Eterna Plc

Annual Report, Consolidated and Separate Financial Statements
For the year ended 31 December 2023

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Directors, professional advisers, etc.

Directors:

Dr. Gabriel Ogbechie, OON	-	Chairman - Appointed 20th October 2021
Ms. Phoebean Ifeadi	-	Executive Director -Appointed 20th October 2021
Mrs. Godrey Ogbechie	-	Non-Executive Director - Appointed 20th October 2021
Mr. Anibor Kragha	-	Independent Non-Executive Director - Appointed 20th October 2021
Mr. Emmanuel Omuojine	-	Non-Executive Director - Appointed 20th October 2021
Barr. Okechukwu Omezi	-	Independent Non-Executive Director - Appointed 20th October 2021
Dr. Akinwande Ademosu	-	Independent Non-Executive Director - Appointed 1st March 2022
Mr. Benjamin Nwaezeigwe	-	Managing Director - Appointed 1st August 2022

Company Secretary: Mandella Golkus

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

FIRS TIN: 01621694-0001

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) StanbicIBTC Limited
(b) Nova Merchant Bank Ltd
(c) United Bank for Africa Plc
(d) Globus Bank Limited
(e) First Bank Nigeria Limited
(f) Wema Bank Plc

Directors' report

The Directors submit their report together with the audited financial statements for the year ended 31 December 2023 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 5. The loss after tax for the year of N9.4billion (2022: N1.01billion profit) has been transferred to retained earnings. The loss for the year is majorly driven by the foreign exchange revaluation loss of N18billion due to the free float of the foreign exchange rate by the Central Bank of Nigeria (CBN) on June 14, 2023.

The Group achieved consolidated revenue of N183 billion representing overall percentage increase of 57% compared with N116 billion revenue in 2022.

The gross profit increased by 87% in 2023 to N16.9 billion compared to gross profit of N9.0 billion achieved in 2022.

Directors
The Directors who held office during the reporting year were:

Name	
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' 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 Exchange Limited are as follows:"

Directors' report (cont'd)

Directors' shareholding (cont'd)

Director	***No of shares held***	***No of shares held***
	31 Dec 2023	***31 Dec 2022***
Mr Emmanuel Omuojine	75,186	20,186
Mrs Godrey Ogbechie	150,000	150,000
Mrs. Phoebean Ifeadi	103,800	-
Mr. Benjamin Nwaezeigwe	13,500	-

Indirect Shareholding	***Represented By:***		
Preline Limited	Dr. Gabriel Ogbechie, Mrs. Godrey Ogbechie	819,319,923	819,319,923
Norsworthy Investment Limited	Dr. Gabriel Ogbechie, Mrs. Godrey Ogbechie	24,116,699	34,062,967

Shareholding structure

Range			***No of shares***	***Percentage***
	No of shareholders			
1 - 1,000	9,318		4,893,648	0.38%
1,001 - 5,000	10,511		25,385,809	1.95%
5,001 - 10,000	2,910		21,387,225	1.64%
10,001 - 50,000	3,462		73,560,218	5.64%
50,001 - 100,000	497		36,409,182	2.79%
100,001 - 500,000	465		94,609,095	7.25%
500,001 - 1,000,000	48		33,601,171	2.58%
1,000,001 - 5,000,000	45		102,104,875	7.83%
5,000,001 - 100,000,000	9		92,873,501	7.12%
100,000,001 and above	1		819,319,923	62.82%
Total	**27,266**		**1,304,144,647**	**100%**

According to the register of members as at 31 December 2023, the following shareholders of the Company held more than 5% of the issued share capital of Eterna Plc.

Shareholder	**No of shares held**	***Percentage***	**No of shares held**	***Percentage***
Preline Limited	819,319,923	62.82%	819,319,923	62.82%

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 (cont'd)

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 2023 amounting to N107.1million (2022: N10.6 million; Beneficiary: The School of Special Needs for Children, Sagamu Ogun State).

Beneficiary	Purpose	N'000
DAPMAN/FEDERAL REPUBLIC OF NIGERIA	Donation of CNG bus as part of palliative for fuel subsidy removal	**107,197**

Auditors
In accordance with Section 401(2) of the Companies and Allied Matters Act, 2020, Messrs. Deloitte & Touche have indicated their willingness to continue in office as External Auditors of the Group. A resolution will be proposed at the Annual General meeting authorising the Directors to determine their remuneration.

By order of the Board

Mandella Golkus
Company Secretary/Legal Adviser
FRC/2022/PRO/NBA/002/239010

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 Group and Company as at 31 December 2023 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, 2023.

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 2023 were approved by the Directors on 25 March, 2024.

Signed on behalf of the Directors of the Group and Company

Benjamin Nwaezeigwe	**Gabriel Ogbechie**
Managing Director/CEO	**Chairman**
FRC/2022/PRO/DIR/003/23332	**FRC/2022/PRO/DIR/003/238995**

Certification of financial statements

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

(i) audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and
(ii) audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for, the periods covered by the audited financial statements;

We state that management and directors:

(i) are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Company and its subsidiaries is made known to the officer by other officers of the group, particularly during the period in which the audited financial statement report is being prepared,
(ii) has evaluated the effectiveness of the group's internal controls within 90 days prior to the date of its audited financial statements, and
(iii) certifies that the group's internal controls are effective as of that date;

We have disclosed:

(i) all significant deficiencies in the design or operation of internal controls which could adversely affect the group's ability to record, process, summarise and report financial data, and has identified for the group's auditors any material weaknesses in internal controls, and
(ii) 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 2023 were approved by the directors on 25 March, 2024.

Benjamin Nwaezeigwe	**Aliu Kamiyo**
Managing Director/CEO	**Chief Financial Officer**
FRC/2022/PRO/DIR/003/23332	**FRC/2021/PRO/ICAN/001/00000023751**

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 2023 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, 2023 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 15 day of March, 2024

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Engr. M.O.T Olayiwola Tobun
Chairman, Audit Committee
FRC/2013/PRO/AUDITCOM/002/00000003231

Members of the Committee
Engr. M.O.T Olayiwola Tobun - Chairman
Mr. Omokayode Adekunle
Mrs. Odusote O. Anike
Mr. Anibor Kragha
Mr. Emmanuel Omuojine

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Independent Auditor's report

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 4 to 51, which comprise the consolidated and separate statement of financial position as at 31 December 2023, the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, the notes to the consolidated and separate financial statements, including a summary of material 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 2023, 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 (Amendment) Act 2023.

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.

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 (Amendment) Act 2023. and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and 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 Group'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 Group'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.

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/PRO/ICAN/004/00000000853
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
28 March 2024

Consolidated and separate statement of profit or loss and other comprehensive income

		Group		Company	
		31 December	**31 December**	**31 December**	**31 December**
	Notes	**2023**	**2022**	**2023**	**2022**
		N'000	**N'000**	**N'000**	**N'000**
Revenue	6	183,282,139	116,472,441	183,282,139	116,472,441
Cost of sales	7.1	(166,420,202)	(107,475,193)	(166,564,497)	(107,667,859)
Gross profit		**16,861,937**	**8,997,248**	**16,717,642**	**8,804,582**
Selling and distribution expenses	7.2	(404,331)	(283,021)	(404,300)	(282,951)
General and administrative expenses	7.3	(8,726,596)	(5,739,135)	(8,418,199)	(5,399,741)
Other income	10	61,484	232,417	52,261	231,072
Operating profit		**7,792,494**	**3,207,509**	**7,947,404**	**3,352,962**
Net foreign exchange loss	10.1	(18,403,951)	(159,744)	(18,403,951)	(159,744)
Finance income	11	39,669	41,047	39,669	41,047
Impairment (charge)/reversal on credit loss	12	108,987	(300,671)	108,987	(300,671)
Finance cost	13	(1,511,546)	(690,267)	(1,508,939)	(690,267)
(Loss)/profit before tax		**(11,974,347)**	**2,097,874**	**(11,816,830)**	**2,243,327**
Taxation	14	2,541,235	(1,085,622)	2,548,634	(1,085,622)
(Loss)/profit after tax		**(9,433,112)**	**1,012,252**	**(9,268,196)**	**1,157,705**
Other comprehensive income net of tax		-	-	-	-
Total comprehensive (loss)/income for the year		**(9,433,112)**	**1,012,252**	**(9,268,196)**	**1,157,705**
(Loss)/profit for the year attributable to:					
– Owners of the parent		**(9,433,110)**	**1,012,296**	**(9,268,196)**	**1,157,705**
– Non-controlling interests		**(2)**	**(44)**	-	-
		(9,433,112)	**1,012,252**	**(9,268,196)**	**1,157,705**
Total comprehensive (loss)/income attributable to:					
– Owners of the parent		**(9,433,110)**	**1,012,296**	**(9,268,196)**	**1,157,705**
– Non-controlling interests		**(2)**	**(44)**	-	-
Total comprehensive (loss)/income for the year		**(9,433,112)**	**1,012,252**	**(9,268,196)**	**1,157,705**
Earnings per share:					
Basic	29	(7.23)	0.78	(7.11)	0.89
Diluted	29	(7.23)	0.78	(7.11)	0.89

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

Consolidated and separate statement of financial position

	Notes	Group 31 December 2023 N'000	Group 31 December 2022 N'000	Company 31 December 2023 N'000	Company 31 December 2022 N'000
Non-current assets					
Property, plant and equipment	15	12,176,541	12,241,840	11,490,904	11,650,591
Intangible assets	16	18,547	40,571	18,547	40,571
Right of Use	17	1,656,365	1,784,325	1,656,365	1,784,325
Investment in Juhi 2	19.2	575,382	575,382	575,382	575,382
Investment in subsidiaries	19.1	-	-	50,990	50,990
Deferred tax asset	20	2,295,825	-	2,254,824	-
		16,722,660	14,642,118	16,047,012	14,101,859
Current assets					
Inventories	21	27,241,784	11,190,254	27,167,668	11,126,474
Trade and other receivables	22	8,576,591	16,916,623	10,168,724	17,669,039
Prepayments	18	204,034	307,291	194,134	306,964
Cash and bank balances	23	6,895,234	11,159,812	6,885,278	11,159,276
		42,917,643	39,573,980	44,415,804	40,261,753
Total assets		**59,640,303**	**54,216,098**	**60,462,816**	**54,363,612**
Non-current liabilities					
Borrowings	24	-	-	-	-
Lease liability	27	-	-	-	-
Deferred tax liability	20	-	1,365,224	-	1,406,225
Decommissioning liability	25	211,835	194,979	193,138	178,889
		211,835	1,560,203	193,138	1,585,114
Current liabilities					
Trade and other payables	26	11,719,214	11,984,564	12,234,727	11,939,950
Borrowings	24	43,229,923	26,835,967	43,229,923	26,835,967
Tax payable	14.3	977,483	704,780	977,475	711,210
		55,926,620	39,525,311	56,442,125	39,487,127
Total liabilities		56,138,455	41,085,514	56,635,263	41,072,241
Equity attributable to shareholders					
Share capital	28	652,072	652,072	652,072	652,072
Share premium	28	5,796,053	5,796,053	5,796,053	5,796,053
Retained earnings		(2,946,273)	6,682,461	(2,620,572)	6,843,246
		3,501,852	13,130,586	3,827,553	13,291,371
Non -controlling interest		(4)	(2)	-	-
Total equity		3,501,848	13,130,584	3,827,553	13,291,371
Total equity and liabilities		**59,640,303**	**54,216,098**	**60,462,816**	**54,363,612**

The financial statements were approved by the board of directors and authorised for issue on 25th March, 2024. They were signed on its behalf by:

Benjamin Nwaezeigwe
Managing Director/Chief Executive Officer
FRC/2022/PRO/DIR/003/23332

Aliu Kamiyo
Chief Financial Officer
FRC/2021/PRO/ICAN/001/00000023751

Dr. Gabriel Ogbechie
Chairman
FRC/2022/PRO/DIR/003/238995

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

Consolidated and separate statement of changes in equity

	Attributable to equity holders of the parent					
	Group					
	Share Capital N'000	Share premium N'000	Retained Earnings N'000	Total amount attributable to equity holders N'000	Non - controlling interest N'000	Total Equity N'000
Balance at 1 January 2022	**652,072**	**5,796,053**	**5,670,209**	**12,118,334**	**42**	**12,118,376**
Comprehensive income						
Profit for the year	-	-	1,012,252	**1,012,252**	(44)	**1,012,208**
Total comprehensive income	-	-	**1,012,252**	**1,012,252**	**(44)**	**1,012,208**
Dividend paid	-	-	-	**-**	-	**-**
At 31 December 2022	**652,072**	**5,796,053**	**6,682,461**	**13,130,586**	**(2)**	**13,130,584**
Balance at 1 January 2023	652,072	5,796,053	6,682,461	**13,130,586**	(2)	**13,130,584**
Comprehensive income						
Loss for the year	-	-	(9,433,112)	**(9,433,112)**	(2)	**(9,433,114)**
Total comprehensive loss	**-**	**-**	**(9,433,112)**	**(9,433,112)**	**(2)**	**(9,433,114)**
Dividend Paid	-	-	(195,622)	**(195,622)**	-	**(195,622)**
At 31 December 2023	**652,072**	**5,796,053**	**(2,946,273)**	**3,501,852**	**(4)**	**3,501,848**

	Company			
	Share capital N'000	Share premium N'000	Retained earnings N'000	Total Equity N'000
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 income	**-**	**-**	**1,157,705**	**1,157,705**
Share issue expenses	-	-	-	**-**
Dividend paid	**-**	**-**	-	**-**
At 31 December 2022	**652,072**	**5,796,053**	**6,843,246**	**13,291,371**
Balance at 1 January 2023	**652,072**	**5,796,053**	**6,843,246**	**13,291,371**
Comprehensive income				
Loss for the year	-	-	(9,268,196)	**(9,268,196)**
Total comprehensive loss	**-**	**-**	**(9,268,196)**	**(9,268,196)**
Dividend paid	-	-	(195,622)	**(195,622)**
At 31 December 2023	**652,072**	**5,796,053**	**(2,620,572)**	**3,827,553**

Consolidated and separate statement of cash flows

		31 December 2023 N'000	31 December 2022 N'000	31 December 2023 N'000	31 December 2022 N'000
CASH FLOWS FROM OPERATING ACTIVITIES:					
(Loss)/profit before taxation		(11,974,346)	2,097,874	(11,816,829)	2,243,327
Adjustments for non-cash items:					
Depreciation	15	914,117	824,327	845,454	753,890
Amortisation of Intangible Assets	16	22,023	22,023	22,023	22,023
Amortisation of prepayments	18	158,634	26,839	158,634	26,839
Amortisation of right of use assets	17	420,867	397,271	420,867	397,271
Bad Debt written off	7.3	876,009	12,155	876,009	12,155
Impairment reversal on credit loss	12	(309,432)	(8,761)	(309,432)	(8,761)
Property, plant & equipment written off	15	2,118	74,385	2,118	74,385
Intangible assets written off	16	-	1,857	-	1,857
Finance cost on long & short-term financing		1,374,043	449,463	1,371,436	449,464
Finance Income	11	(39,669)	(41,047)	(39,669)	(41,047)
Finance cost on trading	24.1	3,002,234	1,182,226	3,004,841	1,182,226
Exchange gain/(losses) on borrowings	24	10,979,409	-	10,979,409	-
Impairment charge on credit loss	12	200,445	309,432	200,445	309,432
Adjustment for loan receivables in Juhi-2	19.2.1	-	50,000	-	50,000
		5,626,452	**5,398,044**	**5,715,306**	**5,473,061**
Changes in working capital:					
(Increase)/decrease in inventory		(16,051,530)	847,302	(16,041,194)	893,021
Decrease/(increase) in trade & other receivables		7,052,863	(4,808,178)	6,213,146	(4,968,282)
Decrease/(increase) in prepayment		139,136	(210,150)	148,710	(210,149)
(Decrease)/increase in trade & other payables		(265,351)	429,568	294,770	422,155
		(9,124,882)	**(3,741,458)**	**(9,384,568)**	**(3,863,255)**
Cash flows generated from (used in) operating activities		**(3,498,430)**	**1,656,586**	**(3,669,262)**	**1,609,806**
Tax paid	14.3	(263,344)	(7,228)	(262,384)	-
Net cash (used in)/generated from operating activities		**(3,761,774)**	**1,649,358**	**(3,931,646)**	**1,609,806**
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of property, plant and equipment	15	(935,403)	(781,877)	(772,354)	(742,289)
Proceeds on disposal of Property, plant and equipment		-	47,356	-	47,356
Loan to JUHI-2	19.2.1	(63,620)	(35,000)	(63,620)	(35,000)
Interest received	11	39,669	41,047	39,669	41,047
Payments for Right Of Use Assets	17	(292,908)	(116,508)	(292,908)	(116,508)
Net cash used in investing activities		**(1,252,262)**	**(844,982)**	**(1,089,213)**	**(805,394)**
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from borrowings	24	123,644,174	78,366,233	123,644,174	78,366,233
Repayment of borrowings principal	24	(117,822,443)	(71,865,057)	(117,822,443)	(71,865,057)
Repayment of borrowings interest	24	(4,376,276)	(1,631,689)	(4,376,276)	(1,631,689)
Payments for lease liability - principal	27	-	(147,664)	-	(147,664)
Dividend Paid		(195,622)	-	(195,622)	-
Net cash generated from financing activities		**1,249,833**	**4,721,823**	**1,249,833**	**4,721,823**
NET CHANGE IN CASH AND CASH EQUIVALENTS		(3,764,203)	5,526,199	(3,771,026)	5,526,235
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		10,752,628	5,236,519	10,752,092	5,238,155
Effect of foreign exchange rate changes		(93,191)	(10,090)	(95,788)	(12,298)
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER 2023	23	**6,895,234**	**10,752,628**	**6,885,278**	**10,752,092**

The accompanying notes form an integral part of these 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 and other Western African countries.

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 2023				December 2022			
	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	164,470,434	18,956,078	-	183,426,512	96,488,735	19,993,350	183,231	116,665,316
Intercompany sales	-	(144,373)	-	(144,373)	-	(192,875)	-	(192,875)
Net Revenue	**164,470,434**	**18,811,705**	**-**	**183,282,139**	**96,488,735**	**19,800,475**	**183,231**	**116,472,441**
Cost of sales	151,338,370	15,226,204	-	166,564,575	90,377,172	17,290,895	-	107,668,068
Intercompany cost of sales	-	(144,373)	-	(144,373)	-	(192,875)	-	(192,875)
Net cost of sales	**151,338,370**	**15,081,832**	**-**	**166,420,202**	**90,377,172**	**17,098,021**	**-**	**107,475,193**
Gross Profit	**13,132,064**	**3,729,873**	**-**	**16,861,937**	**6,111,563**	**2,702,454**	**183,231**	**8,997,247**
Operating profit before depreciation & amortisation	6,797,857	1,930,781	-	8,728,638	2,440,921	1,079,344	73,181	3,593,445
Depreciation & amortisation	(729,065)	(207,075)	-	(936,140)	(586,852)	(259,498)	-	(846,350)
Net finance cost	(15,394,401)	(4,372,440)	-	(19,766,841)	(537,786)	(111,434)	-	(649,220)
(Loss)/profit before tax	(9,325,609)	(2,648,734)	-	(11,974,343)	1,316,283	708,412	73,181	2,097,875

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 2022 as well. Of these revenues, 89% are attributed to Retail & Industrial Fuels segment (82%: 2022), 11% from Lubricants & Chemical segment (17%: 2022) and nil from Trading Segment (1%:2022)

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.

Notes to the consolidated and separate financial statements

2. General information

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

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

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

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

The financial statements comprise:
* Consolidated and separate statement of profit and loss and other comprehensive income

* Consolidated and separate statement of financial position
* Consolidated and separate statement of changes in equity
* Consolidated and separate statement of cash flows
* Notes to the consolidated and separate financial 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 2023 to 31 December 2023 with comparative figures for the financial year from 1 January 2022 to 31 December 2022.

2.4 Basis of accounting
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 (FRCN). It has also been prepared in conformity with the Companies and Allied Matters Act, 2020 and the Financial Reporting Council (Amendment) Act, 2023.

2.5 Going concern
The directors have, at the time of approving the financial statements, a reasonable expectation that the group haa adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

Notes to the consolidated and separate financial statements

2.6 Basis of measurement (cont'd)

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.

2.7 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the parent company and entities controlled by the parent company (its subsidiaries) made up to 31st December each year.

Control is achieved when the parent 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 parent reassesses 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 parent 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 parent company considers all relevant facts and circumstances in assessing whether or not the parent company's voting rights in an investee are sufficient to give it power including:

- The size of the parent company's holding of voting right relative to the size & dispersion of holdings of the other vote holders. .
- Potential voting rights held by the parent company, other vote holders or other parties.
- Rights arising from other contractual arrangements.
- Any additional facts and circumstances that indicate that the parent company has or does not have the current ability to direct the relevant activities at the time that decisions need to be made including voting patterns at previous shareholder's meeting.
- Consolidation of a subsidiary begins when the parent company obtains control over the subsidiary and ceases when the parent company loses control of the subsidiary.
- Where necessary, adjustments are made to the financial statements of the subsidiaries to bring the accounting policies used into line with the group's accounting policies.

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.

Where necessary adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the group's accounting policies.

Notes to the consolidated and separate financial statements

2.8 External Auditor

Messrs Deloitte & Touche acted as our external auditor for the 2023 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

In current year, the group has applied a number of amendments to IFRS accounting standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1st January, 2023. Their adoption has not had any material impact on their disclosures or on the amount reported in the financial statements.

a. Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The group has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term ‘significant accounting policies’ with ‘material accounting policy information’. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

b. Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The group has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The definition of a change in accounting estimates was deleted.

c. IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17

The group has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders’ options and guarantees.

The group does not have any contracts that meet the definition of an insurance contract under IFRS 17.

Notes to the consolidated and separate financial statements

3.1 New and amended IFRS standards that are effective for the current year (cont'd)

d. Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has adopted the amendments to IAS 12 for the first time in the current year. The amendments specify the main change in Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) is an exemption from the initial recognition exemption provided in IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which both deductible and taxable temporary differences arise on initial recognition that result in the recognition of equal deferred tax assets and liabilities.

e. **Amendments to IAS 12 Income Taxes— International Tax Reform—Pillar Two Model Rules**

The group has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

3.2 New and revised IFRS Accounting standards in issue but not effective

Certain new accounting standards and interpretations have been published that are not mandatory for December 2023 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 10 and IAS 28	-	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	-	Effective 1st Jan, 2024
Amendments to IAS 1	-	Classification of Liabilities as Current or Non-current	-	Effective 1st Jan, 2024
Amendments to IAS 1	-	Non-current Liabilities with Covenants	-	Effective 1st Jan, 2024
Amendments to IAS 7 & IFRS 7	-	Supplier Finance Arrangements	-	Effective 1st Jan, 2024
Amendments to IFRS 16	-	Lease Liability in a Sale and Leaseback	-	Effective 1st Jan, 2024

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the group in future periods.

Notes to the consolidated and separate financial statements

4.0 Summary of material 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.

Notes to the consolidated and separate financial statements

4.2 Consolidation (cont'd)

(d) Associates

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

(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 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 profit or loss and other comprehensive income. All foreign exchange gains and losses are presented separately and on the face of 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 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.

a) 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.

Notes to the consolidated and separate financial statements

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.

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 or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Notes to the consolidated and separate financial statements

4.7 Financial Instruments (cont'd)

Impairment of financial assets (cont'd)

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.

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.

(i) Significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the group's core operations.

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

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

Irrespective of the above analysis, the group considers that default has occurred when a financial asset exceed the credit period granted unless the group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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

Notes to the consolidated and separate financial statements

4.7 Financial Instruments (cont'd)

(iv) Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate. If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used. The group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

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

- Significant financial difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- The disappearance of an active market for that financial asset because of financial difficulties

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.

Notes to the consolidated and separate financial statements

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.

4.81 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% (2022 – 10.3%) and discounted at 12.8% (2022 – 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.

Notes to the consolidated and separate financial statements

4.9 Property, Plant and Equipment (cont'd)

(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.

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

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.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

Notes to the consolidated and separate financial statements

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

The income tax expense represents the sum of current and deferred income tax expense.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the parent company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred Tax

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.

Notes to the consolidated and separate financial statements

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.

(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.

(iv) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Amortization is provided at the rate below:

Category	**Amortization rate (years)**
Intangible assets	3 - 10

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. The Group fixed contribution is based on the provision of the Pension Reform Act of 2014 which specifies the minimum rate of 10%contribution for employer and 8% for employee.

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.

Notes to the consolidated and separate financial statements

4.15 Accounting for Leases

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:

- 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.

Notes to the consolidated and separate financial statements

4.15 Accounting for Leases (cont'd)

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 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 properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. The initial direct costs (if any) incurred in negotiating and arranging an operating lease is recognise as expense over the term of the relevant lease.

The amount due from leases under finance lease is recognised as a receivable at an amount equal to the net investment in the 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.

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.

Notes to the consolidated and separate 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 22.

1. Business model assessment
2. Significant increase in credit risk

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 saleability of the product and the net realizable value for such product. Accordingly, provision for impairment, if any, is made where the net realizable value is less than cost based on best estimates by the management.

5.2.3 Useful life of property, plant and equipment

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

Notes to the consolidated and separate financial statements

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.

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.

Notes to the consolidated and separate financial statements

5.3 Financial risk management (cont'd)

(a) Liquidity risk (cont'd)

Group	Due within one year	1 - 2 year
December 31, 2023	**N'000**	**N'000**
Borrowings	43,229,923	-
Trade and other payables	10,707,180	-
Bank overdrafts	-	-
December 31, 2022		
Borrowings	26,428,783	-
Trade and other payables	10,089,515	-
Bank overdrafts	407,184	-

Company	Due within one year	1 - 2 year
December 31, 2023		
Borrowings	43,229,923	-
Trade and other payables	11,237,063	-
Bank overdrafts	-	-
December 31, 2022		
Borrowings	26,428,783	-
Trade and other payables	10,052,450	-
Bank overdrafts	407,184	-

(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% (2022: 1.5%) increase/decrease in the value of borrowings for the year (2023: N0.24million, 2022: N0.28million)

(iii) Foreign exchange risk

Exposure may arise from the fluctuations of Naira against United States Dollars (USD). The risk is considered significant due to the instability and high fluctuations of the exchange rate. The analysis below shows the impact of the high fluctuations.

In December 2023, if the currency had weakened/strengthened by 10% against the United States Dollars (USD) with other variables constant, post-tax loss for the year would have been N2.7b (2022: N15m) 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 N2.7b (2022: N15m) higher/lower.

Notes to the consolidated and separate financial statements

5.3 Financial risk management (cont'd)

(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.

The analysis of trade and other receivables by performance is as follows:

Group

	31 December 2023	31 December 2022
	N'000	N'000
Neither past due nor impaired	4,511,012	5,370,807
Past due but not impaired	1,926,582	962,097
Impaired	200,445	309,432
	6,638,039	**6,642,336**

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

	31 December 2023	31 December 2022
Past due but not impaired:	N'000	N'000
- by up to 90 days	1,115,167	646,884
- by 90 to 180 days	811,415	315,213
- later than 180 days	-	-
Total past due but not impaired	**1,926,582**	**962,097**

Company

	31 December 2023	31 December 2022
	N'000	N'000
Neither past due nor impaired	6,117,026	6,177,684
Past due but not impaired	1,926,582	962,097
Impaired	200,445	309,432
	8,244,053	**7,449,213**

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

	31 December 2023	31 December 2022
Past due but not impaired:	N'000	N'000
- by up to 90 days	1,115,167	646,884
- by 90 to 180 days	811,415	315,213
- later than 180 days	-	-
Total past due but not impaired	**1,926,582**	**962,097**

Notes to the consolidated and separate financial statements

5.3 Financial risk management (cont'd)

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

December 31, 2023

	Gross carrying amount N'000	Loss allowance N'000	Net carrying amount N'000
Trade and other receivables	6,838,484	200,445	6,638,039
Cash and cash equivalents	6,895,234	-	6,895,234
	13,733,718	**200,445**	**13,533,273**

December 31, 2022

	Gross carrying amount N'000	Loss allowance N'000	Net carrying amount N'000
Trade and other receivables	6,951,768	309,432	6,642,336
Cash and cash equivalents	10,752,628	-	10,752,628
	17,704,396	**309,432**	**17,394,964**

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 2023 and 31st December 2022 are as follows:

	31 December 2023 N'000	31 December 2022 N'000
Borrowings (Note 24)	43,229,923	26,835,967
Less: Cash and bank balances (Note 23)	(6,895,234)	(11,159,812)
	36,334,689	**15,676,155**
Equity	3,501,851	16,124,806
Net debt ratio	1038%	97%

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, 2023 and 2022.

	Carrying Amount			Fair Value	
	31 December 2023	31 December 2022	Level	31 December 2023	31 December 2022
	N'000	N'000		N'000	N'000
Assets					
Loans and receivables:					
Cash and cash equivalents	6,895,234	10,752,628	3	6,895,234	10,752,628
Trade and other receivables	6,719,802	14,501,595	3	6,719,802	14,501,595
	13,615,036	**25,254,223**		**13,615,036**	**25,254,223**
Liabilities					
Amortized cost:					
Trade and other payables	10,707,180	10,089,515	3	10,707,180	10,089,515
Borrowings	43,229,923	26,428,783	3	43,229,923	26,428,783
Bank overdrafts	-	407,184	3	-	407,184
	53,937,103	**36,925,482**		**53,937,103**	**36,925,482**

Notes to the consolidated and separate financial statements

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	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Trading	-	183,231	-	183,231
Fuel	164,470,434	96,488,735	164,470,434	96,488,735
Lubricants	18,588,000	15,304,067	18,588,000	15,304,067
Others	223,705	4,496,408	223,705	4,496,408
	183,282,139	**116,472,441**	**183,282,139**	**116,472,441**

Others represent revenue from the sales of Liquified Petroleum Gas - LPG (2022: represents sales of LPG and Base oil).

Revenue from Lubricants includes N62.7m (2022: N27.5m) derived from exports sales.

7 Expenses by nature

	Group		Company	
	2023	2022	2023	2022
7.1 Cost of sales				
Fuel	151,338,370	90,377,172	151,338,370	90,377,172
Lubricants	14,883,638	12,668,731	15,027,933	12,861,397
Others	198,194	4,429,290	198,194	4,429,290
	166,420,202	**107,475,193**	**166,564,497**	**107,667,859**

Analysis of cost of sales	**Fuel**	**Lubricants**	**Others**	**Total**
Group				
Product costs	148,566,354	14,799,477	196,862	163,562,694
Delivery costs	2,716,601	82,234	-	2,798,835
Depot and union due	55,416	-	1,332	56,747
Direct wages	-	1,926	-	1,926
	151,338,370	**14,883,638**	**198,194**	**166,420,202**
Company				
Product costs	148,566,354	14,943,772	196,862	163,706,989
Delivery costs	2,716,601	82,234	-	2,798,835
Depot and union due	55,416	-	1,332	56,747
Direct wages	-	1,926	-	1,926
	151,338,370	**15,027,933**	**198,194**	**166,564,497**

	Group		Company	
	2023	2022	2023	2022
7.2 Selling and Distribution expenses				
Marketing and sales commission	402,110	281,124	402,079	281,054
Sampling and analysis	2,221	1,897	2,221	1,897
	404,331	**283,021**	**404,300**	**282,951**

Notes to the consolidated and separate financial statements

		Group		Company	
		2023	**2022**	**2023**	**2022**
7.3	**General and Administration expenses**				
	Staff costs	1,585,218	1,283,715	1,482,115	1,207,079
	Pension costs	48,893	41,979	44,509	38,776
	Legal and Other Professional fees (note 7.3.5)	162,782	156,312	162,782	122,271
	Technical Supports Service fees (note 7.3.1)	1,478,259	873,543	1,478,259	873,543
	Depreciation	914,117	824,327	845,454	753,890
	Employee Welfare	43,879	7,844	43,861	7,524
	Training and Staff Development	61,465	50,327	61,026	50,318
	Travelling & Entertainment	271,270	83,941	267,006	78,982
	Rental Expenses	153,135	73,772	153,135	72,618
	Amortisation of right of use assets	420,867	397,271	420,867	397,271
	Repairs and Maintenance	847,389	590,719	761,040	496,336
	Business Development	96,866	60,973	96,706	60,751
	Donations and gifts	107,197	10,618	107,197	10,618
	Other expenses (note 7.3.2)	139,225	85,260	129,495	72,001
	Stationery and communication	128,726	92,962	129,188	91,829
	Insurance, medical and security	252,993	190,835	247,174	179,064
	Licence fees (Note 7.3.4)	349,776	194,441	338,861	183,820
	Directors’ remuneration	101,628	103,667	101,628	103,667
	Board Expenses	55,004	66,219	55,004	66,219
	Bad Debt written off	876,009	12,155	876,009	12,155
	Auditors' remuneration (note 7.3.3)	65,000	60,000	50,000	45,000
	Bank charges	542,757	432,119	542,742	432,117
	Amortisation of Intangible assets	22,023	22,023	22,023	22,023
	Property, plant, and equipment written off	2,118	-	2,118	-
	Accretion charge	-	24,113	-	21,869
		8,726,596	**5,739,135**	**8,418,199**	**5,399,741**

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 (2023: N24.2m, 2022: N32.1m) and electricity & water bills (2023: N36.6m, 2022: N22.5m)

7.3.3 This represents the audit fees to 'Deloitte & Touche Nigeria', external auditors for the audit services rendered for the year. There was a non-audit service (ICFR review) rendered to the Company during the year (note 7.3.5).

7.3.4 A regulatory fee of 0.36% of the auditors renumeration is included in Licence fees.

7.3.5 Included in Legal and Other Professional fee is the amount paid for the review of report on internal control over financial reporting (ICFR) in the current year N16.5m (2022: nil) rendered by the auditors.

Notes to the consolidated and separate financial statements

8 Employees' remuneration and numbers

	Group		Company	
	2023	2022	2023	2022
	Number	Number	Number	Number
Administration	45	31	45	29
Operations	34	41	20	38
Sales and marketing	30	21	30	18
	109	93	95	85
Senior Management	12	10	11	9
Management	8	8	8	7
Senior staff	89	75	76	69
	109	93	95	85

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

	Group		Company	
	2023	2022	2023	2022
	Number	Number	Number	Number
N3,000,001 - N4,000,000	18	27	15	26
N4,000,001 - N5,000,000	21	19	19	17
Above 5,000,000	70	47	61	42
	109	93	95	85

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

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Salaries and wages	1,585,218	1,283,715	1,482,115	1,207,079
Employee welfare	43,879	7,844	43,861	7,524
Pension costs	48,893	41,979	44,509	38,776
	1,677,990	**1,333,538**	**1,570,485**	**1,253,379**

9 Directors' remuneration

	Group		Company	
	2023	2022	2023	2022
Fees for services as directors	34,961	37,000	34,961	37,000
Other allowances as director	66,667	66,667	66,667	66,667
Other emoluments as management	106,993	93,496	106,993	93,496
	208,621	**197,163**	**208,621**	**197,163**
The emoluments of the chairman of the board (excluding pension contributions)	15,000	8,000	15,000	8,000
The emoluments of the highest paid director	59,190	43,117	59,190	43,117

Notes to the consolidated and separate financial statements

9 Directors' remuneration (cont'd)

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

	Group Number 2023	Group Number 2022	Company Number 2023	Company Number 2022
N6,000,000 - N12,000,000	5	5	5	5
More than N12,000,000	3	3	3	3
	8	8	8	8

There were no loans to key management personnel during the year under review (2022: Nil)

10 Other income

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Bad debt recovered	17,717	-	8,494	-
Amount recovered for lost inventories	-	125,242	-	123,897
Rent income	43,767	107,175	43,767	107,175
	61,484	**232,417**	**52,261**	**231,072**

10.1 Net foreign exchange loss

	Group 2023 N'000	Group 2022 N'000	Company 2023 N'000	Company 2022 N'000
Unrealized foreign exchange loss	(13,716,692)	-	(13,716,692)	-
Realised foreign exchange loss	(5,334,008)	(159,744)	(5,334,008)	(159,744)
Unrealized foreign exchange gain	619,751	-	619,751	-
Realised foreign exchange gain	26,998	-	26,998	-
	(18,403,951)	**(159,744)**	**(18,403,951)**	**(159,744)**

Foreign exchange gain/(loss) represents the gain/loss resulting from exchange rate differences on foreign currency denominated transactions. Due to the materiality of the amount, the Net foreign exchange loss of N18.4billion (2022: N159m) has been disclosed separately in the statement of profit or loss and other comprehensive income. Please see below the comparative figure analysis:

Reclassified from	Reclassified to	**Naira '000**
	The face of income statement	
Other Income	- Net foreign exchange loss	(159,744)

In 2023, the Foreign Exchange Loss of N18.4billion was as a result of foreign exchange revaluation loss due to the free float of the foreign exchange market by the Central Bank of Nigeria (CBN) on June 14, 2023. The amount has been reclassified in the current year due to its materiality.

Notes to the consolidated and separate financial statements

11 Finance income

	Group		Company	
	2023	**2022**	**2023**	**2022**
	N'000	**N'000**	**N'000**	**N'000**
Interest income on short-term bank deposits	39,669	41,047	39,669	41,047
	39,669	**41,047**	**39,669**	**41,047**

12 Impairment (charge)/reversal on credit loss

	Group		Company	
	2023	**2022**	**2023**	**2022**
Impairment reversal (note 21.1)	309,432	8,761	309,432	8,761
Impairment charge (note 21.1)	(200,445)	(309,432)	(200,445)	(309,432)
	108,987	**(300,671)**	**108,987**	**(300,671)**

13 Finance cost

	Group		Company	
	2023	**2022**	**2023**	**2022**
Interest on bank overdrafts	137,504	240,804	137,504	240,804
Interest on Short term financing	1,357,186	335,888	1,357,186	335,888
Interest on long term financing	-	113,576	-	113,576
Accretion charge	16,856	-	14,249	-
	1,511,546	**690,268**	**1,508,939**	**690,268**

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

14 Taxation

	Group		Company	
	2023	**2022**	**2023**	**2022**
	N'000	N'000	N'000	N'000
Current taxes on income for the year	917,415	583,767	917,415	583,767
Education tax levy for the year	-	87,842	-	87,842
Back duty tax	202,398	-	195,000	-
Tax expense on Income statement	1,119,813	671,609	1,112,415	671,609
Deferred tax for the year	(3,661,049)	414,013	(3,661,049)	414,013
Total tax (credit)/expense	**(2,541,235)**	**1,085,622**	**(2,548,634)**	**1,085,622**

Back duty tax during the year represents additional liability from the tax audit that occurred within the period.

Notes to the consolidated and separate financial statements

14 Taxation (cont'd)

14.1 Reconciliation of effective tax rate

	Group			
		2023		**2022**
(Loss)/profit before income tax		(11,974,346)		2,097,875
Income tax using the domestic corporation tax rate	30.00%	(3,592,304)	30.00%	629,362
Disallowed expenses	(0.27%)	32,435	15.17%	318,192
Prior year opening balances	0.02%	(2,688)	0%	-
Education tax levy	1.95%	(233,516)	4.19%	87,842
Tax Incentives	(1.13%)	135,025	(43.86%)	(920,031)
Minimum Tax Effect	(7.66%)	917,415	27.83%	583,767
Deferred Tax Effect	0%	-	19.73%	414,013
Tax expense from back duty assessment	(1.69%)	202,398	0%	-
Tax effect of balancing charge	0%	-	(1.31%)	(27,523)
Total income tax expense in statement of comprehensive income	21.22%	(2,541,235)	51.75%	1,085,622
Comprising:				
Tax per income tax computation – Minimum Tax	(7.66%)	917,415	27.83%	583,767
Tax expense from back duty assessment	(1.69%)	202,398	-	-
Tertiary education tax	-	-	4.19%	87,842
Deferred tax charge/(credit)	30.57%	(3,661,049)	19.73%	414,013
	21.22%	(2,541,235)	51.75%	1,085,622

14.2 Reconciliation of effective tax rate

	Company			
	2023		**2022**	
(Loss)/profit before income tax		(11,816,829)		2,243,327
Income tax using the domestic corporation tax rate	30.00%	(3,545,048)	30.00%	672,998
Disallowed expenses	(0.27%)	32,435	14.18%	318,192
Prior year opening balances	0.02%	(2,688)	0%	-
Education tax levy	1.98%	(233,516)	3.92%	87,842
Tax Incentives	(0.74%)	87,768	(42.96%)	(963,667)
Minimum Tax Effect	(7.76%)	917,415	26.02%	583,767
Deferred Tax Effect	0%	-	18.46%	414,013
Tax expense from back duty assessment	(1.65%)	195,000	0%	-
Tax effect of balancing charge	0%	-	(1.23%)	(27,523)
	21.57%	(2,548,634)	48.39%	1,085,622
Comprising:				
Tax per income tax computation – Minimum Tax	(7.76%)	917,415	26.02%	583,767
Tax expense from back duty assessment	(1.65%)	195,000	-	-
Tertiary education tax	-	-	3.92%	87,842
Deferred tax charge/(credit)	30.98%	(3,661,049)	18.46%	414,013
	21.57%	(2,548,634)	48.39%	1,085,622

Notes to the consolidated and separate financial statements

14 Taxation (cont'd)

14.3 Tax Payable

	Group		Company	
	2023	**2022**	**2023**	**2022**
As at 1 January 2023	704,780	247,017	711,210	246,220
Tax paid	(263,348)	(7,228)	(262,385)	-
WHT utilised	(583,767)	(206,618)	(583,767)	(206,618)
Income tax charge	1,119,813	671,609	1,112,415	671,609
As at 31 December 2023	**977,479**	**704,780**	**977,474**	**711,210**
Current	977,479	704,780	977,474	711,210
Non-current	-	-	-	-
	977,479	**704,780**	**977,474**	**711,210**

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 2023. The Tertiary Education tax of 3 per cent is based on the provisions of the Tertiary Education Trust Fund Act 2011 and Finance Act 2023.

Notes to the consolidated and separate financial statements

15 Property, plant and equipment

Group

Property Plant and Equipment

	Land N'000	Building N'000	Plant and Machinery N'000	Capital Work-In-Progress N'000	Office Equipment N'000	Furniture & Fittings N'000	Motor Vehicles N'000	Total PPE N'000
Naira								
Cost								
At 1 January 2022	2,478,160	3,451,366	7,647,306	1,664,421	339,569	328,868	1,101,931	**17,011,621**
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)**
Asset disposed	-	-	(9,796)	-	(162)	(330)	(118,427)	**(128,715)**
At 31 December 2022	2,478,160	4,406,012	7,769,952	1,007,072	380,590	368,455	1,180,158	**17,590,399**
Additions in the year	-	102,155	72,587	695,808	38,267	8,886	17,700	**935,403**
Transfers (Note 15.4)	-	98,447	333,066	(703,476)	33,967	19,612	218,385	-
CWIP write-off (15.5)	-	-	-	(84,269)	-	-	-	**(84,269)**
Asset written off (Note 15.3)	-	(221)	(36,309)	-	(2,413)	(219)	(28,763)	**(67,925)**
At 31 December 2023	**2,478,160**	**4,606,393**	**8,139,296**	**915,135**	**450,410**	**396,734**	**1,387,480**	18,373,608
Accumulated Depreciation and impairment:								
At 1 January 2022	-	(643,862)	(3,022,136)	-	(224,257)	(204,586)	(515,489)	**(4,610,328)**
Charge for the year	-	(196,906)	(318,273)	-	(46,943)	(51,182)	(211,024)	**(824,327)**
Asset written off	-	1,720	2,572	-	176	270	-	**4,739**
Asset disposed	-	-	9,796	-	162	330	71,071	**81,359**
At 31 December 2022	-	(839,048)	(3,328,041)	-	(270,861)	(255,168)	(655,441)	**(5,348,557)**
Charge for the year	-	(215,543)	(335,045)	-	(57,816)	(49,342)	(256,371)	**(914,117)**
Asset written off	-	221	33,997	-	2,408	219	28,763	**65,608**
At 31 December 2023	**-**	**(1,054,371)**	**(3,629,088)**	**-**	**(326,269)**	**(304,291)**	**(883,049)**	(6,197,068)
Net Book Value								
At 31 December 2022	2,478,160	3,566,964	4,441,911	1,007,072	109,729	113,287	524,717	**12,241,840**
At 31 December 2023	2,478,160	3,552,022	4,510,208	915,135	124,141	92,443	504,431	**12,176,541**

Company

	Land N'000	Buildings N'000	Plant and Machinery N'000	Capital Work-In-Progress N'000	Office Equipment N'000	Furniture & Fittings N'000	Motor Vehicles N'000	Total PPE N'000
Cost								
At 1 January 2022	2,457,578	3,273,172	6,895,037	1,662,203	282,028	292,629	1,074,863	**15,937,512**
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)**
Asset disposed	-	-	-	-	-	-	(118,427)	**(118,427)**
At 31 December 2022	2,457,578	4,227,023	7,007,102	1,001,176	309,045	331,974	1,153,090	**16,486,989**
Additions in the year	-	46,792	33,124	633,934	34,501	6,302	17,700	**772,354**
Transfers (Note 15.4)	-	98,447	333,066	(703,476)	33,967	19,612	218,385	**-**
CWIP write-off (15.5)		-	-	(84,269)	-	-	-	**(84,269)**
Asset written off (Note 15.3)	-	(221)	(36,209)	-	(847)	(219)	(28,763)	**(66,259)**
At 31 December 2023	2,457,578	4,372,042	7,337,083	847,365	376,666	357,669	1,360,412	**17,108,815**
Accumulated Depreciation and Impairment:								
At 1 January 2022	-	(593,577)	(2,700,858)	-	(176,835)	(178,972)	(508,075)	**(4,158,317)**
Charge for the year	-	(185,379)	(275,716)	-	(41,252)	(45,932)	(205,610)	**(753,890)**
Asset written off (Note 15.3)	-	1,720	2,572	-	176	270	-	**4,739**
Asset disposed	-	-	-	-	-	-	71,071	**71,071**
At 31 December 2022	-	(777,236)	(2,974,002)	-	(217,911)	(224,634)	(642,614)	**(4,836,397)**
Charge for the year	-	(203,641)	(292,169)	-	(52,914)	(45,773)	(250,958)	**(845,454)**
Asset written off (Note 15.3)	-	221	33,897	-	841	219	28,763	**63,941**
At 31 December 2023	-	(980,656)	(3,232,274)	-	(269,984)	(270,188)	(864,809)	**(5,617,910)**
Net Book Value								
At 31 December 2022	**2,457,578**	**3,449,787**	**4,033,100**	**1,001,176**	**91,134**	**107,340**	**510,476**	**11,650,591**
At 31 December 2023	**2,457,578**	**3,391,386**	**4,104,809**	**847,365**	**106,682**	**87,481**	**495,603**	**11,490,904**

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 N9.4billion.

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

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

15.5. CWIP write-off – Following the review of the CWIP at year-end, costs which do not meet the capitalisation policy of the company were written off.

15.6. There is no impairment loss on the assets in 2023 (2022: Nil)

16 Other intangible assets

Group/Company

	Intangible Assets	
	Computer Software N'000	**Total Intangible Assets N'000**
Cost:		
At 1 January 2022	152,838	**152,838**
Additions in the year	-	**-**
Written off (Note 16.1)	(1,857)	**(1,857)**
At 31 December 2022	150,981	**150,981**
Additions in the year	-	**-**
At 31 December 2023	**150,981**	150,981
Amortisation:		
At 1 January 2022	(88,387)	**(88,387)**
Charge for the year	(22,023)	**(22,023)**
At 31 December 2022	(110,410)	**(110,410)**
Charge for the year	(22,023)	**(22,023)**
At 31 December 2023	**(132,434)**	**(132,434)**
Carrying amount		
At 31 December 2022	40,571	**40,571**
At 31 December 2023	18,547	**18,547**

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

Notes to the consolidated and separate financial statements

17 Right of Use Assets

	Group		Company	
	31 Dec 2023	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
	N'000	**N'000**	**N'000**	**N'000**
As at 1 January	1,784,325	2,065,088	1,784,325	2,065,088
Additional lease	292,908	116,508	292,908	116,508
Depreciation	(420,867)	(397,271)	(420,867)	(397,271)
	1,656,365	**1,784,325**	**1,656,365**	**1,784,325**

17.1 Movement of Right of Use Assets

	Group & Company		
	Retail Stations N'000	**Others - Offices & Warehouses N'000**	**Right Of Use Of Asset N'000**
Cost or valuation			
At 1 January 2022	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
Additions	234,574	58,333	292,908
Reclassification	-	-	-
At 31 December 2023	3,107,545	285,923	3,393,468
Accumulated depreciation and impairment			
At 1 January 2022	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
Charge for the year	366,596	54,272	420,868
At 31 December 2023	1,496,769	240,334	1,737,103
Carrying amount			
At 31 December 2023	**1,610,776**	**45,589**	**1,656,365**
At 31 December 2022	**1,742,798**	**41,527**	**1,784,325**

The group leases several fueling stations and tank farms. The average lease term is 7 years (2022: 7 years). The right of use assets have been fully paid for, thus there is no lease liability.

There are usually an extension or termination options on the lease. None of the leased property expired during the year under review (2022: Nil).

Notes to the consolidated and separate financial statements

18 Prepayments

	Group		Company	
	31 Dec 2023	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
Balance as at January 1	176,499	8,826	176,499	8,826
Additions	36,200	194,513	36,200	194,513
Amortisation	(158,634)	(26,839)	(158,634)	(26,839)
	54,065	**176,499**	**54,065**	**176,499**
Other short-term prepayment (Note 18.1)	149,969	130,792	140,069	130,465
Prepayments	54,065	176,499	54,065	176,499
	204,034	**307,291**	**194,134**	**306,964**

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

19 Investments

	Company	
	31 Dec 2023	**31 Dec 2022**
19.1 Investment in subsidiaries is made up of:		
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 2023	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
19.2 Investments in Juhi-2				
JUHI 2 Project	575,382	575,382	575,382	575,382
	575,382	**575,382**	**575,382**	**575,382**

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, the contractual arrangement does not give rise to rights to the assets and obligation to the liabilities to the parties. Eterna Plc holds 31% ownership of the project as at 31st December 2023. The investment is accounted for using the equity method. As at 31st December 2023, the project has been commissioned and trading activities are expected to commence in 2024.

19.2.1 An additional payment of N63.6m was given to Juhi-2 in 2023 and this was reported as loan to Juhi-2 under trade and other receivables as the conditions for converting the loans to equity have not been triggered.

Notes to the consolidated and separate financial statements

20 Deferred Income Tax

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
The analysis of deferred tax liabilities is as follows:				
Deferred tax Liabilities				
Deferred tax (assets)/liabilities to be recovered after more than 12 months	(2,295,825)	1,365,224	(2,254,824)	1,406,225
Deferred tax liabilities to be recovered within 12 months	-	-	-	-
	(2,295,825)	**1,365,224**	**(2,254,824)**	**1,406,225**

The deferred tax is based on the tax rate of 33% as provided in the Companies Income Tax Act CAP C21 LFN 2004 and Finance Act 2023.

The deferred tax effects from leases or the decommissioning liability is N63m (2022: 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			
	Trade and other Receivables	Property, Plant & Equipment	Other Provisions	Total
At 1 January 2022	(2,847)	992,072	(38,014)	951,211
(Credited)/charged to the income statement	(94,871)	628,631	(119,747)	414,013
At 31 December 2022	**(97,718)**	**1,620,703**	**(157,761)**	**1,365,224**
Charged/(credited) to the income statement	31,571	56,266	(3,748,886)	(3,661,049)
Charged/(credited) to other comprehensive income	-	-	-	-
At 31 December 2023	**(66,147)**	**1,676,969**	**(3,906,647)**	**(2,295,825)**

	Company			
	Trade and other receivables	Property, Plant & Equipment	Other Provisions	Total
At 1 January 2022	(2,847)	1,033,100	(38,041)	992,212
(Credited)/charged to the income statement	(94,871)	628,631	(119,747)	414,013
At 31 December 2022	**(97,718)**	**1,661,731**	**(157,788)**	**1,406,225**
Charged/(credited) to the income statement	31,571	56,266	(3,748,886)	(3,661,049)
Charged/(credited) to other comprehensive income	-	-	-	-
At 31 December 2023	**(66,147)**	**1,717,997**	**(3,906,674)**	**(2,254,824)**

Notes to the consolidated and separate financial statements

21 Inventories

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Raw materials	3,070,973	1,895,178	3,070,973	1,895,178
Finished goods	24,009,724	9,122,356	24,009,559	9,122,191
Consumables	161,087	172,720	87,136	109,105
	27,241,784	**11,190,254**	**27,167,668**	**11,126,474**

The inventories transferred by the Group to cost of sales for the year 2023 is N105billion (2022: N101billion).

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 of raw materials, importation logistics cost, direct labour, other direct costs and other production overheads.

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

22 Trade and other receivables

		Group		Company	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		N'000	N'000	N'000	N'000
Trade receivables		5,090,846	3,351,993	5,090,846	3,351,993
Less: Bad debts written off	(Note 7.3)	(876,009)	(12,155)	(876,009)	(12,155)
Less: Impairment of trade receivables	(Note 22.1.2)	(200,445)	(309,432)	(200,445)	(309,432)
Trade receivables – net		4,014,392	3,030,406	4,014,392	3,030,406
Due from Group Companies	(Note 32)	-	-	1,607,422	823,643
Due from Related Parties	(Note 32)	209,751	336,360	209,751	336,360
Bridging claims	(Note 22.3)	1,926,582	1,541,931	1,926,582	1,541,931
Foreign Exchange Purchase Deposit	(Note 22.4)	305,400	364,575	305,400	364,575
Loan to JUHI-2	(Note 19.2.1)	148,620	85,000	148,620	85,000
Other receivables	(Note 22.5)	33,294	1,284,064	31,886	1,267,298
Financial assets		6,638,039	6,642,336	8,244,053	7,449,213
Advances	(Note 22.2)	81,763	7,859,259	81,763	7,832,005
WHT receivables		1,170,232	1,183,516	1,170,232	1,183,516
Input VAT		686,557	1,231,512	672,676	1,204,305
Non-financial asset		1,938,552	10,274,287	1,924,671	10,219,826
		8,576,591	**16,916,623**	**10,168,724**	**17,669,039**

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 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 (2022: 30 to 220 days).

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

Notes to the consolidated and separate financial statements

22 Trade and other receivables (cont'd)

Receivables (non-trade) disclosed above include amounts of N2.7billion 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.

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

22. 1 The analysis of the trade and other receivables by performance is as follows:

	Group		Company	
	31 Dec 2023	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
	N'000	**N'000**	**N'000**	**N'000**
Neither past due nor impaired	6,449,564	15,645,094	8,041,697	16,397,510
Past due but not impaired (Note 22.1.1)	1,926,582	962,097	1,926,582	962,097
Impaired (Note 22.1.2)	200,445	309,432	200,445	309,432
	8,576,591	**16,916,623**	**10,168,724**	**17,669,039**

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.

22.1.1 Analysis of Receivables that are past due but not impaired

	Group		Company	
Past due but not impaired:	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
	N'000	**N'000**	**N'000**	**N'000**
- by up to 90 days	1,115,167	646,884	1,115,167	646,884
- by 90 to 180 days	811,415	315,213	811,415	315,213
- later than 180 days	-	-	-	-
Total past due but not impaired	**1,926,582**	**962,097**	**1,926,582**	**962,097**

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.

Notes to the consolidated and separate financial statements

22 Trade and other receivables (cont'd)

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.

2023

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)	3,224,399	672,551	158,614	16,413	17,309	19,509	106,043	4,214,838
Total Expected Loss (N'000)	28,962	36,124	12,216	3,100	4,741	9,762	105,540	200,445
Coverage Ratio	0.88%	5.37%	7.70%	18.89%	27.39%	50.04%	99.53%	4.76%

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%

22.1.2 Analysis of Receivables that are impaired

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

	Group		Company	
Movements on the provision for impairment for trade receivables are as follows:	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
	N'000	**N'000**	**N'000**	**N'000**
As at 1 January	(309,432)	(8,761)	(309,432)	(8,761)
Expected credit loss (ECL)	(200,445)	(309,432)	(200,445)	(309,432)
Release of previous provision	309,432	8,761	309,432	8,761
As at 31 December	**(200,445)**	**(309,432)**	**(200,445)**	**(309,432)**

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

22.2 Advances largely consists of advance payment to suppliers (2022: advance payment to PPMC for unloaded products at year end).

22.3 Bridging claims represents receivables from Petroleum Equalisation Fund (PEF) for fuels (PMS) distribution from the depot to the retail stations in the bridging areas. The removal of fuel subsidy in June 2023 has put a stop to bridging claims. The amount is still considered recoverable as all outstanding claims have been submitted and validated by the Agency.

22.4 The foreign exchange purchase deposits relate to the cash deposits for purchase of USD in the CBN retail bid session and other licensed market for settlement of due obligation from letters of credit and bills for collection on the importation of AGO and Base oils.

22.5 Other receivables relate to expense reimbursement balance and other various debit balances. They are not subject to impairment.

23 Cash and Cash Equivalents

	Group		Company	
	31 Dec 2023	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
Cash and bank	6,811,421	11,084,777	6,801,465	11,084,241
Short term deposits with financial institutions	83,813	75,035	83,813	75,035
Cash and bank balance	**6,895,234**	**11,159,812**	**6,885,278**	**11,159,276**
Bank overdrafts	-	(407,184)	-	(407,184)
Cash and Cash equivalents	**6,895,234**	**10,752,628**	**6,885,278**	**10,752,092**

For the purpose of the statements of cash flows, the cash and cash equivalent balance includes cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the reporting period is as shown in the statement of cash flow and can be reconciled to the related items in the statement of financial position as shown above.

The carrying amount of these assets and liabilities is approximately equal to their fair value.

24 Borrowings

		Group		Company	
Current		**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
As at 1 January		26,428,783	19,927,606	26,428,783	19,927,606
Additions		123,644,174	78,366,233	123,644,174	78,366,233
Interest on term loan		-	113,576	-	113,576
Interest on short-term loan	(note 24.1)	4,376,276	1,518,113	4,376,276	1,518,113
Exchange loss		10,979,409	-	10,979,409	-
Repayment (principal)		(117,822,443)	(71,865,057)	(117,822,443)	(71,865,057)
Repayment (interest)		(4,376,276)	(1,631,689)	(4,376,276)	(1,631,689)
		43,229,923	**26,428,783**	**43,229,923**	**26,428,783**
Bank overdraft		-	407,184	-	407,184
		43,229,923	**26,835,967**	**43,229,923**	**26,835,967**
Current		43,229,923	26,835,967	43,229,923	26,835,967
Non- current		-	-	-	-

Bank borrowings classified as current are denominated in Naira and USD (translated in Naira). This relates to various import finance facilities (IFF) and local purchase facilities (LPF) obtained from various banks at interest rates ranging from 21% to 25% 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).

24.1 Interest on short-term loan was distributed between cost of sales (2023: N4.7billion, 2022: N1.18billion) and finance cost (2023: N1.4billion, 2022: N335million). The distribution was done to separate the finance costs that are directly attributed to purchase of products as cost of sales and others from operational activities as finance cost.

Notes to the consolidated and separate financial statements

25 Decommissioning Liability	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Balance as at 1 January	194,979	170,866	178,889	157,020
Additional obligations incurred	-	-	-	-
Accretion expenses (Note 13)	16,856	24,113	14,249	21,869
Balance at 31 December	**211,835**	**194,979**	**193,138**	**178,889**

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% (2022: 10.3%-11%) and discounted between the range of 12.8% - 16.2% (2022: 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 2023.

26 Trade and other payables		Group		Company	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Trade creditors	(note 26.1)	9,106,083	7,382,974	9,123,355	7,374,974
Due to Related Parties	(note 32)	624,255	316,378	624,255	316,378
Other payables	(note 26.3)	107,379	1,853,215	619,990	1,824,150
Bridging Allowance		423,377	225,076	423,377	225,076
Financial liabilities		10,261,094	9,777,643	10,790,977	9,740,578
Advance received	(note 26.2)	446,086	311,872	446,086	311,872
Other payables	(note 26.3.1)	516,855	-	516,855	-
Tax related liabilities		332,160	83,383	317,972	82,880
Accrued payables		163,019	1,811,666	162,837	1,804,620
Non-financial liabilities		1,458,120	2,206,921	1,443,750	2,199,372
		11,719,214	**11,984,564**	**12,234,727**	**11,939,950**

26.1 Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is between 30 and 90 days. For most suppliers no interest is charged on the trade payables. The group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

26.2 Included in the Advance received are the customer deposits of N398million (2022: N309millon) for white products and advance rent received from tenants. For product sales, revenue is recognised when control of the products are transferred to the customers, being 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 been 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.

Notes to the consolidated and separate financial statements

26.3 Other payables relate to outstanding POS settlements N259m (2022: N280m), accrued payables N272m (2022: N185m) and other various credit balances.

26.3.1 Included in other payables (non-financial liabilities) is product swap of N516m (2022: Nil). Product swap is a product volume to volume swap arrangement that requires no movement of cash between the parties.

27	**Lease Liability**	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
	Opening balance	-	147,664	-	147,664
	Payment during the year	-	(147,664)	-	(147,664)
		-	**-**	**-**	**-**

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

28	**Share Capital**	**Group & Company**	
		31 Dec 2023	**31 Dec 2022**
	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 000**	**Share capital N'000**	**Share premium N'000**	**Total N'000**
At 1 January	1,304,145	652,072	5,796,053	6,448,125
Issue of new shares	-	-	-	-
At 31 December	1,304,145	652,072	5,796,053	6,448,125

29 **Earnings per share**

(a) **Basic**

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

	Group		**Company**	
	31 Dec 2023	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
(Loss)/profit for the year attributable to shareholders (in N'000)	(9,433,109)	1,012,252	(9,268,195)	1,157,705
Weighted average number of ordinary shares in issue (thousands)	1,304,145	1,304,145	1,304,145	1,304,145
Basic (loss)/earnings per share (in N)	**(7.23)**	**0.78**	**(7.11)**	**0.89**

Notes to the consolidated and separate financial statements

29 Earnings per share (Cont'd)

(b) Diluted

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

	Group		Company	
	31 Dec 2023	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
(Loss)/profit for the year attributable to shareholders (in N'000)	(9,433,109)	1,012,252	(9,268,195)	1,157,705
Weighted average number of ordinary shares in issue (thousands)	1,304,145	1,304,145	1,304,145	1,304,145
Basic (loss)/earnings per share (in N)	**(7.23)**	**0.78**	**(7.11)**	**0.89**

30 Contingent liabilities

The Group currently have 5 open legal proceedings that arose in the ordinary course of its businesses as at 31 December 2023. The total contingent liabilities in respect of these pending litigations as at 31 December 2023 is ₦165million (Dec 2022: ₦2.47 billion). The decline in the contingent liability is because of decided cases in the

current year. 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.

31 Commitments

The group has no commitment as at 31st December 2023. (2022: Nil)

32 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 2023**	**31 Dec 2022**
		N'000	**N'000**
Eterna Industries Limited	Subsidiary	1,540,230	756,451
Eterna Marine and Services Limited	Subsidiary	67,192	67,192
		1,607,422	**823,643**

Notes to the consolidated and separate financial statements

32 Related party transactions (Cont'd)

In addition, the company engaged in transactions with other related companies (Preline Limited, 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 2023	31 Dec 2022
		N'000	N'000
Sales	**Relationship**		
Rainoil Limited	Related Company	12,076,170	999,823
Rainoil Logistics	Related Company	-	10,657
		12,076,170	**1,010,481**

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

		31 Dec 2023	31 Dec 2022
Purchases	**Relationship**	**N'000**	**N'000**
Eterna Industries Limited	Subsidiary	144,373	192,875
Rainoil Limited	Related Company	40,916,116	7,697,042
Fynfield Petroleum Company Limited	Related Company	2,633,649	729,003
Rainoil Logistics Limited	Related Company	1,846,103	232,925
		45,540,240	**8,851,844**

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

a) Transactions

		31 Dec 2023	31 Dec 2022
Services	**Relationship**	**N'000**	**N'000**
Preline Limited	Related Company	1,478,259	873,543

This represents the technical supports services rendered to the Group.

	Group/Company	
	31 Dec 2023	31 Dec 2022
Balance due to related party	**N'000**	**N'000**
Preline Limited	(394,919)	(132,319)
Rainoil Limited	(109,800)	(181,522)
Rainoil Logistics	(119,536)	(2,537)
Fynfield Petroleum Company Limited	-	-
	(624,255)	**(316,378)**
Balance due from related party		
Rainoil Limited	65,807	247,651
Rainoil Logistics	-	-
Fynfield Petroleum Company Limited	143,944	88,709
	209,751	**336,360**

Notes to the consolidated and separate financial statements

32 Related party transactions (Cont'd)

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 2023	31 Dec 2022
	N'000	**N'000**
Management salaries & wages	144,858	157,705
Board of Directors renumerations	101,628	103,667
	246,486	**261,372**

33 Events after reporting period

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

Other National Disclosures

Consolidated and separate value-added statement

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

	31 Dec 2023	%	31 Dec 2022	%
Group	**N'000**		**N'000**	
Turnover	183,282,139		116,472,441	
Bought in materials and services - all local	(190,752,988)		(111,215,879)	
	(7,470,849)		5,256,562	
Interest income	39,669		41,047	
Other income	59,368		72,673	
Value (eroded)/added	**(7,371,812)**	**(100)**	**5,370,282**	**100**
Applied to pay as follows:				
Employees - salaries & wages	1,634,111	(22)	1,325,694	25
Fund Providers	2,054,303	(28)	1,122,386	21
Government - income tax	1,119,814	(16)	671,609	12
For future growth:				
Asset Maintenance	914,117	(12)	824,327	15
Deferred tax	(3,661,049)	50	414,013	8
Retained in the business	(9,433,109)	128	1,012,253	19
	(7,371,812)	**(100)**	**5,370,282**	**100**
Company				
Turnover	183,282,139		116,472,441	
Bought in materials and services - all local	(190,765,022)		(111,219,360)	
	(7,482,883)		5,253,081	
Interest income	39,669		41,047	
Other income	50,145		71,328	
Value (eroded)/added	**(7,393,069)**	**(100)**	**5,365,456**	**100**
Applied to pay as follows:				
Employees - salaries & wages	1,526,624	(21)	1,245,855	23
Fund Providers	2,051,681	(28)	1,122,384	21
Government - income tax	1,112,415	(15)	671,609	13
For future growth:				
Asset Maintenance	845,454	(11)	753,890	14
Deferred tax	(3,661,049)	50	414,013	8
Retained in the business	(9,268,195)	125	1,157,705	21
	(7,393,069)	**(100)**	**5,365,456**	**100**

Value consumed represents the additional wealth the Company has been able to create by its own employees' efforts. This statement shows the allocation of the wealth among 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		
	Dec 2023	**Dec 2022**	**Dec 2021**	**Dec 2020**	**Dec 2019**
Financial performance	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Revenue	183,282,139	116,472,441	82,197,987	58,715,576	229,274,785
(Loss)/profit before tax	(11,974,343)	2,097,875	(936,415)	548,146	111,440
Taxation	2,541,235	(1,085,622)	(163,717)	392,896	(255,729)
(Loss)/profit for the year	(9,433,108)	1,012,253	(1,100,132)	941,042	(144,289)
Actuarial gains or losses	-	-	-	-	-
Tax effect of actuarial gains and losses	-	-	-	-	-
Non - controlling interest	2	44	4	15	19
Total comprehensive (loss)/income for the year	(9,433,106)	1,012,297	(1,100,128)	941,057	(144,270)
Basic earnings per share (kobo)	(7.23)	0.78	(0.84)	0.72	(0.11)
Diluted earnings per share (kobo)	(7.23)	0.78	(0.84)	0.72	(0.11)
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	(4)	(2)	42	46	61
Retained Earnings	(2,946,270)	6,682,461	5,670,208	6,900,750	5,959,693
Total equity	**3,501,851**	**13,130,584**	**12,118,375**	**13,348,921**	**12,407,879**
Non-current assets	16,722,660	14,642,118	15,156,212	14,090,220	12,471,450
Net current (liabilities)/assets	(13,008,973)	48,668	(707,723)	1,213,924	1,952,059
Non-current liabilities	(211,835)	(1,560,203)	(2,330,115)	(1,955,223)	(2,015,630)
Net assets	**3,501,851**	**13,130,584**	**12,118,375**	**13,348,921**	**12,407,879**
Net assets per share (Naira)	2.69	10.07	9.29	10.24	9.51

Earnings per share is based on the (loss)/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 consolidated five-year financial summary is included for the purposes of the Companies and Allied Matters Act.

		Company			
	Dec 2023	**Dec 2022**	**Dec 2021**	**Dec 2020**	**Dec 2019**
Financial performance	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Revenue	183,282,139	116,472,441	82,197,987	58,715,576	229,274,785
(Loss)/profit before tax	(11,816,828)	2,243,327	(914,830)	624,620	257,703
Taxation	2,548,634	(1,085,622)	(163,717)	392,896	(306,306)
(Loss)/profit for the year	(9,268,195)	1,157,705	(1,078,547)	1,017,516	(48,603)
Actuarial gains or losses	-	-	-	-	-
Tax effect of actuarial gains and losses	-	-	-	-	-
Total comprehensive (loss)/income for the year	(9,268,195)	1,157,705	(1,078,547)	1,017,516	(48,603)
Basic earnings per share (Naira)	(7.11)	0.89	(0.83)	0.78	(0.04)
Diluted earnings per share (Naira)	(7.11)	0.89	(0.83)	0.78	(0.04)
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	(2,620,570)	6,843,246	5,685,541	6,894,501	5,876,985
Total equity	**3,827,555**	**13,291,371**	**12,133,666**	**13,342,626**	**12,325,110**
Non-current assets	16,047,012	14,101,859	14,585,104	13,566,312	11,934,127
Net current (liabilities)/assets	(12,026,319)	774,622	(94,168)	1,760,623	2,437,360
Non-current liabilities	(193,138)	(1,585,110)	(2,357,270)	(1,984,309)	(2,046,377)
Net assets	**3,827,555**	**13,291,371**	**12,133,666**	**13,342,626**	**12,325,110**
Net assets per share (Naira)	2.93	10.19	9.30	10.23	9.45

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