100**	**(38,041)**	**992,212**
(Credited)/charged to the income statement	(94,871)	628,631	(119,747)	414,013
Charged/(credited) to other comprehensive income				-
At 31 December 2022	**(97,718)**	**1,661,731**	**(157,788)**	**1,406,225**

20 Inventories

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	N'000	N'000	N'000	N'000
Raw materials	1,895,178	1,233,362	1,895,178	1,233,362
Finished goods	9,122,356	10,687,666	9,122,191	10,687,501
Consumables	172,720	116,528	109,105	98,632
	11,190,254	**12,037,556**	**11,126,474**	**12,019,495**

The inventories transferred by the Group to cost of sales for the year 2022 is N101billion (2021: N77billion).

Inventories are carried at the lower of cost and net realisable value. Cost is determined using weighted average method. The cost of lubricants (included in finished goods) comprises 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 Statements

21 Trade and other receivables		Group		Company	
	Notes	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
		N'000	N'000	N'000	N'000
Trade receivables		3,351,993	2,364,776	3,351,993	2,364,776
Less: Bad debts written off	7.3	(12,155)	(110,682)	(12,155)	(110,682)
Less: Impairment of trade receivables	21.1	(309,432)	(8,761)	(309,432)	(8,761)
Trade receivables – net		3,030,406	2,245,333	3,030,406	2,245,333
Due from Group Companies	31	-	-	823,643	645,462
Due from Related Parties	31	336,360	184,500	336,360	184,500
Advances	21.2	7,859,259	4,264,031	7,832,005	4,238,129
Bridging claims	21.3	1,316,855	863,806	1,316,855	863,806
Foreign Exchange Purchase Deposit	21.4	364,575	512,492	364,575	512,492
Loan to JUHI-2	18.2.1	85,000	-	85,000	-
Other receivables	21.5	2,515,576	3,175,257	2,471,603	3,148,005
Financial assets		15,508,031	11,245,419	16,260,447	11,837,727
WHT receivables		1,183,516	1,122,396	1,183,516	1,122,396
Non-financial asset		1,183,516	1,122,396	1,183,516	1,122,396
		16,691,547	**12,367,813**	**17,443,963**	**12,960,126**

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 90 days (2021: 30 to 220 days).

Amount due from group companies and related parties are unsecured, non-interest bearing and receivable upon demand.

The Directors consider that the carrying amount of trade and other receivables is appropriately equal to their fair value.

Loss allowance for trade receivables is measured at an amount equal to lifetime 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.

The Company has recognised a loss allowance across all age bands of receivables. The total exposure on the ECL is the amount of trade receivables less bad debts written-off. Below is the analysis of ECL based on Age band.

Notes to the Consolidated and Separate Financial Statements

2022

Age Bands	Current	1-30 Days	31-60 Days	61-90 Days	91-180 Days	181-360 Days	Above 360 Days	Total
Total Exposure (N'000)	1,491,887.28	173,354.49	509,839.53	517,547.31	67,079.32	430,511.65	149,617.86	3,339,837.44
Total Expected Loss (N'000)	24,912.23	9,643.32	34,038.42	9,199.12	9,514.30	78,290.31	143,834.03	309,431.72
Coverage Ratio	1.67%	5.56%	6.68%	1.78%	14.18%	18.19%	96.13%	9.26%

2021

Age Bands	Current	1-30 Days	31-60 Days	61-90 Days	91-180 Days	181-360 Days	Above 360 Days	Total
Total Exposure (N'000)	1,469,162.11	392,607.40	181,272.02	211,052.88	-	-	-	2,254,094.40
Total Expected Loss (N'000)	1,854.64	2,277.41	2,071.11	2,558.32	-	-	-	8,761.48
Coverage Ratio	0.13%	0.58%	1.14%	1.21%	0%	0%	0%	0.39%

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

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	N'000	N'000	N'000	N'000
Neither past due nor impaired	15,420,019	11,574,122	16,172,435	12,166,429
Past due but not impaired	962,097	784,932	962,097	784,932
Impaired	309,432	8,761	309,432	8,761
Total past due but not impaired	**16,691,547**	**12,367,815**	**17,443,963**	**12,960,123**

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.

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 the nature of the receivables and the amounts are still considered recoverable.

	Group		Company	
Past due but not impaired:	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	N'000	N'000	N'000	N'000
- by up to 90 days	646,884	573,879	646,884	573,879
- by 90 to 180 days	315,213	211,053	315,213	211,053
- later than 180 days	-	-	-	-
Total past due but not impaired	**962,097**	**784,932**	**962,097**	**784,932**

Notes to the Consolidated and Separate Financial Statements

21.1 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 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	N'000	N'000	N'000	N'000
As at 1 January 2022	(8,761)	(12,111)	(8,761)	(12,111)
Expected credit loss (ECL)	(309,432)	(8,761)	(309,432)	(8,761)
Release of previous provision	8,761	12,111	8,761	12,111
As at 31 December 2022	**(309,432)**	**(8,761)**	**(309,432)**	**(8,761)**

The release of Expected Credit Loss (ECL) provisions is included in 'impairment (charge)/reversal' in the income statement (note 12).

21.2 Advances largely consists of advance payment to a supplier (PPMC) for unloaded products at year end.

21.3 Bridging claims represents receivables from Petroleum Equalization Fund (PEF) for fuels (PMS) distribution from the depot to the retail stations in the bridging areas.

21.4 The foreign exchange purchase deposits relates to the cash deposits for purchase of USD in the CBN retail bid session and other licensed market for settlement of due obligation from a letter of credit and bills for collection on the importation of AGO and Baseoils.

21.5 Other receivables relate to Input VAT (2022: N1.9billion, 2021: N1.2billion) on purchases of raw materials and other various debit balances. They are not subject to impairment.

22 Cash and Cash Equivalents

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	N'000	N'000	N'000	N'000
Cash and bank	11,084,777	1,689,033	11,084,241	1,684,877
Short term deposits with financial institutions	75,035	4,737,126	75,035	4,737,126
	11,159,812	**6,426,159**	**11,159,276**	**6,422,003**
Bank overdrafts	(407,184)	(1,189,640)	(407,184)	(1,183,848)
Cash and Cash equivalents	**10,752,628**	**5,236,519**	**10,752,092**	**5,238,155**

For the purpose of the statements of cash flows, the cash and cash equivalent balance includes bank overdraft.

Notes to the Consolidated and Separate Financial Statements

23 Borrowings

Current		Group 31 Dec 2022	Group 31 Dec 2021	Company 31 Dec 2022	Company 31 Dec 2021
		N'000	N'000	N'000	N'000
As at 1 January 2022		19,927,606	11,293,485	19,927,606	11,293,485
Additions		78,366,233	69,475,461	78,366,233	69,475,461
Interest on term loan		113,576	70,293	113,576	70,293
Interest on trading cost	(Note 23.1)	1,518,113	1,543,111	1,518,113	1,543,111
Repayment (principal)		(71,865,057)	(60,841,339)	(71,865,057)	(60,841,339)
Repayment (interest)		(1,631,689)	(1,613,404)	(1,631,689)	(1,613,404)
		26,428,783	**19,927,606**	**26,428,783**	**19,927,606**
Bank overdraft		407,184	1,189,640	407,184	1,183,848
		26,835,967	**21,117,246**	**26,835,967**	**21,111,455**
Current		26,835,967	20,056,872	26,835,967	20,051,081
Non- current		-	1,060,374	-	1,060,374

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 15% to 18% per annum with repayment period ranging from 15 to 270 days. These short-term facilities are secured by lien on the products for resale, the Group's Petroleum Storage Depot, and owned filling stations across the country (note 15.2).

23.1 Interest on trading cost was distributed between cost of sales (2022: N1.18billion, 2021: N595million) and finance cost (2022: N335million, 2021: N948million).

24 Decommissioning Liability

	Group 31 Dec 2022	Group 31 Dec 2021	Company 31 Dec 2022	Company 31 Dec 2021
	N'000	N'000	N'000	N'000
Balance as at 1 January	170,866	131,878	157,020	119,963
Additional obligations incurred	-	19,949	-	19,949
Accretion expenses	24,113	19,039	21,869	17,108
Balance at 31 December	194,979	170,866	178,889	157,020

The Company makes provision for the future cost of decommissioning storage tanks on a discounted basis. These costs are expected to be incurred for 30 to 50 years. The provision has been estimated using existing technology at current prices, escalated between 10.3% - 11% (2021: 10.3%-11%) and discounted between the range of 12.8% - 16.2% (2021: 12.8% - 16.2%). The economic life and the timing of the asset retirement obligation are dependent on Government legislation, commodity price and the future production profiles of the project. In addition, the estimated cash outflows are subject to inflationary and/or deflationary pressures. No filling stations were acquired in 2022.

Notes to the Consolidated and Separate Financial Statements

25	Trade and other payables		Group 31 Dec 2022	Group 31 Dec 2021	Company 31 Dec 2022	Company 31 Dec 2021
			N'000	N'000	N'000	N'000
	Trade creditors		7,382,974	9,147,574	7,374,974	9,147,574
	Due to Related Parties	(Note 31)	316,378	125,310	316,378	125,310
	Advance received	(Note 25.1)	311,872	699,706	311,872	699,706
	Other payables	(Note 25.2)	1,853,215	744,980	1,824,150	708,832
	Financial liabilities		9,864,439	10,717,570	9,827,374	10,681,422
	Tax related liabilities		83,383	57,686	82,880	56,638
	Accrued payables		1,811,667	554,665	1,804,621	554,665
	Non-financial liabilities		1,895,050	612,351	1,887,501	611,303
			11,759,489	**11,329,921**	**11,714,875**	**11,292,725**

25.1 Included in the Advance received are the customer deposits of N309million (2021: N620millon) for white products and advance rent received from tenants. For product sales, revenue is recognised when control of the products is transferred to the customers, b eing at a point the goods are delivered to the customers. When the customer initially makes payment for products, the transaction price received at the point by the company is recognized as advanced received (contract liability) until the products have bee n delivered to the customer. There were no significant changes in the account balance during the year.

In line with the business model of the company, all advances received in prior period were satisfied in the current year and recognised in revenue of the current year. There was no revenue recognised in the current year that related to performance obligations that were satisfied in prior year.

25.2 Other payables relate to Output VAT (2022: N1.24billion, 2021: N602million) on sales of lubrican ts and other various credit balances.

26	Lease liability	Group 31 Dec 2022	Group 31 Dec 2021	Company 31 Dec 2022	Company 31 Dec 2021
		N'000	N'000	N'000	N'000
	Opening balance	147,664	213,274	147,664	213,274
	Payment during the year	(147,664)	(65,610)	(147,664)	(65,610)
		-	**147,664**	**-**	**147,664**

The outstanding lease liability from prior year was paid off in 2022.

27	Share capital	Group & Company 31 Dec 2022	Group & Company 31 Dec 2021
	Authorised:	N'000	N'000
	Issued, allotted and fully paid:		
	1,304,145 thousand Ordinary shares of 50k each	652,072	652,072

Movements during the year:	Number of shares N'000	Share capital N'000	Share premium N'000	Total N'000
At 1 January 2022	1,304,145	652,072	5,796,053	6,448,125
Issue of new shares	-	-	-	-
At 31 December 2022	**1,304,145**	**652,072**	**5,796,053**	**6,448,125**

Notes to the Consolidated and Separate Financial Statements

28 Earnings per share

(a) Basic

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

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	N'000	N'000	N'000	N'000
Profit/(loss) for the year attributable to shareholders (in N'000)	1,012,252	(1,100,132)	1,157,705	(1,078,547)
Weighted average number of ordinary shares in issue (thousands)	1,304,145	1,304,145	1,304,145	1,304,145
Basic earnings/(loss) per share (in N)	0.78	(0.84)	0.89	(0.83)

(b) Diluted

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

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	N'000	N'000	N'000	N'000
Profit/(loss) for the year attributable to shareholders (in N'000)	1,012,252	(1,100,132)	1,157,705	(1,078,547)
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
Diluted earnings/(loss) per share (in N)	0.78	(0.84)	0.89	(0.83)

On 28 March 2023, the directors recommended the payment of a dividend of 15k per share on the 1,304,144,647 issued shares of the company amounting to N195,621,697. This is subject to the shareholders' approval at the Annual General Meeting.

29 Contingent liabilities

The Group currently have Seven (7) open legal proceedings that arose in the ordinary course of its busines ses as at 31 December 2022. The total contingent liabilities in respect of these pending litigations as at 31 December 2022 is ₦2.47 billion (Dec 2021: ₦2.3 billion). In our opinion and based on the various responses received from our external Solicitors handling our lawsuits, there are no significant claims likely to crystalize from legal cases against the Company.

Included in the contingent liability is a litigation with N500 million contingent liability which has been decided upon in favour of the Company post to year end.

30 Commitments

The group has no commitment as at 31st December 2022. (2021: Nil)

Notes to the Consolidated and Separate Financial Statements

31 Related party transactions

Preline Limited holds 62.82% of the equity share in Eterna Plc while the remaining 37.18% is owned by the Nigerian public. However, balances and transactions between the company and its subsidiaries which are related parties have been eliminated on consolidation and are not disclosed in this note.

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	
Company Name:	**Relationship**	**31 Dec 2022**	**31 Dec 2021**
		N'000	**N'000**
Eterna Industries Limited	Subsidiary	756,451	578,270
Eterna Marine and Services Limited	Subsidiary	67,192	67,192
		823,643	**645,462**

In addition, the company engaged in transactions with other related companies (Rainoil Limited, Fynfield Petroleum Company Limited, and Rainoil Logistics Limited) which are connected companies to Preline Limited.

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

a) Transactions

		31 Dec 2022	**31 Dec 2021**
		N'000	**N'000**
Sales	**Relationship**		
Rainoil Limited	Related Company	999,823	-
Rainoil Logistics	Related Company	10,657	-
		1,010,481	**-**

These represent sales of petroleum products and lubricants to Rainoil Limited and Rainoil Logistics.

Purchases	**Relationship**		
Eterna Industries Limited	Subsidiary	192,875	286,312
Rainoil Limited	Related Company	7,697,042	2,947,265
Fynfield Petroleum Company Limited	Related Company	729,003	626,122
Rainoil Logistics Limited	Related Company	232,925	-
		8,851,844	**3,859,699**

These represent blending fee charged by Eterna industries to produce Eterna Plc's Lubricants, the petroleum products purchased for resale at Eterna's fueling stations across the country and logistics services.

Services			
Preline Limited	Related Company	873,543	-

This represents the technical supports services rendered to the Group.

Notes to the Consolidated and Separate Financial Statements

	31 Dec 2022 N'000	31 Dec 2021 N'000
Balance due to related party		
Preline Limited	(132,319)	-
Rainoil Limited	(181,522)	-
Rainoil Logistics	(2,537)	-
Fynfield Petroleum Company Limited	-	(125,310)
	(316,378)	**(125,310)**
Balance due from related party		
Rainoil Limited	247,651	184,500
Fynfield Petroleum Company Limited	88,709	-
	336,360	**184,500**

b) Key management compensation

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

	31 Dec 2022 N'000	31 Dec 2021 N'000
Management salaries & wages	157,705	195,670
Board of Directors renumerations	103,667	73,565
	261,372	**269,235**

32 Events after reporting period

No adjusting or significant non-adjusting events have occurred between the 31 December reporting date and the date of authorisation.

33 Comparative figures

Certain comparative balances have been reclassified to conform to the current year grouping

Reclassified from	Reclassified to	Naira '000 Group/Company
General and Administrative expenses - Allowance for impairment	The face of income statement	(8,761)
The face of income statement - Foreign exchange gain	Other income	210,012

Notes to the Consolidated and Separate Financial Statements

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

	31 Dec 2022	%	31 Dec 2021	%
Group	**N'000**		**N'000**	
Turnover	116,472,441		82,197,987	
Bought in materials and services - all local	(111,647,999)		(80,568,099)	
	4,824,442		1,629,888	
Interest income	41,047		9,091	
Other income	72,673		429,533	
Value added	**4,938,162**	**100**	**2,068,512**	**100**
Applied to pay as follows:				
Employees - salaries & wages	1,325,694	27	1,034,843	50
Fund Providers	690,267	14	1,201,100	58
Government - income tax	671,609	14	373,839	18
For future growth:				
Asset Maintenance	824,327	17	768,984	37
Deferred tax	414,013	8	(210,122)	(10)
Retained in the business	1,012,252	20	(1,100,132)	(53)
	4,938,162	**100**	**2,068,512**	**100**
Company				
Turnover	116,472,441		82,197,987	
Bought in materials and services - all local	(111,651,477)		(80,702,475)	
	4,820,964		1,495,512	
Interest income	41,047		9,091	
Other income	71,328		428,047	
Value added	**4,933,339**	**100**	**1,932,650**	**100**
Applied to pay as follows:				
Employees - salaries & wages	1,245,855	25	953,958	49
Fund Providers	690,267	14	1,197,664	69
Government - income tax	671,609	14	373,839	19
For future growth:				
Asset Maintenance	753,890	15	695,856	29
Deferred tax	414,013	8	(210,122)	(11)
Retained in the business	1,157,705	24	(1,078,545)	(55)
	4,933,339	**100**	**1,932,650**	**100**

Value added represents the additional wealth the Group has been able to create by its own employees' efforts. This statement shows the allocation of the wealth between employees, capital providers, government and that retained for future creation of more wealth.

Consolidated Five-Year Financial Summary

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

	Group				
Financial performance	**Dec 2022 N'000**	**Dec 2021 N'000**	**Dec 2020 N'000**	**Dec 2019 N'000**	**Dec 2018 N'000**
Revenue	116,472,441	82,197,987	58,715,576	229,274,785	251,877,933
Profit/(loss) before tax	2,097,874	(936,415)	548,146	111,440	1,989,899
Taxation	(1,085,622)	(163,717)	392,896	(255,729)	(980,903)
Profit/(loss) for the year	1,012,252	(1,100,132)	941,042	(144,289)	1,008,996
Actuarial gains or losses	-	-	-	-	(29,363)
Tax effect of actuarial gains and losses	-	-	-	-	8,809
Non - controlling interest	44	4	15	19	26
Total comprehensive income for the year	1,012,296	(1,100,128)	941,057	(144,270)	988,468
Basic earnings per share (kobo)	0.78	(0.84)	0.72	(0.11)	0.77
Diluted earnings per share (kobo)	0.78	(0.84)	0.72	(0.11)	0.77
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	(2)	42	46	61	80
Retained Earnings	6,682,461	5,670,208	6,900,750	5,959,693	6,430,000
Total equity	**13,130,584**	**12,118,375**	**13,348,921**	**12,407,879**	**12,878,205**
Non-current assets	14,642,118	15,156,212	14,090,220	12,471,450	9,943,724
Net current assets/(liabilities)	48,668	(707,723)	1,213,924	1,952,059	6,375,455
Non-current liabilities	(1,560,203)	(2,330,115)	(1,955,223)	(2,015,630)	(3,440,974)
Net assets	**13,130,584**	**12,118,375**	**13,348,921**	**12,407,879**	**12,878,205**
Net assets per share (Naira)	10.07	9.29	10.24	9.51	9.87

Earnings per share is based on the profit 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.

Separate Five-Year Financial Summary

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

	Company				
	Dec 2022	**Dec 2021**	**Dec 2020**	**Dec 2019**	**Dec 2018**
Financial performance	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Revenue	116,472,441	82,197,987	58,715,576	229,274,785	251,874,722
Profit/(loss) before tax	2,243,327	(914,830)	624,620	257,703	2,117,616
Taxation	(1,085,622)	(163,717)	392,896	(306,306)	(978,099)
Profit/(loss) for the year	1,157,705	(1,078,547)	1,017,516	(48,603)	1,139,517
Actuarial gains or losses	-	-	-	-	(29,363)
Tax effect of actuarial gains and losses	-	-	-	-	8,809
Total comprehensive income for the year	1,157,705	(1,078,547)	1,017,516	(48,603)	1,118,963
Basic earnings per share (kobo)	0.89	(0.83)	0.78	(0.04)	0.87
Diluted earnings per share (kobo)	0.89	(0.83)	0.78	(0.04)	0.87
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	-	-	-	-	-
Retained Earnings	6,843,246	5,685,541	6,894,501	5,876,985	6,251,625
Total equity	**13,291,372**	**12,133,666**	**13,342,626**	**12,325,110**	**12,699,750**
Non-current assets	14,101,859	14,585,104	13,566,312	11,934,127	2,428,725
Net current assets/(liabilities)	774,621	(94,169)	1,760,623	2,437,360	6,692,804
Non-current liabilities	(1,585,114)	(2,357,270)	(1,984,309)	(2,046,377)	(3,421,779)
Net assets	**13,291,372**	**12,133,665**	**13,342,626**	**12,325,110**	**12,699,750**
Net assets per share (Naira)	10.19	9.30	10.23	9.45	9.74

Earnings per share is based on the profit 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.

Corporate Events

AGM & EGM

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	
TIN	
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	

In consideration of your instruction to Greenwich Registrars & Data Solutions Limited (GRDS) via this Form, to pay all your dividends into the Bank Account provided in this Form, you hereby agree by signing this Form, to indemnify GRDS and person(s) acting on GRDS instructions against all liabilities, costs, expenses, damages and losses suffered or incurred by GRDS in connection with any threatened, pending or completed or future action, suit or proceeding, claim, whether civil, criminal, arbitrational, administrative or investigative (including an action by or in the right of any related or third party or lawful assigns) to which GRDS is, was or at any time becomes a party, or is threatened to be made a party, by reason of the fact that GRDS paid your dividends into the Bank Account provided in this Form.

THIS SERVICE COSTS ₦150.00 PER APPROVED MANDATE, PER COMPANY

Greenwich Registrars & Data Solutions
Website: www.gtlregistrars.com
Email: info@gtlregistrars.com

Contact Centre
+234-(0)1-7006700-2

Corporate Events

Customer Service Week

Corporate Events

Commissioning of New Stations

CSR Project - Refurbishing of Library Block at the School for Special Needs, Sagamu

Before

After

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
Email: info@gtlregistrars.com

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

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
2022	-147,927,676	652,072,324	-	652,072,323	-

NOTE: In compliance with the CAC directives on unissued shares,**295,855,353** ordinary shares of N0.50 (Fifty Kobo) was canceled in December 2022.

Unclaimed Dividend as at March 31, 2022

		GREENWICH REGISTRARS & DATA SOLUTION LIMITED.					
		ETERNA PLC - UNCLAIMED DIVIDEND AS OF MARCH 31, 2023					
DIV. NUMBER	Status	AMOUNT OF DIV. DECLARED	TOTAL DIV. PAID @ 31/03/2023	DATE OF PAYMENT	UNCLAIMED DIVIDEND @ 31/03/2023	REMITTANCE AS @ 31/03/2023	CASH BALANCE @ 31/03/2023
2	Active	294,039,515.29	256,802,358.90	5/25/2009	37,237,156.39	33,744,579.52	3,492,576.87
3	Active	352,847,475.39	309,484,957.95	5/3/2010	43,362,517.44	39,190,398.35	4,172,119.10
4	Active	470,464,500.52	377,159,721.32	5/11/2011	93,304,779.20	84,271,043.16	9,033,736.04
5	Active	294,227,246.94	237,464,359.83	5/11/2012	56,762,887.11	51,220,133.40	5,542,753.71
6	Active	117,630,741.35	83,898,200.33	5/17/2013	33,732,541.02	30,412,555.76	3,319,985.26
TOTAL		**1,529,209,479.49**	**1,264,809,598.33**		**264,399,881.16**	**238,838,710.18**	**25,561,170.98**

The List of Shareholders with unclaimed dividend can be found on the company's website: www.eternaplc.com.

PROXY FORM

ETERNA PLC
RC.124136
(Please tear off and complete)

I/We ....
of ....
Being a member/members of ETERNA PLC hereby appoint

....

Or failing him/her, Dr. Gabriel Ogbechie, OON the chairman of the meeting or failing him, Mr. Benjamin Nwaezeigwe, Managing Director/CEO as my/our proxy to act and vote for me/us on my/our behalf at the Annual General Meeting to be held at 11:00am on Thursday 11th May, 2023.

As witness my/our hand(s) this .... Day of 2023

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 requirment 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. All instrument of proxy shall be stamped at the company's expense.
4. If the shareholder is a corporation, this form must be under its common seal or under the hand of some officer.
5. Please indicate with an "X" in the appropriate space how you wish your votes to be cast on the resolutions set out.

Unless otherwise instructed, the proxy will vote or abstain at his discretion.

	ORDINARY BUSINESS	FOR	AGAINST
	To consider and if thought fit, pass the following Ordinary Resolutions		
1	To lay the Report of the Directors, the Audited Financial Statements, the Reports of the Auditors and the Audit Commitee for the year ended 31st December 2022 before shareholders.		
2	To declare a dividend.		
3	To re-elect the following Directors		
	Mr. Okechukwu Omezi		
	Mr. Anibor Kragha		
4	To re-appoint the Auditors and authorize the Directors to fix the remuneration of the Auditors.		
5	To elect members of the Audit Commitee.		
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	FOR	AGAINST
7	To consider and if thought fit, transact the following special business as ordinary resolutions of the company:		
7.1	To fix the remunerations of the Directors		
7.2	"That, in compliance with the Rules of the Nigerian Exchange Limited (NGX) governing transactions with Related Parties or Interested Persons, the company is hereby granted a general mandate in respect of all recurrent transactions entered into with a related party or interested person provided such transactions are of a revenue or trading nature or are necessary for the Company's day-to-day operations. This Mandate shall commence on the date on which this resolution is passed and shall continue to operate until the date on which the next Annual General Meeting of the Company is held".		

In compliance with the Rules of the Nigerian Exchange Limited (NGX), related parties or interested persons shall abstain from exercising any voting rights in respect of resolution 7.2 above.

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

ADMISSION CARD | ETERNA PLC

ANNUAL GENERAL MEETING

PLEASE ADMIT ONLY THE SHAREHOLDERS NAMED ON THIS CARD OR HIS DULY APPOINTED PROXY TO THE COMPANY'S 30TH ANNUAL GENERAL MEETING TO BE HELD AT Shell Hall, Muson Centre, Onikan, Lagos on Thursday 11th May, 2023 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

Eterna | 2022 Annual Report And Accounts

Energy for Life.

Eternaplc | eternaplc.com