Table of Contents

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the forty-first Annual General Meeting of the members of **11PLC**, will be held at **The Shell Hall, MUSON Centre**, 8/9 Marina, Onikan, Lagos, on **Thursday, May 16, 2019**, at **11.00 a.m.** to transact the following:

ORDINARY BUSINESS:

1. To receive the report of the Directors, the balance sheet as at December 31, 2018 together with the statement of Profit or Loss Account for the year ended on that date and the Report of the Independent Auditors thereon;
2. To declare a dividend;
3. Retirement/ Re-election of Director;
4. To reappoint the external Auditors of the Company and to authorize the Directors to fix their remuneration;
5. To elect members of the Audit Committee.

SPECIAL BUSINESS:

1. To fix the remuneration of the Directors

Notes:

1. PROXY:

   A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not also be a member. A form of proxy is enclosed and if it is to be valid for the purposes of the meeting, it must be stamped by the Commissioner of Stamp Duties and deposited at the office of the Registrar, Greenwich Registrars & Data Solutions Limited, 274, Murtala Muhammed Way, Alagomeji, Yaba, Lagos State, not less than 48 hours before the time for holding the meeting.

2. DIVIDEND WARRANTS AND CLOSURE OF REGISTER

   If the dividend recommended by the Directors is approved, those shareholders whose names are registered in the Register of Members at the close of business on May 2, 2019 shall have their designated bank accounts credited directly on May 17, 2019. Notice is hereby given that the Register of Members and Transfer Books will be closed from May 3, 2019, through May 10, 2019 [both days inclusive] to enable preparation and payment of dividend by the Registrars.

3. AUDIT COMMITTEE

   The Audit Committee shall consist of three shareholders and three Directors. In accordance with section 359 (5) of the Companies and Allied Matters Act 2004, any member may nominate a shareholder as a member of the Audit Committee by giving in writing, notice of such nomination at least 21 days before the date of the Annual General Meeting.

   By virtue of Rule 2 (c) of the FRCN Rules, any person attesting as Chairman of the Audit Committee to an annual report, financial statements, accounts, financial reports, returns and other documents of a financial nature, shall be a professional member of an accounting body established by an Act of the National Assembly in Nigeria.

4. RIGHTS OF SECURITIES' HOLDERS TO ASK QUESTIONS

   Securities' Holders have a right to ask questions not only at the meeting, but also in writing prior to the meeting and such questions must be submitted to the Company on or before May 9, 2019.

BY ORDER OF THE BOARD

Danladi, Adams & Co.
Company Secretaries.
11 Plc Apapa Complex,
1 Mobil Road,
Apapa, Lagos.

Dated this 22nd day of March, 2019.

Financial Highlights

=N='000

	2018	2017	Change %
Revenue	164,609,535	125,257,109	31
Profit before taxation and exceptional items	13,695,459	13,366,905	2
Exceptional items	-	(2,229,019)	(100)
Taxation	(4,366,524)	(3,619,153)	21
Profit for the Year	9,328,935	7,518,733	24
Other Comprehensive Income	-	1,267,362	(100)
Total Comprehensive Income	9,328,935	8,786,095	6
Earnings per 50k share (kobo)	2,587	2,085	24
Proposed dividend per 50k share (kobo)	825	800	3
Total assets	70,660,798	74,648,928	(5)
Capital expenditure	2,988,029	1,541,711	94
Authorised share capital	200,000	200,000	-
Number of 50k shares issued and fully paid up (absolute figures)	360,595,261	360,595,261	-

A final dividend of 825 kobo per 50k share held has been proposed. This is subject to shareholders' ratification.

Chairman's Statement

Chairman

Distinguished shareholders, members of the Board of Directors of 11Plc, esteemed customers, gentlemen of the press, invited guests, ladies and gentlemen; it is with great pleasure that I, on behalf of the Board of Directors of 11Plc welcome you to the 41st Annual General Meeting of your Company. In the course of this meeting, I shall present to you the Directors' Report and Financial Statements for the year ended December 31, 2018.

OUR BUSINESS ENVIRONMENT

Security remained a major concern in the country with continued sporadic activities of insurgents in the North East as well as conflict between farmers and herdsmen which had resulted in wanton destruction of lives and property across the country. This situation was further compounded by the crisis of separatist agitation in the South East and militancy in the South South zones of the country.

The business and economic space was characterized by several challenges during the year. The economy nevertheless maintained a positive growth trajectory driven by the recovery of oil price for most part of the year. This gave a boost to the macroeconomic fundamentals.

Available data suggests economic activity remained relatively weak in the last quarter of 2018, following a modest increase in Q3 which was propped up by higher oil production compared to the year before. The Purchasing Managers' Index (PMI) edged down in December and brought Q4 average below that of Q3's, signaling waning momentum of business activity towards the end of the year. On the demand side, multi-year high unemployment in Q3 coupled with still-elevated inflationary pressures at 11.44% through year-end likely weighed on private consumption in Q4. Whilst the interest rate was benchmarked at 14%.

In the year under review, foreign exchange shortages and the resultant pressure on the Nigerian economy eased off slightly, influencing the consumption and production pattern in the economy. This narrative however provided unprecedented opportunities for businesses and entrepreneurs to look inwards, build capacity and synergies in order to create more wealth.

COMPANY PERFORMANCE

In spite of the uncertainties in the economy and challenging business climate, we continued to maintain impressive volumes and post positive earnings in 2018.

11Plc made significant strides during the year as we continued to experience some benefit of the investments we made from the second half of the year.

The Turnover for 2018 was 164.6BN and the Profit after tax rose to 9.3BN. We are very pleased with our stewardship for the period and we are certain that as we continue to reach the gestation levels in our investments, our strategic planning and renewed commitment to improve on our current results, will engender growth and deliver impressive returns in the future years to come.

In line with our tradition of delivering superior and competitive shareholder returns, I am pleased to recommend for your approval, a dividend of 825 kobo subject to applicable statutory deductions.

INVESTMENTS

We are also pleased to inform you of our re-entry into the sale and marketing of Aviation Turbine Kerosene (ATK) at Ground Aviation Terminal (GAT), Lagos in the fourth quarter of the year under review. Currently we service some major international airlines with their ATK requirements. Plans for expansion to other major airport locations across the country will follow soon as we seek to penetrate the local ATK market.
We continue to enjoy uninterrupted PMS supply at our Apapa facility with the expanded tankage as well as other pipeline upgrades to enhance our volumes.

From the lubricant perspective, our blending plant upgrade and increased warehouse capacity has ensured our ability to increase our production and hold more of our finished goods and raw materials. With our aggressive sales and marketing strategy, we continue to anticipate greater success in the market place. This will guarantee an increase in the Company's market share and dominance in the premium lubricant segment.

BOARD OF DIRECTORS

In line with our Memorandum and Articles of Association, Mr. Thomas Dietz, during the year, elected to retire from the Board, thus leaving the following as the Directors of the Company by the year ended December 31, 2018:

Ramesh Kansagra	Chairman
Adetunji Oyebanji	Managing Director
Alhaji Abdulkadir Aminu	Director
Rishi Kansagra	Director
Paul Obi	Director
Ramesh Virwani	Chief Operating Officer

PEOPLE

Our dedicated employees always strive to make significant contributions toward stabilizing our growth and business. On your behalf, I wish to thank them for all their efforts, diligence to duty and superior work ethics. We could not have achieved these successes without them. Their responses to the challenging business environment, their numerous accomplishments in an ever changing, dynamic and difficult situations, cannot be over emphasized.

THE FUTURE

There are positive expectations of the Nigeria economy. Real GDP is projected to grow above 2% in 2019 as the implementation of the Economic Recovery and Growth plan gains pace. However, the slide in oil prices from late 2018 coupled with an output cut imposed by OPEC poses a downside risk in the economic outlook.

Nevertheless, we remain focused and committed to our promise to grow your company by all indices, and sustain its status as the downstream company of choice in Nigeria.

CONCLUSION

At this point, I seize this opportunity to thank you all, our dear shareholders, our regulators from the Securities and Exchange Commission, the Nigerian Stock Exchange, and the Corporate Affairs Commission, our members, Auditors and other stakeholders for attending this Annual General Meeting and for your continued support and belief in our Administration.

I also want to thank the Board, Management, and staff of our company, our Distributors, Dealers and Customers for their understanding and cooperation through the years. May God bless you all.

Thank you

Ramesh Kansagra
Chairman.

For more information, kindly visit www.11plc.com

11

DIRECTORS

ALH. ABDULKABIR AMINU

MR. THOMAS DIETZ

MR. ADETUNJI A. OYEBANJI

MR. RAMESH KANSAGRA

MR. RISHI KANSAGRA

MR. RAMESH VIRWANI

MR. PAUL OBI

Report of the Directors

For The Year Ended December 31, 2018

The Directors are pleased to present to the members of the Company, their report and the Audited Financial Statements for the year ended December 31, 2018.

STATE OF AFFAIRS

In the opinion of the Directors, the state of the Company's affairs was satisfactory and no events have occurred since the balance sheet date that would affect the financial statements as presented.

ACTIVITIES

The Company remains engaged in the marketing of petroleum products and property business. There was no significant change in the activities of the company during the year under review.

Results for the year

	N'000
Revenue	164,609,535
Profit before taxation	13,695,459
Profit after taxation	9,328,935

Your Board recommends for your approval a dividend of ₦2,974,910,903 that is 825 Kobo per share, subject to the deduction of withholding tax at the appropriate rate. The dividend represents 32% of the after tax profit for the year.

If the recommended dividend is approved at the Annual General Meeting, all shareholders whose names were in the Register of members at the close of the business on Thursday, May 2, 2019, shall have their designated bank accounts credited directly, on Friday, May 17, 2019.

If the recommended dividend is approved, the profit retained in the business as at December 31, 2018 will amount to ₦30,603,187,000 made up as follows:

	N'000
Retained earnings as at December 31, 2018	33,578,097
Proposed Dividends	(2,974,910)
Retained earnings after payment of Dividends	30,603,187

PROPERTY, PLANT AND EQUIPMENT

Information relating to changes in the fixed assets is given in Note 3 & 4 of the financial statements.

DIRECTORS

The following Directors were in office during the year ended December 31, 2018:

Mr. Ramesh Kansagra	Chairman (British)
Mr. Adetunji A. Oyebanji	Managing Director (Nigerian)
Mr. Ramesh Virwani	Executive Director (Indian)
Alhaji Abdulkadir Aminu	Non-Executive Director (Nigerian)
Mr. Paul C. Obi	Non-Executive Director (Nigerian)
Mr. Rishi Kansagra	Non-Executive Director (British)
Mr. Thomas Dietz	Non-Executive Director (American)

BRIEF RESUME OF DIRECTORS

MR. RAMESH KANSAGRA

Mr. Ramesh Kansagra is a first class degree holder (BSc. Hons.) in Microbiology, University of London.

He is the Managing Director, Solai Holdings Limited (SHL) with over 30 years managing the Group. SHL has a Net Asset Value in excess of £240 million and are involved in oil trading, raw materials for the ceramics industry, agriculture and food industries processing with various investments in Africa and the United Kingdom.

Ramesh Kansagra is a recipient of the honorary award of the Member of the Federal Republic of Nigeria (MFR).

MR. ADETUNJI A. OYEBANJI

Tunji Oyebanji obtained a Bachelor of Science Degree in Economics from the University of Lagos in June 1979. He also holds an MBA in Marketing from the City University, London, United Kingdom.

He joined Mobil Oil Nigeria in December 1980 and has held several positions in the Company including Branch Manager North, Branch Manager West, Manager Fuels Services and Marketing Director. In addition, he has held several offshore appointments including Executive Director, Mobil Oil Ethiopia, Executive Director, Mobil Oil Cameroun and Manager Industrial and Wholesale Fuels (Africa/ Middle East), Exxon Mobil Petroleum & Chemicals Co bvba. He was first appointed to the Board in December 2002 and after several foreign assignments was re-appointed in August 2007. In October 2008, he was appointed Chairman and Managing Director.

Tunji has attended numerous training programs at home and abroad including a two-year developmental assignment in 1993 at Mobil's corporate headquarters in Virginia, USA.

He is a member of several professional bodies and a Fellow of the National Institute of Marketing of Nigeria and Institute of Directors Nigeria. He is also an alumnus of the Thunderbird School of Global Management, Arizona, USA and the Lagos Business School Senior Management Program.

With the acquisition of 60% ExxonMobil controlling shares in October 2016 by Nipco Investments Limited and after Change in Control in April 2017, Tunji retained his role as the managing director and oversees the entire operations of the Company.

ALHAJI ABDULKADIR AMINU

A civil engineer by profession, Alhaji Aminu has over 25 years of experience in oil and gas sector.

He has successfully established and piloted numerous private Companies in oil and gas which includes Azkard International Limited and A.A. Mbamba Petroleum Group, since early 90s to date. He is one of the founding fathers of Nipco Plc, as well as its Group Executive Director.

He has served on the Boards of several regulatory agencies in the petroleum sector, including Petroleum Products Pricing & Regulatory Agency (PPPRA) and the Petroleum Equalization Fund (PEF).

He is the immediate past IPMAN National President and is currently the Chairman Board of Trustees of IPMAN. Alhaji Aminu has also served the country under the Palliative Committee set up by then President, Chief Olusegun Obasanjo to cushion the effects of increase in price of petroleum products. A prestigious title holder of Sarki Hurmi Adamawa and a council member of the emirate.

MR. RAMESH VIRWANI

Mr. Ramesh is a chartered Accountant, with over 25 years' experience in the field of Finance and Accounts. He worked for Purebond Limited, United Kingdom in various capacities in different parts of Nigeria.

He joined Nipco Plc as a General Manager, Finance and Accounts in 2008; he became the Executive Director, Finance in January, 2011. He assumed the same role in 11Plc in April, 2017 and he oversees the financial and commercial aspects of the company in supervisory capacity.

MR. PAUL CHUKWUMA OBI (KSC)

Chief Paul Obi, a Lawyer, has been in active legal practice for twenty-eight years. A graduate of the University of Lagos, he is a Notary Public. He is also an Associate member, Chartered Institute of Arbitrators, London as well as a member of International Bar Association. He has a master's degree in Law with specialization in Oil and gas law and Practice. He has a strong flair for Commercial practice and Civil litigation.

He is the managing partner of P. C. OBI & Co, a firm of Legal Practitioners which he established in 1993. They are Legal Advisers, Consultants, and Company Secretaries to several corporate bodies, including NIPCO Plc and its subsidiaries, Mobil Oil Nigeria plc (now 11Plc), banks, multinational organizations and agencies. Chief Paul Obi sits on several boards and is the chairman of Sir Paul Obi foundation.

MR. RISHI KANSAGRA

Rishi is a graduate of Harvard Business School and Somerville College, University of Oxford, having studied Philosophy, Politics and Economics.

He currently sits on various advisory Boards such as Vivo Energy, Iodine Global Network, Nipco plc, Bridge International Academies in Nigeria, as well as being an Executive Director of Solai Holdings- a group operating in oil and gas, manufacturing and logistics assets throughout East and West Africa since 2006.

He previously worked with Bank of England (2002 – 2004) and Chevron Corporation (2004-2006).

MR. THOMAS DIETZ

Thomas holds a PhD in Chemistry from Rice University.

He worked for more than 32 years for ExxonMobil in various technical and business roles, including Global Industrial lubricant technical manager. He is a recognized lubricants expert and has a broad range of experience and knowledge on technical, marketing and manufacturing aspects of lubricants business.

Thomas retired from ExxonMobil in 2013 and has consulted with Nipco plc and 11Plc since 2016.

DIRECTORS' INTEREST

The Directors' interest in the Issued Share Capital of the Company as recorded in the Register of Members and in the Register of Directors' holdings and contracts as notified by them for the purposes of section 275 of the Companies and Allied Maters Act are as follows:

	Number of Shares As at Dec 31, 2018	Number of Shares As at Dec 31, 2017
Mr. Adetunji Oyebanji	21,757	21,757

INDEPENDENT AUDITORS

The Auditors, Messrs. Grant Thornton Nigeria have indicated their willingness to continue in office. A resolution will be proposed at this meeting to reappoint and to authorize the Directors to fix their remuneration.

AUDIT COMMITTEE

The members of the Audit Committee appointed at the last Annual General Meeting have since met and will at this meeting, in accordance with the provisions of the Companies and Allied Matters Act, present their report to you.

MAJOR SHAREHOLDING

According to the Register of members, the shareholder below held more than 5% of the issued share capital of the Company as at December 31, 2018:

Nipco Investments Limited, which had 269,257,947 ordinary shares of 50 kobo each, representing 74.67%.

ANALYSIS OF SHAREHOLDING

The Company's issued and paid up share capital as at December 31, 2018 was ₦180,297,630.50 divided into 360,595,261 ordinary shares of 50 kobo each. The following is the analysis of shareholdings in the Register of members as at that date:

SHARE RANGE	NO. OF S'HOLDERS	%OF S'HOLDERS	NO. OF HOLDINGS	%OF S'HOLDING
1 - 1,000	20,673	67.34	7,125,913	1.98
1,001 - 10,000	9,005	29.33	24,482,032	6.79
10,001 - 50,000	811	2.64	15,659,782	4.34
50,001 - 100,000	104	0.34	7,344,749	2.04
100,001 - 500,000	87	0.28	18,090,199	5.02
500,001 - 1,000,000	12	0.04	8,293,803	2.30
1,000,001 - 10,000,000	6	0.02	10,340,836	2.87
10,000,001 & Above	1	0.00	269,257,947	74.67
TOTAL	**30,699**	**100**	**360,595,261**	**100**

FULLY PAID SHARE CAPITAL HISTORY

Bonus Year	Ratio	Units	52,450,220 units (Initial Share Capital)
1981	1:2	26,225,110	78,675,330 (cumulative)
1984	1:4	19,668,832	98,344,162 (cumulative)
1987	1:3	32,781,388	131,125,550 (cumulative)
1994	1:10	13,112,550	144,238,105 (cumulative)
1999	1:3	48,079,368	192,317,473 (cumulative)
2002	1:4	48,079,368	240,396,841 (cumulative)
2007	1:4	60,099,210	300,496,051 (cumulative)
2011	1:5	60,099,210	360,595,261 (cumulative)

CONTRIBUTIONS AND CHARITABLE GIFTS

The Company made contributions, sponsorships and charitable gifts amounting to ₦13,750,000 in the year 2018 (2017 ₦2,625,000). The breakdown is as follows:

Laboratory Equipment/ Engineering Programme (University of Ilorin)	500,000.00
Lagos State Security Trust Fund/ Enhancement of Security	1,000,000.00
Down Syndrome Foundation of Nigeria	500,000.00
The Nigerian Stock Exchange	500,000.00
Association of Professional Women Engineers of Nigeria	500,000.00
The Murtala Muhammed Foundation	500,000.00
Roofing of Baptist Primary School Building	9,500,000.00
Apapa Police Security Surveillance Kit (Milan Industries Ltd)	250,000.00
Nigeria Britain Association - Youth Tech/ Vocational training	500,000.00
	13,750,000.00

EMPLOYMENT AND EMPLOYEES

The Company is an equal opportunity employer and does not discriminate on any grounds. Employment opportunities are open to all suitable qualified Nigerians irrespective of their place of origin, gender, age, sexual orientation, disability, political opinion or faith. The Company continues to pursue its policy of non-discrimination in recruitment and continued employment, offering physically challenged persons career opportunities.

In the period under review, the Company employed three persons and conducted training and development courses for three employees.

DISTRIBUTION OF PRODUCTS

The Company distributes its products through a network of outlets and distributors as well as some direct sales to end-users. Fuel products are supplied from the company's terminal at Apapa Lagos, PPMC depots and third-party terminals. Whilst our route to the lubricants market is through accredited distributors across the country.

BY ORDER OF THE BOARD

Danladi, Adams & Co.
FRC/2017/NBA/00000017434
Company Secretaries

Dated this 7th day of March, 2019.

For The Year Ended December 31, 2018

The Company is committed to the highest standard of corporate governance in all its activities and conducts its business with utmost integrity, taking into account the legitimate interest of all its stakeholders.

This statement describes the Company's corporate governance practices that were in place throughout the financial year ended December 31, 2018 in compliance with the Code of Corporate Governance issued by the Securities and Exchange Commission.

The Board of Directors

The primary function of the Board of Directors (the Board) is to provide effective leadership and direction to enhance the long-term value of the Company to its shareholders and other stakeholders. The Board oversees the business affairs of the Company. The Board has the overall responsibility for reviewing the strategic plans and performance objectives, financial plans and annual budget, key operational initiatives, major funding and investment proposals, financial performance reviews, and corporate governance practices.

In addition, the principal duties of the Board include:

- Setting the Company's strategic objective and ensuring that the necessary financial and human resources are in place for the Company to meet its objectives.
- Overseeing the process for evaluating the adequacy of internal control, risk management, financial reporting and compliance.
- Appointing the Company's Chief Executive Officer and approving the remuneration policies and guidelines for the Board and senior management.
- Reviewing the performance of senior management and overseeing succession planning for senior management.
- Setting the Company's values and standards (including ethical standards) and ensuring that obligations to shareholders and other stakeholders are understood and met.

Board Size and Board Composition

As at December 31, 2018, the Board comprised seven directors; 2 of which are Executive Directors whilst 5 are Non-Executive Directors, including the Chairman.

Taking into account the nature and scope of the Company's businesses, the Board considers a Board size of between seven and ten members as appropriate. The Board believes that the current composition and size provides sufficient diversity without interfering with efficient decision-making.

Roles of the Chairman and the Chief Executive Officer

The Chairman and the CEO functions in the Company are assumed by different individuals. The Chairman, Mr. Ramesh Kansagra, is a Non-Executive Director, while the CEO, Mr. Adetunji Oyebanji, is an Executive Director.
There is a clear division of responsibility between the Chairman and CEO, which strikes a balance in power and authority at the top of the Company.

The Chairman:

- Is responsible for leadership of the Board and is pivotal in creating the conditions for overall effectiveness of the Board, board committees and individual directors.
- Takes a leading role in the Company's drive to achieve and maintain a high standard of corporate governance with the full support of the directors, Company Secretary and management.
- Approves the agendas for the Board meeting and ensures sufficient allocation of time for thorough discussion of agenda items.
- Promotes an open environment for debates and ensures Non-Executive Directors are able to speak freely and contribute effectively.
- Exercises control over quality, quantity and timelines of information flow between the Board and management.
- Provides close oversight, guidance, advice and leadership to the CEO and management.
- Plays a pivotal role in fostering constructive dialogue between shareholders, the Board and management at AGMs and other shareholder meetings.

The CEO is the highest ranking executive officer of the Company. The CEO is responsible for:

- Running the day-to-day business of the Company, within the authorities delegated to him by the Board.
- Ensuring implementation policies and strategy across the Company as set by the Board.
- Day-today management of the executive and senior management team.
- Leading the development of senior management within the Company with the aim of assisting in the training and development of suitable individuals for future director roles.
- Ensuring that the Chairman is kept appraised in a timely manner of issues faced by the Company and of any important events and developments.
- Leading the development of the Company's future strategy including identifying and assessing risks and opportunities for the growth of its business and reviewing the performance of its existing businesses.

Role of Non-Executive Directors

The Board and management fully appreciate that an effective and robust Board whose members engage in open and constructive debate, and challenge management on its assumptions and proposals, is fundamental to good corporate governance.
The Company has adopted initiatives to put in place processes to ensure that Non-Executive Directors have sufficient time and resources to discharge their oversight function effectively. These initiatives include that:

Regular informal meetings are held by management to brief the Non-Executive Directors on prospective deals and potential developments at an early stage, before formal Board's approval is sought.

Periodic information papers and board papers on the latest market developments and trends, and key business initiatives are circulated to Non-Executive Directors on a timely basis to afford the directors time to review them.

The Company has also made available on the Company's premises an office for use by the Non-Executive Directors at any time for the Non-Executive Directors to meet regularly without the presence of management.

Directors' Attendance at Board Meetings

DIRECTORS	March 20, 2018	June 27, 2018	September 27, 2018	November 27, 2018
Mr. Ramesh Kansagra	✓	✓	✓	✓
Mr. Adetunji Oyebanji	✓	✓	✓	✓
Alh. Abdulkadir Aminu	✓	✓	✓	✓
Mr. Paul C. Obi	✓	✓	✓	✓
Mr. Ramesh Virwani	✓	✓	X	✓
Mr. Rishi Kansagra	X	✓	✓	X
Mr. Thomas Dietz	✓	✓	✓	✓

Board Committees

The Board has delegated certain functions to Board committees; each of which has its own written terms of reference and whose actions are reported to and monitored by the Board. The Board accepts that while these various board committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

In the year under review, the Board reconstituted the statutory Audit Committee.

Statutory Audit Committee

In compliance with section 359 of the Companies and Allied Matters Act, 2004 and Securities and Exchange Commission Code of Corporate Governance, the Statutory Audit Committee was established by the Board of the Company.

The Committee consists of six members comprising of three shareholders and three directors. The Committee forms part of the internal audit mechanism created by the Company to ensure financial regulatory and risk management compliance to financial laws and practices.

The functions of the Statutory Audit Committee as listed in the terms of reference are:

- Ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- Review the scope and planning of audit requirements;
- Review the findings on management matters in conjunction with external auditors and departmental responses thereon;
- Keep under review the effectiveness of the Company's system of accounting and internal control;
- Make recommendations to the Board in regard to the appointment, removal and remuneration of external auditors of the Company to ensure the independence and objectivity of the external auditors and that there is no conflict of interest which could impair the independent judgment of the external auditors;
- Authorize the internal auditors to carry out investigations into any activities of the Company which may be of interest or concern to the Committee;
- Assist in the oversight of the integrity of the Company's financial statements and establish and develop the internal audit function;
- Make a recommendation to the Board on the Dividend payout.

Attendance at Audit Committee Meetings

MEMBERS	**January 15, 2018**	**March 20, 2018**	**July 24, 2018**	**October 26, 2018**
Mr. Esan Ogunleye	NA	NA	✓	✓
Mr. Raphael Oluwole Osayemeh	NA	NA	✓	✓
Barrister Adetuutu G. Siyonbola	NA	NA	✓	✓
Mr. Lazarus N. Onwuka	✓	✓	NA	NA
Mr. Ebenezer Oladokun	✓	X	NA	NA
Mr. Ayo Shonubi	✓	✓	NA	NA
Mr. Ramesh Virwani	X	✓	X	✓
Mr. Paul C. Obi	✓	✓	✓	✓
Alhaji Abdulkadir Aminu	X	✓	X	✓

Induction and Training of Directors

The Company conducts orientation programme, which is presented by the CEO and senior management, to familiarize new directors with business and governance policies. The orientation programme gives directors an understanding of the Company's business to enable them to assimilate into their new roles. The programme also allows the new director to get acquainted with senior management, thereby facilitating board interaction and independent access to senior management.

Board Performance

The Board conducts regular assessment of its effectiveness as a whole and the contribution by each individual director. The evaluation considers the range and balance of skills, experience, independence and knowledge of the Company, its diversity, how the Board works together as a unit and any other factor considered relevant to its effectiveness. The strengths are recognized and any weaknesses are addressed.

The Board did not conduct a formal evaluation of its performance in the year under review.

Access to Information

Management recognizes the importance of ensuring the flow of complete, adequate and timely information to the directors on an ongoing basis to enable them make informed decisions to discharge their duties and responsibilities.

To allow directors sufficient time to prepare for the meetings, all Board and Board committee papers are distributed to directors a week in advance of the meeting. Any additional material or information requested by the directors is promptly furnished.

Management's proposal to the Board for approval provide background and explanatory information such as facts, resources needed, risk analysis and mitigation strategies, financial impact, regulatory implications, expected outcomes, conclusions and recommendations.
Employees who can provide additional insight into matters to be discussed will be present at the relevant time during Board and committee meetings.

Independent Professional Advice

The Board has a process for directors, either individually or as a group, in the furtherance of their duties, to take independent professional advice, if necessary, at the company's expense.

Accountability and Audit

The Company recognizes the importance of providing the Board with accurate and relevant information on a timely basis. Hence, Board members receive monthly financial and business reports from management. Such reports keep the Board members informed of the Company's performance and position.

The directors are responsible for preparing the financial statement of the Company and ensuring that the financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The Board also ensures timely publication of the financial statements of the Company.

Internal Control and Risk Management

The Company has established an in-house internal audit function. The internal audit is an independent function within the Company. The Head of Internal Audit reports directly to the Audit Committee functionally and to the CEO administratively.

The primary role of internal audit function is to assist the Board and senior management to meet the strategic and operational objectives of the Company, by providing an independent and objective evaluation of the adequacy and effectiveness of risk management, controls and governance processes. The Company's internal audit approach is aligned with the Company's risk management framework by focusing on key financial, operational, compliance and information technology risks. The annual internal audit plan is reviewed and approved by the Audit Committee. All internal audit findings, recommendations and status of remediation, are circulated to the Audit Committee, the CEO, the external auditors and relevant senior management.

The Head of Internal Audit presents the internal audit findings to the Board. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including the audit Committee.

Code of Business Conduct and Ethics

The Board is committed to conducting all business activities, legally, ethically and in accordance with the highest standards of integrity and propriety.

The Board promotes an ethical corporate culture. Every Director and employee subscribes to comply with the Company's Standards of Business Conduct which covers our business principles and ethics.

Compliance Statement

In accordance with the amended Post-listing Requirements of the Nigerian Stock Exchange, the Company has put in place a securities trading policy which has been circulated to all directors, employees and counterparts who may at any time possess inside or material information about the Company.

In the course of 2018, none of our directors, employees and counterparts notified us of any contravention of the Post-listing Requirements of the Nigerian Stock Exchange and 11 Plc's Securities Trading Policy.

The Company has complied with the requirements of the Securities and Exchange Commission's 2011 Code of Corporate Governance for Public Companies in Nigeria and the Post-listing Requirements of the Nigerian Stock Exchange.

The Company complied with the requirements guiding its operations and activities throughout the year. 11 Plc ensures that its existence and operations remain within the law.

Whistle-Blowing Policy

The Company is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud. The Company will treat all information received confidentially and protect the identity and the interest of all whistleblowers.

All cases reported are objectively investigated and appropriate remedial measures are taken where warranted. Matters requiring immediate or urgent attention are reported immediately to the Audit Committee Chairman.

On an ongoing basis, the whistle-blower policy is covered during staff training and periodic communication to all staff as part of the Company's efforts to promote awareness of fraud control.

Policy on Trade in Company's Securities

The Company has in place a policy on trading on the Company's Securities by Directors and other key personnel of the Company. This is to guard against situations where such personnel in possession of confidential and price sensitive information deal with Company's securities in a manner that amounts to insider trading.

Complaints Management Policy

The Company has put in place a complaints management policy framework to resolve complaints arising from issues covered under the Investments and Securities Act, 2007 (ISA). This can be found on the Company's website.

Company Secretary

Directors have separate and independent access to the Company Secretary. The Company Secretary is responsible for, among other things, ensuring that Board procedures are observed and that Company's Memorandum and Articles of Association, relevant rules and regulations, as well as laws are complied with. He also assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes, with a view to enhancing long-term shareholder value.

The appointment and the removal of the Company Secretary are subject to the Board's approval.

Shareholders Participation and Protection of Shareholders' Rights

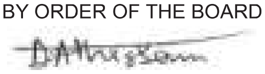
The Company recognizes the importance of maintaining transparency and accountability to its shareholders. The Board ensures that all the Company's shareholders are treated equitably and the rights of all investors, including non-controlling shareholders are protected.

The Company is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in the Company's business activities, financial performance and other business related matters. This is done during shareholders' meetings, which are organized twice a year in line with the Code of Conduct for shareholders issued by the Securities and Exchange Commission.

All general meetings of shareholders are convened by the Board in accordance with the provisions of the Companies and Allied Matters Act and notices of meetings, agenda and all other statutory notices are communicated to the shareholders within the time specified by the laws.

The Company encourages shareholders participation during the Annual General Meeting which is held in an accessible location. Shareholders are able to proactively engage the Board and management on the Company's business activities, financial performance and other business related matters.

BY ORDER OF THE BOARD



Danladi, Adams & Co.
FRC/2017/NBA/00000017434
Company Secretaries

Dated this 7th day of March, 2019.

Ochekpe Danladi
Company Secretary

Statement of Directors' Responsibilities

The Companies and Allied Matters Act requires the directors to prepare the financial statements for each financial year that give a true and fair view of the state of financial affairs of the company at the end of the year and of its profit or loss. This responsibility includes:

a) Ensuring that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirements of the Companies and Allied Matters Act.
b) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and
c) Preparing the company's financial statements using the suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using the appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and with the requirements of the Companies and Allied Matters Act.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its profit or loss. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.

Adetunji A. Oyebanji
Director
Dated this 7th day of March, 2019
FRC/2014/IODN/00000007151

Virwani Ratnesh
Director
Dated this 7th day of March, 2019
FRC/2014/ANAN/00000009240

Grant Thornton

An instinct for growth™

REPORT OF THE INDEPENDENCE AUDITORS TO THE MEMBERS OF 11 PLC

Chartered Accountants

Grant Thornton Nigeria
3rd & 4th Floors
294 Herbert Macaulay Way
Nigeria.

www.grantthornton.com.ng

Opinion

We have audited the financial statements of **11 PLC**, which comprise the statement of financial position as at **31 December 2018**, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at **31 December 2018**, and of the financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Financial Reporting Council of Nigeria Act No.6, 2011 and the provision of the Companies and Allied Matters Act, CAP C20 LFN, 2004.

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. We have communicated the key audit matters to those charged with governance (TCWG). The key audit matters are not a comprehensive reflection of all matters discussed. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of our financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis or our audit opinion on the accompanying financial statements.

Grant Thornton
An instinct for growth

Key Audit Matters	How our audit addressed the key audit matter

Adoption of New Accounting Standard on Financial Instruments – IFRS 9
 	
IFRS 9 is a new Financial Instrument of accounting standard effective on 1 January 2018. The new standard introduces new approach to financial asset classification and replaces the incurred loss impairment model with a more forward-looking expected loss model.
 	
From 1 January 2018, the Company adopted IFRS 9. The Company recognizes loss impairment for expected credit losses on trade receivables using the simplified approach which requires expected lifetime losses to be recognized from initial recognition of the trade receivables. Also, the Company applied the impairment requirement of IFRS 9 retrospectively in accordance with IAS 8 and the effect of adoption of this new standard in prior year (2018) was adjusted in the opening retained earnings (Statement of changes in equity).
 	
To measure the expected credit losses, trade receivables were grouped based on shared credit risk characteristics and the days past due. The historical loss rates are adjusted to reflect current and forward-looking information on economic factors that may affect the ability of the customers to settle the receivables. Thereafter, the amount of expected credit loss is recognized in the profit or loss account and deducted from the carrying amount in the statement of financial position. At each reporting date, the Company assesses whether one or more events that have a detrimental impact on the estimated future cash flows of the receivables has occurred.
 	
As disclosed in note 2 to the financial statements, Management reported N37.944 million and N30.227 as gross allowance for expected credit losses for 2018 and 2017 respectively. The measurement of expected credit losses is sensitive to key assumptions such as credit rating and payment terms of trade customers, Financial risk assessments, Trade receivable trend analysis, risk behavior and payment performance of the customers.
 	
Given the subjective judgment required by Management in setting these assumptions, there is significant measurement uncertainty involved in the measurement of expected credit losses, which makes it a key audit matter relevant to our audit of the financial statements.
	We focused our testing on the key assumptions made by the management. In assessing the reasonableness of the assumptions used by management in measuring the expected credit losses, our audit procedures focused on the following:
	
	• Making appropriate tests of the input data used in the ECL computations (which included the age analysis of trade receivables) and agree to underlying record of the company.
	• Understanding and testing the reasonableness of management's assumptions used in the ECL computation considering the general economic environment and the entity's economic circumstances.
	• We consider whether the ECL measurement reflects the following:
	  ○ An unbiased provision matrix used to determine the lifetime expected credit loss.
	  ○ A reasonable and specify fixed provision rate depending on the number of days that a trade receivable is past due.
	  ○ The time value of money
	• Performed procedure to assess the qualification, competency and objectivity of the individuals involved in the estimation process.
	• Assess the relevance and reasonableness of the estimated ECL, their consistency with other audit evidence and whether they have been appropriately reflected in the financial statements
	
	Our substantive testing did not reveal any material misstatements and overall, management had factored all the relevant variables required to determine the estimate.

Grant Thornton
An instinct for growth

Other Information

Management is responsible for the other information. The other information comprises the Chairman's Statement.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with the audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

i) Identify and assess the risks of material misstatement of the 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.

ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not or the purpose of expressing an opinion on the effectiveness of the Company's internal control.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) Conclude on the appropriateness of management's use of the going concern of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

v) 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.

Report on Other Legal and Regulatory Requirements

The Companies and Allied Matters Act, CAP C20, LFN 2004 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

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

ii) In our opinion, proper books of account have been kept by the company; and

iii) The Company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income are in agreement with the books of account.

07 March 2019

Uchenna Okigbo
FRC/2016/ICAN/00000015653
FOR: GRANT THORNTON
(CHARTERED ACCOUNTANTS)
LAGOS, NIGERIA.

Report of the Audit Committee

To the Members of 11 Plc

In compliance with Section 359 sub-section 6 of the Companies and Allied Matters Act, CAP C20 LFN 2004, the committee reviewed the audited financial statements of the company for the year ended 31 December, 2018 and report as follows:

1. The accounting and reporting policies of the company are consistent with legal requirements and agreed ethical practices.
2. The scope and planning of the external audit was adequate.
3. The company maintained effective systems of accounting and internal control during the year.
4. Having reviewed the External Auditors' findings and recommendations, we are satisfied with management responses thereon.

Mr. Esan Ogunleye
FRC/2013/CIBN/00000003821
Chairman,
Audit Committee.

Members of Audit Committee:

Mr. Ramesh Virwani

Mr. Paul C. Obi

Mr. Raphael Osayameh

Alhaji Aminu Abdulkadir

Barr. G. Adetutu Siyonbola

Statement of Financial Position as at December 31, 2018

	Note(s)	2018 N.'000	2017 N.'000
Assets			
Non-Current Assets			
Property, plant and equipment	3	10,923,166	8,780,077
Investment property	4	23,372,830	25,949,059
Intangible assets	6	68,316	64,863
Prepayments	8	2,033,676	2,033,239
		36,397,988	**36,827,238**
Current Assets			
Inventories	9	17,918,599	7,948,601
Trade and other receivables	10	11,513,890	11,991,262
Prepayments	8	2,393,065	13,491,957
Cash and cash equivalents	13	2,358,078	4,389,870
		34,183,632	**37,821,690**
Non-current assets held for sale	36	79,178	-
Total Assets		**70,660,798**	**74,648,928**
Equity and Liabilities			
Share capital	14	194,678	194,678
Retained income and other reserves	15	33,578,097	27,164,151
		33,772,775	**27,358,829**
Liabilities			
Non-Current Liabilities			
Deferred income	18	14,763,734	16,961,598
Deferred tax Liability	7	2,796,528	2,190,178
		17,560,262	**19,151,776**
Current Liabilities			
Trade and other payables	21	8,212,101	19,543,153
Deferred income	18	6,885,405	6,239,707
Current tax payable	20	2,981,363	2,355,463
Bank overdraft	13	1,248,892	-
		19,327,761	**28,138,323**
Total Liabilities		**36,888,023**	**47,290,099**
Total Equity and Liabilities		**70,660,798**	**74,648,928**

The accounting policies and notes on pages 28 to 77 form an integral part of these financial statements.

The financial statements, accounting policies and the notes were signed on behalf of the Board of Directors on March 7, 2019 and were signed on its behalf by:

ADETUNJI A. OYEBANJI
(FRC/2014/IODN/00000007151)
MANAGING DIRECTOR

RAMESH VIRWANI
(FRC/2014/ANAN/00000009240)
EXECUTIVE DIRECTOR

ADAKU B. NWACHUKWU
(FRC/2014/ICAN/00000007154)
ACCOUNTING MANAGER

Statement of Profit or Loss and Other Comprehensive Income for the year ended December 31, 2018

	Note(s)	2018 N.'000	2017 N. '000
Revenue	23	164,609,535	125,257,109
Cost of sales	25	(148,015,916)	(109,983,726)
Gross profit		**16,593,619**	**15,273,383**
Other income	24	8,626,739	7,461,437
Selling and distribution expenses	26	(6,924,989)	(5,796,586)
Administrative expenses	26	(5,024,634)	(3,828,732)
Other operating expense	26	(28,368)	(24,164)
Operating profit		**13,242,367**	**13,085,338**
Finance income	28	493,724	368,483
Finance costs	27	(40,632)	(86,916)
Profit before exceptional items		**13,695,459**	**13,366,905**
Exceptional items	35	-	(2,229,019)
Profit before taxation		**13,695,459**	**11,137,886**
Income tax expense	29	(4,366,524)	(3,619,153)
Profit for the year		**9,328,935**	**7,518,733**
Items that will not be reclassified to profit or loss:			
Remeasurement gains on net defined benefit liability			1,863,768
Income tax effect on remeasurement			(596,406)
Total items net of tax that will not be reclassified to profit or loss	29	**-**	**1,267,362**
Other comprehensive income for the year net of taxation		**-**	**1,267,362**
Total comprehensive income for the year net of taxation		**9,328,935**	**8,786,095**
Earnings per share			
Per share information			
Basic earnings per share (kobo)	31	**2,587**	**2,085**

The accounting policies and notes on pages 28 to 77 form an integral part of these financial statements.

11Plc

(Registration number RC 914)
Financial statements for the year ended December 31, 2018

Statement of Changes in Equity for the year ended December 31, 2018

	Share capital N '000	Share premium N '000	Other reserves N '000	Retained earnings N '000	Total equity N '000
For the year ended December 31, 2017					
Balance as at January 1, 2017	180,298	14,380	(1,267,362)	22,530,180	21,457,496
Profit for the year	-	-	-	7,518,733	7,518,733
Other comprehensive income for the year	-	-	1,267,362		1,267,362
Total	180,298	14,380	-	30,048,913	30,243,591
Dividends	-	-	-	(2,884,762)	(2,884,762)
Balance as at December 31, 2017	180,298	14,380	-	27,164,151	27,358,829
For the year ended December 31, 2018					
Balance as at January 1, 2018	180,298	14,380	-	27,164,151	27,358,829
Effect of adoption of new accounting standards				(30,227)	(30,227)
Balance as at January 1, 2018 (restated)				27,133,924	27,328,602
Profit for the year	-	-	-	9,328,935	9,328,935
Total	180,298	14,380	-	36,462,859	36,657,537
Dividends	-	-	-	(2,884,762)	(2,884,762)
Balance as at December 31, 2018	180,298	14,380	-	33,578,097	33,772,775
Note(s)	14	14	15	15	

The accounting policies and notes on pages 28 to 77 form an integral part of these financial statements.

Statement of Cash Flows for the year ended December 31, 2018

	Note(s)	2018 N. '000	2017 N. '000
Cash flows from operating activities			
Profit before taxaton		13,695,459	11,137,886
Adjustment for non cash items			
Net finance (cost)/income		(453,093)	(281,567)
Depreciation of PPE and investment property		3,246,531	3,213,196
Pension and Gratuity expense		-	35,621
Amortization of intangible assets		24,578	15,557
Loss on Sale of Property, Plant and Eqiupment		28,368	24,164
Amortisation of deferred rental income		(7,893,302)	(6,883,921)
Exchange (gain)/loss		(73,426)	247,298
Exceptional Item		-	2,229,019
Operating profit before working capital changes		**(5,120,344)**	**(1,400,633)**
Working capital adjustments/changes			
(Increase)/Decrease in inventories	9	(9,969,998)	(2,877,263)
(Increase)/Decrease in due from related companies	10	2,025,015	(4,968,386)
(Increase)/Decrease in foreign currency deposit for imports	10	221,116	(108,816)
(Increase)/Decrease in trade receivables and bridging claims		(1,427,547)	(33,883)
(Increase)/Decrease in other debtors and prepayments		10,166,286	(11,642,061)
(Increase)/Decrease in due to related companies	21	-	(44,074)
Increase/(Decrease) in trade creditors & bridging allowance	21	(10,606,294)	9,677,407
Increase/(Decrease) in other creditors and accruals	21	(724,755)	99,922
(Decrease)/Increase in lease obligations		-	(26,933)
Net changes in current assets and liabilities		**(10,316,177)**	**(9,924,088)**
Income taxes paid	20	(2,573,543)	(2,991,685)
Rental income received	18	6,341,135	5,324,678
Retirement benefits paid		-	(2,694,647)
Net cash generated from operating activities		**2,026,530**	**(548,489)**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(2,959,998)	(1,528,180)
Purchase of intanglbe assets	6	(28,031)	
Purchase of investment property assets	4	-	(13,531)
Proceeds from sale of property, plant and equipment	3	39,059	888,856
Interest received		493,724	368,483
Proceeds from disposal of leasehold land			
Net cash used in investing activities		**(2,455,246)**	**(284,372)**
Cash flows from financing activities			
Repayment of borrowing		-	-
Dividend paid	32	(2,884,762)	(2,884,762)
Interest Paid	27	(40,632)	(86,916)
Net cash used in financing activities		**(2,925,394)**	**(2,971,678)**
Net (Decrease)/Increase in cash and cash equivalents		**(3,354,110)**	**(3,804,539)**
Cash and cash equivalents at January 1		4,389,870	8,441,707
Effect of exchange (gain)/loss movement on cash balances		73,426	(247,298)
Cash and cash equivalents at December 31	13	**1,109,186**	**4,389,870**

The accounting policies and notes on pages 28 to 77 form an integral part of these financial statements.

Accounting Policies

Reporting Entity

11Plc (formerly Mobil Oil Nigeria plc) was incorporated as a Private Limited Liability Company in 1951. It became a public limited liability company in 1978 and its share capital is listed on the Nigerian Stock Exchange.

ExxonMobil plc conducted the transfer/sale of her 60% holding in Mobil Oil Nigeria plc. (MON) to NIPCO Investment Limited, a wholly-owned subsidiary of Nipco Plc in 2017. This sale substantially increases Nipco Group shareholding in MON to 74.67% while other investors hold 25.33%.

The Change in Control (CIC) resulted in the change of the Company name to Double One plc (11Plc).

The Company was formed principally for the marketing of petroleum products. The Petroleum products the company sells include; Petrol, Diesel, Aviation fuel, Liquefied petroleum gas, Kerosene and Lubricants. Petrol, Diesel, Liquefied petroleum gas and Kerosene are mainly sold through the company's service stations while Lubricants are sold through distributors. Aviation fuel is sold at Murtala Muhammed Airport.

All the fuels which the Company sells are purchased either from the Nigerian National Petroleum Corporation or from other third party suppliers. Lubricants are blended locally or purchased from ExxonMobil Corporation through a related party.

The Company also has some investment properties which are leased for office and residential purposes at market rate.

Significant accounting policies

1. Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in conformity with the Financial Reporting Council (FRC) of Nigeria Act 2011 and the Companies and Allied Matters Act. The financial statements were authorized for issue by the board of directors on March 07, 2019.

2. Functional and presentation currency

These financial statements are presented in Nigerian Naira which is the Company's functional currency. The financial statements have been rounded to the nearest thousands, except where stated otherwise.

3. Basis of measurement

The financial statements have been prepared under the historical cost convention except for the following items in the statement of financial position:

- employee loans measured at amortised cost
- inventory measured at lower of cost and net realizable value
- trade receivables measured at amortised cost.

4. Going concern

The financial statements have been prepared on a going concern basis and there are no uncertainties that may cast doubt on the company's ability to continue as such.

5. Use of estimates and judgment

In preparing the financial statements, management is required to make use of estimates and assumptions that affects the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgment are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. The statement of accounting policies form an integral part of these financial statements.

6. Current versus non-current classification

11Plc presents assets and liabilities in the statement of financial position based on current and/or non-current classification. An asset is current when it is:

• Expected to be realised or intended to be sold or consumed in the normal operating cycle

• Held primarily for the purpose of trading

• Is due to be realised within 12 months after the reporting period

Or

• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Non-current assets are due to be settled more than 12 months after the reporting period.

A liability is current when:

• It is expected to be settled in the normal operating cycle

• It is held primarily for the purpose of trading

• It is due to be settled within twelve months after the reporting period

Or

• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

7. Interest in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement has the following characteristics:

- the parties are bound by a contractual arrangement, and
- the contractual arrangement gives two or more of those parties joint control of the arrangement.

A joint arrangement is either a joint operation or a joint venture.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

11Plc accounts for the assets, liabilities and expenses relating to its interest in its joint operations in accordance with applicable IFRSs.

8. Investment property

Investment property is recognised as an asset when it is probable that the future economic benefits associated with the investment property will flow to the Company and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property.

Subsequent costs are included in the carrying amount of the investment property or recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost model

Investment property is carried at cost, less depreciation and any impairment losses.

Assets under Construction is not subject to depreciation until they are completed.

Depreciation is calculated on a straight line basis to write down the cost to their residual values over their estimated useful lives of the property as follows:

Item	Average useful life (years)
Land	Infinite
Buildings	20 - 50
Plant and equipment	10 - 30
Fixtures and fittings	5 – 15
Motor vehicles	4

Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted when appropriate.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

9. Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Interest is capitalized as an increase in property, plant and equipment on major capital projects during construction. All property, plant and equipment are stated at historical cost less depreciation.

Assets under Construction are included in property, plant and equipment but are not subject to depreciation until they are completed

Property and equipment are derecognized on disposal, or when no future economic benefits are expected from their use or disposal and gains and losses on disposal are determined by comparing proceeds with carrying amount.

Depreciation, impairment losses and gains and losses on disposals of property, plant and equipment are included in profit or loss.

Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted when appropriate.

The Company depreciates significant parts of plant and equipment which are replaced at intervals separately based on their specific useful lives.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life (years)
Land	Infinite
Buildings	20 - 50
Plant and equipment	10 - 30
Fixtures and fittings	5 – 15
Motor vehicles	4

10. Intangible assets

The Company's intangible assets are classified into three groups:

a) Software License:

These are acquired computer software licenses and are capitalised on the basis of costs incurred to acquire and bring to use the specific software. The costs are amortised on a straight line basis over 15 years which is the estimated useful life of the software. Upgrades are amortised over the remaining useful life of the asset and costs associated with maintaining computer software programs are recognized in expense as incurred.

b) Franchise costs:

These are capitalised amounts paid to UAC Nigeria plc. (UAC), which gives the Company the right to use the "Mr. Biggs" Brand in its retail outlets. Amortisation is calculated using the straight line method to allocate the franchise costs over the period of the agreement between 11Plc and UAC, which has a contractual life of 10 years.

c) Permits

These are capitalized amounts paid to a third-party for a right of way permit. The permit is for 20 years and it is amortised using the straight line method.

Intangible assets amortisation is recognised in profit or loss. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. These are reviewed annually and adjusted when appropriate.

Intangible assets are derecognized on disposal or when no future economic benefits are expected from their use or disposal.

11. Financial instruments

a) Initial recognition and measurement

Financial instruments are recognised initially when the Company becomes a party to the contractual provisions of the instruments. The Company initially measures its financial instruments at fair value. See accounting policy 26 on fair value measurement.

b) Subsequent measurement

Subsequent to initial measurement, financial instruments are measured at amortised cost. The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

c) Derecognition

In determining whether the financial asset is due for derecognition, the Company considers the following factors:

- an asset in its entirety or
- specifically identified cash flows from an asset (or a group of similar financial assets) or
- a fully proportionate (pro rata) share of the cash flows from an asset (or a group of similar financial assets). or
- a fully proportionate (pro rata) share of specifically identified cash flows from a financial asset (or a group of similar financial assets)

Derecognition is appropriate after the company assess that all control has been relinquished and it has neither retained nor transferred substantially all of the risks and rewards of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

d) Classification

Financial assets

Subsequent to initial recognition, all financial assets of the Company are measured at amortised costs. The company's financial assets include:

I. Trade receivables: fair value approximates the amortised cost as the difference is deemed immaterial

II. Employee loans: amortised cost using the effective interest rate.

III. Cash equivalents; fair value approximates the amortised cost as the difference is deemed immaterial

The Company's financial assets are subsequently measured at amortised cost if they meet both of the following criteria:

- 'Hold to collect' business model test - The asset is held within a business model whose objective is to hold the financial asset in other to collect contractual cash flows; and
- 'SPPI' contractual cash flow characteristics test - The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding on a specified date. Interest in this context is the consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time.

Financial liabilities

Subsequent to initial recognition, all financial liabilities of the Company are measured at amortised costs. The company's financial liabilities include:

I. Trade & other payables: fair value approximates the amortised cost as the difference is deemed immaterial

II. Borrowings: measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

Fees paid on the 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 there is no evidence that it 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.

Financial liabilities are measured at amortised cost by the Company unless either:

- The financial liability is held for trading and is therefore required to be measured at FVTPL, or
- The Company elects to measure the financial liability at FVTPL (using the fair value option).

e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle it on a net basis, to realise the assets and settle the liabilities simultaneously.

f) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, deposit received from customers and other short-term highly liquid investments. Bank overdrafts that form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

g) Impairment

Policy applicable before January 1 2018

At each reporting date, the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

The Company adopts the following criteria when considering the financial assets not at fair value, in the books:

- Indication of any material decline in market value.
- Significant changes with long term adverse impacts that have taken place during the period or will take place in the near future.
- Material changes in interest rates.
- Evidence of adverse economic performance.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognized.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognised in profit or loss.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If there is no objective evidence of impairment for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

Policy applicable from January 1 2018

The Company recognizes loss allowances for expected credit losses (ECL) on trade receivables. The company applies the simplified approach which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Measurement of ECL

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The historical loss rates are adjusted to reflect current and forward-looking information on economic factors that may affect the ability of the customers to settle the receivables. The amount of expected credit loss is recognized in the profit or loss account and deducted from the carrying amount in the statement of financial position

At each reporting date, the Company assesses whether one or more events that have a detrimental impact on the estimated future cash flows of the receivables has occurred.

Evidence that the future cash flow may be impaired includes the following observable data:

- Significant financial difficulty of the customer
- A breach of contract
- It is becoming probable that the customer will enter bankruptcy or other financial reorganization; or

In making an assessment of whether a customer is credit worthy and in determining the loss rate, the Company considers the following factors.

- The credit ratings, and payment terms of trade customers.
- Financial risk assessments, TAR trend analysis,
- Legal framework, management quality, Business ethics and integrity,
- Risk behavior and vulnerability,
- Competitive position and payment performance of the customers.

Employee loans

Employee loans are limited to 25% of employee's emoluments in line with human resource policy. There has been no history of default as repayment are deducted from the employee's monthly salary. If the employee retires or is separated, the outstanding loan balance is deducted from the final entitlement. Expected credit loss is nil.

12. Current and deferred income tax

Income tax expense is the aggregate of the charge to the profit or loss account in respect of current income tax, education tax and deferred tax.

Current income tax liabilities are recognised in line with the provisions of the Companies Income Tax Act and Tertiary Education Trust Fund Act. Income tax is determined at 30% of taxable profit and education tax is determined at 2% of assessable profits. Capital gains tax liability is charged on applicable capital asset disposals where the proceeds are not to be reinvested in a similar asset.

Deferred tax is provided using the liability method on all temporary differences arising between the tax basis of assets and liabilities and their carrying values for financial reporting purposes in accordance with the provisions of IAS 12. Current tax rates are used to determine deferred taxes.

Income taxes are recognised in profit or loss except when they relate to items recognized in other comprehensive income, in which case the tax is also recognised in other comprehensive income.

Deferred tax liabilities are recognised for all taxable temporary differences, except: When the deferred tax liability arises from the Initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets arise from deductible temporary difference, unused tax losses and unutilised tax credit. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except: When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current assets against current liabilities. Deferred income taxes assets and liabilities relate to income levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

13. Leases

An arrangement is recorded (or contains) as a lease based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

a) Finance leases

These are leases that transfer substantially all the risks and rewards of ownership to the Company. They are recognised at the commencement of the lease term as finance leases and are capitalized at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Finance lease payments are apportioned between interest expense and repayments of debt.

The Company's finance leases relate to motor vehicles where it bears substantially all risks and rewards. These cars are included as part of Property, Plant and Equipment in the financial statements. The lease was fully paid in 2017 and there was no new lease in 2018.

Assets acquired under lease are depreciated using the useful life of the assets. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, they are depreciated over the shorter of the useful life and the lease term.

As a lessor

b) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

The Company owns investment properties which are leased out under operating lease agreements to a third party. The investment properties presented in the statement of financial position are in line with the accounting policy disclosed in note 4.

The lease income from the operating leases is recognized in income on a straight-line basis over the lease term. Costs, including depreciation, incurred in earning the lease income are recognized as an expense.

14. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost includes expenditure incurred in acquiring and transporting the stock to its present location. Cost is determined using the first-in, first-out (FIFO) method for lubricant products and weighted average method for fuels products. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. If the carrying value exceeds the net realisable value, an inventory write down is recognised.

Spare parts which are expected to be fully utilized in production and other consumables are valued at historical cost.

15. Employee benefits

The Company operates a defined contribution plan for all its active employees and defined benefit plan for its Annuitants.

a) Short term benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation and sick leave, and non-monetary benefits such as medical care), are recognised in the profit or loss in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

b) Post-employment benefits

Defined Contribution

In compliance with the PENCOM Act of 2014, the Company adopted a defined contribution scheme in 2014 for new employees. This is a pension scheme under which 11Plc pays fixed contributions into a Pension Fund as an amount or as a percentage of the pay of participants under the scheme as disclosed in retirement benefits Notes 17. Defined contribution is at 18%.

Defined contribution payments are funded from the operating expense on a monthly basis and there is no outstanding obligation after the funding.

When the employee renders services, pension costs are recognized as expenses in the Statement of profit or loss.

All active employees were migrated fully to the defined contribution scheme on February 1st, 2017.

See note 17 on defined benefit scheme.

c) Termination benefits

Termination benefits are recognised an expense when the Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. The Company settles termination benefits within twelve months and are accounted for as short-term benefits.

16. Provisions and contingencies

Provisions are recognized as best estimates on statement of financial position date. They are recognised when the company has a legal or constructive obligation as a result of past events and where it is more likely than not that an outflow of resources will be required to settle the obligation. A reliable estimate of the amount to settle the obligation must also be possible before a provision is made. The measurement of provisions takes into consideration the time value of money and risk specific to the obligation. The increase in provision due to the passage of time is recognised as an interest expense.

The carrying amount of provisions are regularly reviewed and adjusted for new facts, changes in law or regulation.

Where the above conditions are not met, a contingent asset/liability is disclosed in the notes to the financial statements.

17. Revenue recognition

The company recognizes revenue in accordance with the core principles below:

a) Identify the contract(s) with a customer

A customer is a party that has contracted with the Company to buy petroleum products (Petrol, Aviation fuel, Diesel, Liquefied petroleum gas, Kerosene and Lubricants) in exchange for a consideration.

b) Identify the performance obligations in the contract

Sales are recognised when control is transferred to the customer. This could be at the point of delivery confirmation, or at the point of load confirmation for pick-ups. The performance obligation lapses after ownership has been transferred.

c) Determine the transaction price

Transaction price is the agreed amount identified in the contract. It represents that amount of revenue to be recognised as the performance obligation is satisfied.

Revenue from these sales is recognised based on the price specified in the contract, net of the applicable volume discounts. No element of financing is deemed present.

d) Allocate the transaction price to the performance obligations in the contract

The price is recognised in the statement of comprehensive income.

e) Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is recognized at the point in time.

Disaggregation of revenue from contracts with customers

The company derives revenue from three major categories of petroleum products: fuels, liquefied petroleum gas and lubricants. The Company has determined that the disaggregation of revenue based on the criteria of types of products meet the disclosure requirements of IFRS 15 as it depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. See further details on page 53.

18. Interest Income

Interest income related to employee benefits are recognised in the Company's financial statements using the effective interest rate method and interest rate on short-term deposits are recognised in the Company's financial statements at fair value.

19. Other Income

Other income refers to all other sources of income apart from the sale of petroleum products which the Company receives. It includes amongst others, rental income and backcourt income.

Rental income refers to rent the Company gets from its investment property and service stations. This income is recognised on a straight line basis over the lease term.

Backcourt income refers to income recognised from the use of the food court on some of the Company's service stations by UAC. It is charged at a percentage of total revenue recognised by UAC at the food courts.

20. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.

Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred. The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted and ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. All other borrowing costs are recognised as expense in the period they are incurred.

21. Translation of foreign currencies

Transactions in foreign currencies are recorded at the official rates of exchange on the transaction date. At the end of each reporting period, monetary items denominated in foreign currency are retranslated at the official rates prevailing at that day while non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Assets and liabilities denominated in foreign currency are translated at the applicable official rates of exchange on the reporting date. Exchange gains and losses are included in the profit or loss of the period in which they arise.

Exchange differences on monetary items are recognised in profit or loss in the period in which they occur.

22. Segment reporting

The Company has two business segments - Petroleum Products Marketing & Property Business. The Directors have determined operating segments based on the nature of the Company's business and performance reports reported to the Chief Operating Decision Maker (CODM). See further details in note 39.

These business segments have been grouped in a manner consistent with internal reporting and as provided to the chief operating decision maker (Executive Directors). The Company's activities that are significantly integrated or interdependent are not considered as separate business segments and no operating segments have been aggregated.

The Petroleum Products Marketing segment generates revenue from the sale of white products and company lubricants while the Property business generates income from the rent paid on 11Plc's investment properties leased out to a third party.

23. Share capital and reserves

a) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

b) Dividend payable

Proposed dividends for the year are recognised as a liability after the statement of financial position date, when declared and approved by shareholders at the Annual General Meeting.

c) Share premium

Premiums from the issue of shares are reported in share premium.

d) Retained earnings

Retained earnings comprise the undistributed profits from previous periods which have not been reclassified to any specified reserves.

24. Deferred income

This relates to advance rent received from investment property. The current portion is amortized to income within one year on a straight line basis while the non-current portion is initially carried at initial cost and subsequently at face value.

25. Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset other than deferred tax assets may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use.

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

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is recognised as an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

26. Fair value measurement

The fair value of 11Plc's employee loans and its investment properties are reported for disclosure in the financial statements. The Directors oversee all policies, procedures, significant valuation techniques and inputs for fair value measurement.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

External valuers are involved for valuation of significant assets, such as investment properties and significant liabilities, such as contingent consideration.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, 11Plc has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

The fair value of 11Plc's investment properties and employee loans are categorized as Level 3.

In determining the fair value of the investment properties, the market approach valuation technique was used. There was no change in valuation technique during the year. In estimating the fair value of the investment properties the highest and best use of the properties is their current use.

Amortised cost using the effective interest rate is used in valuing employee loans.

27. Key accounting assumptions

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date which may have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.11Plc based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Valuation of Investment properties

11Plc carries its investment properties at cost however the fair values of the investment properties are also disclosed in the investment property note 4. The Company engaged 2 independent valuation specialists to assess the fair value as at November 2017.

The investment property assets were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

There is no significant risk or uncertainty as at December 31, 2018 that will lead to material adjustment of the carrying amounts of assets and liabilities within the next financial year.

28. Key accounting Judgments

In the process of applying the Company's accounting policies, the Directors have made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Operating lease commitments – 11Plc as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Directors have determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Financial risk management

Financial instruments in the statement of financial position comprise of cash and cash equivalents (Note 13), trade and other receivables (Note 10), trade and other payables (Note 21).

The Company's Directors are responsible for reviewing and agreeing policies to manage the risk 11Plc's operations are exposed to. The Company's operations are exposed to the following risks:

Capital risk

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

The capital structure of the Company consists of debt, which includes borrowings, overdraft and cash and cash equivalents disclosed in Note 13 and equity as disclosed in the statement of financial position Notes 14 and 15.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or utilise assets to reduce debt.

The Company monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position.

The Company is not exposed to any external imposed capital requirement.

The gearing ratio at the end of the reporting period was as follows:

Debt to Equity Ratio	**2018**	**2017**
	(N'000)	**(N'000)**
Total debt (i)	(1,248,892)	-
Cash and bank balances	2,358,078	4,389,870
Net Assets	1,109,186	4,389,870
Total equity (ii)	33,772,775	27,358,829
Net /equity	-	-

(i) Total debt is the overdraft facility gotten from the bank as disclosed in note 13.
(ii) Total equity includes all capital and reserves of the Company as described in note 14 and 15.

Liquidity risk

Liquidity risk is the risk that an entity will have difficulties in paying its financial liabilities

The Company manages liquidity risks by maintaining adequate reserves and prudent working capital management. In addition, the Company has access to sufficient debt funding sources and to committed borrowing facilities to meet current business requirements.

11Plc does not have any risk concentrations as the Company can get extended facility from suitable sources.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2018	Less than 3 months (N'000)	Between 3 months and 1 year (N'000)	Greater than 1 year (N'000)
Trade and other payables	6,826,584	-	-
Bank overdraft	1,248,892	-	-

2017	Less than 3 months (N'000)	Between 3 months and 1 year (N'000)	Greater than 1 year (N'000)
Trade and other payables	18,150,616	-	-
Borrowings	-	-	-

Trade and other payables includes finance charges on items purchased on lease and excludes VAT payables, WHT and unclaimed dividends.

At the end of the year, the Company had the following overdraft facilities:

Bank Name	Facility Type	Facility Amount (N'000)	Used Lines (N'000)	Unused lines (N'000)	Interest Rates (%)
Zenith Bank	Uncommitted	10,000,000	759,003	-	18.5%
First Bank	Uncommitted	5,000,000	-	-	19.0%
Citibank	Uncommitted	2,000,000	489,889	-	16.5%
Total		**17,000,000**	**1,248,892**	**-**	**18%**

The Carrying amount of the used lines of overdraft equals its fair value.

Liquidity risk on cash is limited because the counterparties are banks with good credit-ratings. At the end of the financial year, the Company had the following cash balances:

	2018	2017
RATING	**Amount (N'000)**	**Amount (N'000)**
A+	9	-
AA	(422,636)	502,919
B+	1,531,813	-
B	-	3,886,951
Total	**1,109,186**	**4,389,870**

The bank ratings were obtained from Standard & Poor's and Fitch rating agencies.

Interest risk

The Company is exposed to interest rate risk because it borrows funds at rates subject to movements in the money market. The Company's interest risk arises from overdraft and long term borrowings from banks.

The Company does not manage its exposure to interest rate risk and does not apply ECL on it because the maximum exposure envisaged is deemed negligible as illustrated by the interest rate sensitivity below.

The analysis below shows the impact of a ±1% change in the interest rates on the Statement of Profit or Loss as at end of December 2018.

2018	Interest Expense	Annualized int. As at Dec 2018.	Naira (Sensitivity + 1%)	Naira (Sensitivity - 1%)
	(N'000)	%	(N'000)	(N'000)
Net financing	40,632	18.0	18.0	(18.0)

The company had no borrowings in 2018. Interest expense in 2018 relates to expense on overdraft and interest payable to dealers for deposits with the Company.

2017	Interest Expense	Annualized int. As at Dec 2017.	Naira (Sensitivity + 1%)	Naira (Sensitivity - 1%)
	(N'000)	%	(N'000)	(N'000)
Net financing	86,916	20.5	20.5	(20.5)

Credit Risk

The Company's credit policy ensures that credit sales are only made to credit worthy customers. These policies include detailed credit assessment of individual customers and regular monitoring of credit balances. Other policies include securing the credits with bank guarantees from company selected 'A' rated banks and introducing deposit schemes for the customers.

Mitigating measures are defined and implemented for high-risk customers. These include shortened payment terms, vigorous collection efforts and limiting the amount of credit exposure to any individual customer.

There is no material concentration of credit risk geographically or with individual customers and there has been no significant level of counterparty default in recent years.

Age analysis of receivables(Net amount)	2018 (N'000)	2017 (N'000)
Current	6,117,545	10,808,955
Overdue 1 - 30 days	692,299	-
Overdue 31 - 60 days	387,100	922,327
Overdue 61 - 90 days	437,930	6,773
Overdue 91 - 180 days	1,797,804	115,841
Overdue 181 days	1,438,126	74,457
Total	**10,871,504**	**11,928,354**

The maximum exposure envisaged is disclosed on page 52.

	December 31, 2018 (N'000)	January 1, 2018 Restated (N'000)
Trade receivables	6,378,827	4,913,336
Allowance for expected credit losses	(37,944)	(30,227)
	6,340,883	4,838,108

Information about the Company's impairment policies and the calculation of the loss allowance are provided on page 33 and 34.

Bank Balance

Counterparties are banks with good credit-ratings. The maximum exposure to credit risks is 11Plc's bank balance as at the end of 2018 financial year is limited to N 1.1B.

Foreign Exchange Risk

The Company transacts a significant portion of its purchases and some of its sales in foreign currency, and is exposed to foreign exchange risk on these transactions. The Company has no long term assets or liabilities denominated in foreign currency. It offsets its foreign currency assets and liabilities and settles the net exposure at prevailing exchange rates. The liabilities are payments due to foreign suppliers and assets are foreign currency prepayments and deposits to products. The Company does not hedge its foreign exchange exposure and instead seeks to recover currency effects through product pricing where appropriate.

The table below shows the before tax impact to Statement of Profit or Loss of a ± 10% movement in the exchange rate

Bank and Open Items

2018	Foreign Currency	Exchange Rate	Naira at Dec 2018	Naira* (Sensitivity -10%)	Naira** (Sensitivity +10%)
	(N'000)		(N'000)	(N'000)	(N'000)
GBP	-	-	-	-	-
EURO	-	-	-	-	-
USD	3,959.52	358.790	1,420,635	(142,064)	142,064

2017	Foreign Currency	Exchange Rate	Naira at Dec 2017	Naira* (Sensitivity -10%)	Naira** (Sensitivity +10%)
	(N'000)		(N'000)	(N'000)	(N'000)
GBP	-	-	-	-	-
EURO	-	-	-	-	-
USD	912	306.350	279,391	(27,939)	27,939

Trade receivables / (payables)

2018	Foreign Currency	Exchange Rate	Naira at Dec 2018	Naira* (Sensitivity -10%)	Naira** (Sensitivity +10%)
	(N'000)		(N'000)	(N'000)	(N'000)
GBP	-	-	-	-	-
EURO	(1)	410.20	(410)	41	(41)
USD	2,814	358.790	1,009,635	(100,964)	100,964

2017	Foreign Currency	Exchange Rate	Naira at Dec 2017	Naira* (Sensitivity -10%)	Naira** (Sensitivity +10%)
	(N'000)		(N'000)	(N'000)	(N'000)
GBP	(5)	375.506	(1,878)	188	(188)
EURO	(30)	321.501	(9,645)	965	(965)
USD	(1,205)	305.000	(367,525)	36,753	(36,753)

*Naira weakens by 10%

**Naira strengthens by 10%

Market **Risk**

The Company is primarily exposed to market price risk on its sales of non-regulated fuel products and lubricants. The company manages this exposure by forecasting demands and monitoring events in the global market.

For regulated fuel products and Petrol the Company's exposure is limited to changes in government policy relating to regulated price.

The Company does not use commodity price swaps, options or futures to hedge against price risk. Changes in market price for non-regulated products are reflected in the Company's product pricing.

Notes to the Financial Statements

1. New Standards and Interpretations

1.1 Standards and interpretations effective and adopted in the current year

In the current year, the Company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Amendments to IAS 40: Transfers of Investment Property

The amendment deals specifically with circumstances under which property must be transferred to or from investment property. The amendment now requires that a change in use of property only occurs when the property first meets, or ceases to meet, the definition of investment property and that there is evidence of a change in use. The amendment specifies that a change in management's intentions for use of the property, do not, in isolation, provide evidence of a change in use.

The effective date of the amendment is for years beginning on or after January 1, 2018.

The impact of the amendment is not applicable in the current year as the need to transfer to or from invesment property did not arise.

Foreign Currency Transactions and Advance Consideration

The interpretation applies to circumstances when the Company has either paid or received an amount of consideration in advance and in a foreign currency, resulting in a non-monetary asset or liability being recognised. The specific issue addressed by the interpretation is how to determine the date of the transaction for the purposes of determining the exchange rate to use on the initial recognition of the related asset, expense or income when the non-monetary asset or liability is derecognised. The interpretation specifies that the date of the transaction, for purposes of determining the exchange rate to apply, is the date at which the Company initially recognises the non-monetary asset or liability.

The effective date of the interpretation is for years beginning on or after January 1, 2018.

The impact of the interpretation is not applicable in the current year as the Company has neither paid nor received an amount of consideration in advance and in foreign currency, resulting in a non-monetary asset or liability.

Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers

The amendment provides clarification and further guidance regarding certain issues in IFRS 15. These items include guidance in assessing whether promises to transfer goods or services are separately identifiable; guidance regarding agent versus principal considerations; and guidance regarding licenses and royalties.

The effective date of the amendment is for years beginning on or after January 1, 2018.

The Company has adopted the amendment for the first time in the 2018 financial statements.

The adoption of this amendment has not had a material impact on the results of the Company, but has resulted in more disclosure than would have previously been provided in the financial statements.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurements of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a)impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on outstanding principal, are measured at FVTOCI. All other debt and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in profit or loss.

Notes to the Financial Statements

1. New Standards and Interpretations (continued)

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability is presented in other comprehensive income, unless the recognition of the effect of the changes of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Under IAS 39, the entire amount of the change in fair value of a financial liability designated as at fair value through profit or loss is presented in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is therefore no longer necessary for a credit event to have occurred before credit losses are recognised.

The effective date of the standard is for years beginning on or after January 1, 2018.

The Company has adopted the standard for the first time in the 2018 financial statements.

The impact of the standard is set out in note 2, Changes in Accounting Policy.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the construction of Real Estate; IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue - Barter Transactions Involving Advertising Services.

The core principle of IFRS 15 is that the Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the Company satisfies a performance obligation.

IFRS 15 also includes extensive new disclosure requirements.

The effective date of the standard is for years beginning on or after January 1, 2018.

The Company has adopted the standard for the first time in the 2018 financial statements.

The adoption of this standard has not had a material impact on the results of the Company, but has resulted in more disclosure than would have previously been provided in the financial statements.

1.2 Standards and interpretations not yet effective

The Company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Company’s accounting periods beginning on or after January 1, 2019 or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the Company's financial statements.

Notes to the Financial Statements

1. New Standards and Interpretations (continued)

IFRS 17 Insurance Contracts

The IFRS establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued.

The effective date of the standard is for years beginning on or after January 1, 2021.

It is unlikely that the standard will have a material impact on the Company's financial statements.

Plan Amendment, Curtailment or Settlement - Amendments to IAS 19

The amendment deals with the determination of past service cost and gains or losses on settlement, when a plan is amended, curtailed or settled ("the event"). Specifically, when determining the past service cost or gain or loss on settlement, the net defined benefit liability (asset) shall be remeasured using the current fair value of plan assets and current actuarial assumptions reflecting the benefits offered under the plan and plan assets both before and after the event. The effect of the asset ceiling shall not be considered in this exercise. The effect of the asset ceiling shall be determined after the event.

The amendment also specifies that when determining current service costs and net interest on the defined benefit liability (asset) in a period in which an amendment, curtailment or settlement occurs, to apply inputs at the beginning of the reporting period for the current service cost and interest up to the date of the event, and to apply inputs as at the date of the event to determine current service costs and interest for the remainder of the period.

The effective date of the amendment is for years beginning on or after January 1, 2019.

The Company is unable to reliably estimate the impact of the amendment on the financial statements.

Long-term Interests in Joint Ventures and Associates - Amendments to IAS 28

The amendment now requires that the Company also applies IFRS 9 to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the Company's net investment in an associate or joint venture.

The effective date of the amendment is for years beginning on or after January 1, 2019.

It is unlikely that the amendment will have a material impact on the Company's financial statements.

Prepayment Features with Negative Compensation - Amendment to IFRS 9

The amendment to Appendix B of IFRS 9 specifies that for the purpose of applying paragraphs B4.1.11(b) and B4.1.12(b), irrespective of the event or circumstance that causes the early termination of the contract, a party may pay or receive reasonable compensation for that early termination.

The effective date of the amendment is for years beginning on or after January 1, 2019.

The Company is unable to reliably estimate the impact of the amendment on the financial statements.

Amendments to IFRS 3 Business Combinations: Annual Improvements to IFRS 2015 - 2017 cycle

The amendment clarifies that when a party to a joint arrangement obtains control of a business that is a joint operation, and had rights to the assets and obligations for the liabilities relating to that joint operation immediately before the acquisition date, the transaction is a business combination achieved in stages. The acquirer shall therefore apply the requirements for a business combination achieved in stages.

The effective date of the amendment is for years beginning on or after January 1, 2019.

It is unlikely that the amendment will have a material impact on the Company's financial statements.

Amendments to IFRS 11 Joint Arrangements: Annual Improvements to IFRS 2015 - 2017 cycle

The amendment clarifies that if a party participates in, but does not have joint control of, a joint operation and subsequently obtains joint control of the joint operation (which constitutes a business as defined in IFRS 3) that, in such cases, previously held interests in the joint operation are not remeasured.

The effective date of the amendment is for years beginning on or after January 1, 2019.

Notes to the Financial Statements

1. New Standards and Interpretations (continued)

It is unlikely that the amendment will have a material impact on the Company's financial statements.

Amendments to IAS 12 Income Taxes: Annual Improvements to IFRS 2015 - 2017 cycle

The amendment specifies that the income tax consequences on dividends are recognised in profit or loss, other comprehensive income or equity according to where the Company originally recognised the events or transactions which generated the distributable reserves.

The effective date of the amendment is for years beginning on or after January 1, 2019.

It is unlikely that the amendment will have a material impact on the Company's financial statements.

Amendments to IAS 23 Borrowing Costs: Annual Improvements to IFRS 2015 - 2017 cycle

The amendment specifies that when determining the weighted average borrowing rate for purposes of capitalising borrowing costs, the calculation excludes borrowings which have been made specifically for the purposes of obtaining a qualifying asset, but only until substantially all the activities necessary to prepare the asset for its intended use or sale are complete.

The effective date of the amendment is for years beginning on or after January 1, 2019.

The Company's is unable to reliably estimate the impact of the amendment on the financial statements.

Uncertainty over Income Tax Treatments

The interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. Specifically, if it is probable that the tax authorities will accept the uncertain tax treatment, then all tax related items are measured according to the planned tax treatment. If it is not probable that the tax authorities will accept the uncertain tax treatment, then the tax related items are measured on the basis of probabilities to reflect the uncertainty. Changes in facts and circumstances are required to be treated as changes in estimates and applied prospectively.

The effective date of the interpretation is for years beginning on or after January 1, 2019.

The Company has adopted the interpretation for the first time in the 2019 financial statements.

It is unlikely that the interpretation will have a material impact on the Company's financial statements.

IFRS 16 Leases

IFRS 16 Leases is a new standard which replaces IAS 17 Leases, and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the Company are as follows:

The Company as lessee:

- Lessees are required to recognise a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.
- The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.
- The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.
- The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability. However, right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right-of-use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.
- The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications.
- Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.
- The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
- The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.

Notes to the Financial Statements

1. New Standards and Interpretations (continued)

- Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.
- Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

The Company as lessor:

- Accounting for leases by lessors remains similar to the provisions of IAS 17 in that leases are classified as either finance leases or operating leases. Lease classification is reassessed only if there has been a modification.
- A modification is required to be accounted for as a separate lease if it both increases the scope of the lease by adding the right to use one or more underlying assets; and the increase in consideration is commensurate to the stand alone price of the increase in scope.
- If a finance lease is modified, and the modification would not qualify as a separate lease, but the lease would have been an operating lease if the modification was in effect from inception, then the modification is accounted for as a separate lease. In addition, the carrying amount of the underlying asset shall be measured as the net investment in the lease immediately before the effective date of the modification. IFRS 9 is applied to all other modifications not required to be treated as a separate lease.
- Modifications to operating leases are required to be accounted for as new leases from the effective date of the modification. Changes have also been made to the disclosure requirements of leases in the lessor's financial statements.

Sale and leaseback transactions:

- In the event of a sale and leaseback transaction, the requirements of IFRS 15 are applied to consider whether a performance obligation is satisfied to determine whether the transfer of the asset is accounted for as the sale of an asset.
- If the transfer meets the requirements to be recognised as a sale, the seller-lessee must measure the new right-of-use asset at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained. The buyer-lessor accounts for the purchase by applying applicable standards and for the lease by applying IFRS 16
- If the fair value of consideration for the sale is not equal to the fair value of the asset, then IFRS 16 requires adjustments to be made to the sale proceeds. When the transfer of the asset is not a sale, then the seller-lessee continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds. The buyer-lessor recognises a financial asset equal to the transfer proceeds.

The effective date of the standard is for years beginning on or after January 1, 2019.

The Company expects to adopt the standard for the first time in the 2019 financial statements.

The impact of this standard is currently being assessed.

Notes to the Financial Statements

2 Changes in accounting policies and disclosures

The financial statements have been prepared in accordance with international Financial Reporting Standards on a basis consistent with the prior year except for the adpotion of the following new or revised statndards.

The effect of initially applying these standards is mainly attributed to the following,

a) An increase in impairment losses recognised in the financial instruments
b) Additional disclosures related to IFRS 9
c) Additional disclosures related to IFRS 15

IFRS 9 Financial Instruments

Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings and other components of equity. Deferred taxes was adjusted to retained earnings as necessary upon the adoption of IFRS 9 as at January 1, 2018.

The effect of adopting IFRS 9 as at 1 January 2018 was, as follows:

Impact on statement of financial position (increase/(decrease)	N. '000
Assets	
Trade receivables	(30,227)
Total assets	(30,227)
Liabilities	
Deferred tax liabilities	(9,673)
Total liabilities	(9,673)
Equity	
Retained income and other reserves	(20,555)
	(20,555)

a) Classification and measurement

Trade receivables and Loan to employees

The classification and measurement requirements of IFRS 9 did not have a significant impact on the Company. Trade receivables as at December 31, 2017 are held to collect contractual cash flows. Employee loans give rise to contractual cash flows representing solely payments of principal and interest.
These are classified and measured at amortised cost beginning January 1, 2018.

		IFRS 9 measurement category		
	December 31, 2017	**January 1, 2018 Restated balance**		
		Fair value through profit or loss	**Amortised cost**	**Fair value through OCI**
	N. '000	N. '000	N. '000	N. '000
IAS 39 measurement category				
Loans and receivables				
Trade receivables	4,913,336	-	4,883,108	-
Loan to employees	194,328	-	194,328	-

The change in carrying amount is a result of additional impairment allowance below
See changes in accounting policies 2.1 for details regarding the reclassification of assets

Notes to the Financial Statements

Changes in accounting policies and disclosures (continued)

IFRS 9 Financial Instruments continued

b) Impairment

IFRS 9 requires the Company to recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss or other comprehensive income.

The adoption of this standard will result in impairment on the Company's trade receivables.

Below is the reconciliation of the ending impairment allowances in accordance with IAS 39 to the opening loss allowances determined in accordance with IFRS 9.

	IAS 39 as at December 31, 2017	Remeasurement	ECL under IFRs 9 as at January 1, 2018
	N. '000	N. '000	N. '000
IAS 39 measurement category			
Loans and receivables			
Gross allowance for expected credit losses	-	30,227	30,227

While cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables	December 31, 2018 N. '000	January 1, 2018 (restated) N. '000
Trade receivables	6,378,827	4,913,336
Allowance for expected credit losses	(37,944)	(30,227)
	6,340,883	**4,883,108**

Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 to 90 days and therefore are all classified as current assets.Trade receivables are recognised initially at the amount of consideration that is unconditional as they do not contain significant financing components. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Impairment and risk exposure

Information about the Company’s policies on imapirment and in calculation of the loss allowance are provided on page 33 and 34. and the Company’s exposure to credit risk, foreign currency risk and interest rate risk can be found on pages 41-45.

IFRS 15 Revenue from contract with customers

Revenue	2018 N. '000	2017 N. '000
Third party sales	139,465,457	105,946,288
Intercompany sales	25,144,078	19,310,821
	164,609,535	**125,257,109**

Notes to the Financial Statements

Changes in accounting policies and disclosures (continued)

IFRS 15 Revenue from contract with customers

Disaggregated revenue information

This relates to the disaggregation of the Company's revenue from contracts with customers:

Segments

	2018	2017
Types of goods	N'000	N'000
Fuels	132,847,291	100,098,772
Lubes	31,055,883	25,158,336
Liquefied petroleum gas(LPG)	706,361	-
Total revenue from contracts with customers	**164,609,535**	**125,257,109**
Geographical markets		
Nigeria	**164,609,535**	**125,257,109**
Timing of revenue recognition		
Goods transferred at a point in time	**164,609,535**	**125,257,109**

Assets and liabilities related to contracts with customers

	December 31		**January 1**
	2018	2017	2017
	N'000	N'000	N'000
	6,340,883	4,913,336	3,177,730

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days

Notes to the Financial Statements

Changes in accounting policies and disclosures (continued)

2.1 Reclassification between classes of current assets

The company has restated the trade receivables of prior period based on the nature of relationship with the following parties:

1) Agrichemical Ltd: The company buys product from the related party and makes advance payment. At the prior period report date, a net off position with the related party was agreed. The balance has been reclassified to Prepayments in the Statement of financial position.

2) Nigerian National Petroleum Company (NNPC): The company also buys product from NNPC and makes advance payment. At the prior period report date, the balance was recognised as trade receivables but has been reclassified to prepayments in the Statement of financial position.

	As previously reported	Adjustment	Restated
Current assets	**N. '000**	**N. '000**	**N. '000**
Trade receivables	8,286,194	(3,372,858)	4,913,336
Due from associated companies:			
Agrichemical Ltd	9,127,550	(2,683,697)	6,443,853
Prepayments	7,245,955	6,056,555	13,302,510

2.2 Prior period restatement

Current assets	December 31,2017 N. '000	Increase/ (Decrease) N. '000	December 31,2017 (restated) N. '000
Prepayments	7,435,402	6,056,555	13,491,957
Trade & other receivables	18,047,817	(6,086,783)	11,961,034
other current assets	12,338,471	-	12,338,471
Non current assets	36,827,238	-	36,827,238
Total assets	**74,648,928**	**(30,227)**	**74,618,700**
Retained income	27,164,151	(30,227)	27,133,924
Other equities and liabilities	47,484,776	-	47,484,776
Total equity and liabilities	**74,648,927**	**(30,227)**	**74,618,700**

Notes to the Financial Statements

3. Property, plant and equipment

	2018			2017		
	Cost (N.'000)	Accumulated depreciation (N.'000)	Carrying value (N.'000)	Cost (N.'000)	Accumulated depreciation (N.'000)	Carrying value (N.'000)
Land	718,713	-	718,713	749,269	-	749,269
Buildings	6,741,036	(2,294,194)	4,446,842	5,469,837	(2,111,923)	3,357,914
Plant and machinery	7,808,047	(3,533,238)	4,274,809	6,443,546	(3,287,791)	3,155,755
Furniture and fixtures	333,023	(272,464)	60,559	316,855	(233,740)	83,115
Motor vehicles	429,864	(306,179)	123,685	356,235	(290,330)	65,905
Asset under construction	1,298,558	-	1,298,558	1,368,119	-	1,368,119
Total	**17,329,241**	**(6,406,075)**	**10,923,166**	**14,703,861**	**(5,923,784)**	**8,780,077**

Reconciliation of property, plant and equipment - 2018

	Opening Net book value (N'000)	Additions (N'000)	Disposals (N'000)	Classified as held for sale (N'000)	Transfers (N'000)	Depreciation (N'000)	Closing Net book value (N'000)
Land	749,269	-	-	(30,556)	-	-	718,713
Buildings	3,357,914	1,342,071	(8,185)	(20,590)	8,490	(232,858)	4,446,842
Plant and machinery	3,155,755	1,027,937	(29,004)	(28,032)	501,522	(353,369)	4,274,809
Furniture and fixtures	83,115	-	-	-	17,850	(40,406)	60,559
Motor vehicles	65,905	71,225	-	-	30,224	(43,669)	123,685
Asset under construction	1,368,119	518,765	(30,240)	-	(558,086)	-	1,298,558
	8,780,077	**2,959,998**	**(67,429)**	**(79,178)**	**-**	**(670,302)**	**10,923,166**

Assets with a net book value of N147million were scrapped and disposed, which resulted in loss on disposal recognised in other expense.

Asset held for sale is disclosed in note 36.

There are no contractual committments for the acquisition of Property, Plant & Equipment and no borrowing costs have been capitalised.

An alternate analysis of Property, Plant & Equipment is presented on page 75.

Reconciliation of property, plant and equipment - 2017

	Opening Net book value (N'000)	Additions (N'000)	Disposals (N'000)	Transfers (N'000)	Depreciation (N'000)	Closing Net book value (N'000)
Land	749,269	-	-	-	-	749,269
Buildings	3,145,347	64,891	(11,261)	395,989	(237,052)	3,357,914
Plant and machinery	3,074,824	128,520	(36,013)	330,866	(342,442)	3,155,755
Furniture and fixtures	102,725	-	-	-	(19,610)	83,115
Motor vehicles	104,210	400	(1,076)	-	(37,629)	65,905
Asset under construction	760,605	1,334,369	-	(726,855)	-	1,368,119
	7,936,980	**1,528,180**	**(48,350)**	**-**	**(636,733)**	**8,780,077**

Notes to the Financial Statements

4. Investment property

	2018			2017		
	Cost (N'000)	Accumulated depreciation (N'000)	Carrying value (N'000)	Cost (N'000)	Accumulated depreciation (N'000)	Carrying value (N'000)
Investment property	33,389,783	(10,016,953)	23,372,830	33,389,783	(7,440,724)	25,949,059

Reconciliation of investment property 2018

	Opening balance (N'000)	Depreciation (N'000)	Total (N'000)
Investment property	25,949,059	(2,576,229)	23,372,830

Reconciliation of investment property 2017

	Opening balance (N'000)	Additions (N'000)	Disposals (N'000)	Depreciation (N'000)	Total
Investment property	29,374,398	13,531	(862,407)	(2,576,463)	25,949,059

A detailed presentation of investment property is presented on page 77.

Details of valuation

The company has six investment properties comprising of one office complex, one residential complex and four residential properties.

The extensive refurbishment of Mobil house was completed in 2017. The costs involved in the refurbishment have been capitalised and depreciation has started running on the assets created.

The valuations of the investment properties were performed by 2 independent valuers, Sunbo Onitiri & Co (FRC/2014/00000002931) and Ismail and Partners Chartered Surveyors & Real Estate Consultants. (Gbenga Ismail: FRC/2012/NIESV/00000000245).The fair value of investment properties as at November 2017 was N135 billion.

Fair value information is disclosed in note 37.

There are no restrictions on the remittance of income and proceeds of disposal.

Amounts recognised in profit and loss for the year before tax

	7,893,302	6,883,921
Direct operating expenses from rental generating property	(2,595,292)	(2,604,845)
	5,298,010	**4,279,076**

5. Interest in joint operations

Included in property plant & equipment is N110million (2017: N109million) (Land & Building: N26mllion (2017: N28million), Furniture & fixtures:N1million (2017: N2million), Plant and machinery: N58million (2017: N66million), Vehicles: N25million (2017: N12million) which relates to the company's interest in joint operations.

The company recognised total costs of N201million (2017: N18million) in expenses that relate to costs incurred in its joint operations.

The Company has a fifty percent (50%) interest in a joint arrangement with Total Nigeria plc. for storage and handling of jet fuel to aircraft at the Murtala Muhammed Airport Domestic Terminal.

In addition, the Company has a twenty percent (20%) interest in the Joint Users Hydrant Installation used to refuel aircraft at Murtala Muhammed Airport international terminal. The Company combines its share of the joint assets, income and expenditure, assets and liabilities and cash flow on a line-by-line basis with similar items in the Company's financial statements. The Company classifies its share of the joint operation's assets, according to the nature of the assets; while operating costs of the joint facility are shared based on throughput.

Notes to the Financial Statements

5. Interest in joint operations (continued)

11Plc has no obligation to decommission these assets and has not recognized any decommissioning costs.

6. Intangible assets

	2018			2017		
	Cost (N'000)	Accumulated amortisation (N'000)	Carrying value (N'000)	Cost (N'000)	Accumulated amortisation (N'000)	Carrying value (N'000)
Franchise cost	77,006	(76,918)	88	91,041	(89,907)	1,134
Software cost	229,582	(172,826)	56,756	201,551	(150,046)	51,505
Permits	15,045	(3,573)	11,472	15,045	(2,821)	12,224
Total	**321,633**	**(253,317)**	**68,316**	**307,637**	**(242,774)**	**64,863**

Reconciliation of intangible assets - 2018

	Opening balance (N'000)	Additions (N'000)	Amortisation (N'000)	Total (N'000)
Franchise cost	1,134	-	(1,046)	88
Software cost	51,505	28,031	(22,780)	56,756
Permits	12,224	-	(752)	11,472
	64,863	**28,031**	**(24,578)**	**68,316**

Reconciliation of intangible assets - 2017

	Opening balance (N'000)	Disposals (N'000)	Amortisation (N'000)	Total (N'000)
Franchise cost	4,764	(2,262)	(1,368)	1,134
Software cost	64,942	-	(13,437)	51,505
Permits	12,977	-	(753)	12,224
	82,683	**(2,262)**	**(15,558)**	**64,863**

An alternate analysis of Intangible Assets is presented on page 76.

Notes to the Financial Statements

	2018 N.'000	2017 N.'000

7. Deferred tax Liability

Deferred tax asset / (liability)

	2018	2017
Net deferred tax	(2,796,528)	(2,190,178)

	2018	2017
Deferred tax		
Advance rent	4,062,840	4,198,432
Accelerated depreciation	(6,503,218)	(5,999,858)
Capital gains tax rollover	(345,726)	(345,726)
Bad debt, forex and notional interest on employee loans	(10,424)	(43,026)
	(2,796,528)	**(2,190,178)**

Deferred tax movement 2018	Opening balance	Charged to profit or loss	Charged to other comprehensive income	Total
Deferred tax asset				
Advance rent	4,198,432	(135,592)	-	4,062,840
Bad debt	10,652	(21,197)	-	(10,545)
Impairment on trade receivables	-	12,142	-	12,142
Deferred tax liability				
Accelerated capital allowance	(5,999,858)	(503,360)	-	(6,503,218)
Capital gains tax rollover	(345,726)	-	-	(345,726)
Unrealised forex	(51,425)	37,586	-	(13,839)
Notional interest on employee loans	(2,253)	4,071	-	1,818
	(2,190,178)	**(606,350)**	**-**	**(2,796,528)**

Deferred tax movement 2017	Opening balance	Charged to profit or loss	Charged to other comprehensive income	Total
Deferred tax asset				
Retirement benefit obligation	734,008	(137,602)	(596,406)	-
Advance rent	4,236,127	(37,695)	-	4,198,432
Bad debt	16,022	(5,370)	-	10,652
Deferred tax liability				
Accelerated capital allowance	(5,234,926)	(764,932)	-	(5,999,858)
Capital gains tax rollover	(345,726)	-	-	(345,726)
Unrealised forex	(23,032)	(28,393)	-	(51,425)
Notional interest on employee loans	(4,547)	2,294	-	(2,253)
	(622,074)	**(971,698)**	**(596,406)**	**(2,190,178)**

Reconciliation of deferred tax asset / (liability)

	2018	2017
At beginning of year	(2,190,178)	(622,074)
Originating temporary difference movement on PPE & Investment property assets	(503,944)	(764,933)
Originating temporary difference on retirements benefits	-	(734,008)
Bad debt, impairment, gain/(loss) on foreign exchange and notional interest on employee loans	33,186	(31,468)
Advance rent	(135,592)	(37,695)
	(2,796,528)	**(2,190,178)**

	2018	2017
Deferred tax assets due after 12 months		
Advance rent	4,062,840	4,198,432

	2018	2017
Deferred tax liabilities due within 12 months		
Bad debt	(10,545)	10,652
Unrealised forex	(13,839)	(51,425)
Notional interest on employee loans	1,818	(2,253)
Impairment on trade receivables	12,142	-

Notes to the Financial Statements

	2018 N.'000	2017 N.'000

7. Deferred tax Liability (continued)

	(10,424)	**(43,026)**

Deferred tax liabilities due after 12 months		
Depreciation	(6,503,218)	(5,999,858)
Capital gains tax rollover	(345,726)	(345,726)
	(6,848,944)	**(6,345,584)**

8. Prepayments

Prepayments are made up of the following balances:

	2018 N.'000	2017 N.'000
Rent on service stations	1,888,830	1,974,394
Employee loans	354,537	248,292
Trade	2,183,374	13,302,510
	4,426,741	**15,525,196**

Total prepayments		
Current portion	2,393,065	13,491,957
Non-current portion	2,033,676	2,033,239
	4,426,741	**15,525,196**

- Prepayments are expensed on a straight line basis.
- Trade prepayment includes 2,093million (2017: 2,684million) to a related party. See note 33.
- Prior year trade prepayment includes 10,540million to NNPC
- Employee loans refers to the prepaid portion of housing and car loans given to employees.

9. Inventories

	2018 N.'000	2017 N.'000
Raw materials	13,907,099	6,308,728
Finished goods	3,925,767	1,639,873
Consumable equipment and spares	85,733	-
	17,918,599	**7,948,601**

Obsolete inventory are not provided for but are rather written off to profit or loss immediately they are identified.

During the year, obsolete inventory worth N13million (2017: N112million) was written off and recognised in cost of goods sold.

Notes to the Financial Statements

10. Trade and other receivables

	2018 N.'000	2017 N.'000
Trade receivables	6,340,883	4,913,336
Advances and employee receivables	110,269	313,465
Foreign currency deposits	-	221,116
Value added tax receivable	5,169	-
Due from associated companies	4,418,839	6,443,854
Witholding tax receivable	637,217	62,908
Other receivables	1,513	36,583
	11,513,890	**11,991,262**

Other receivables mainly consists of cash call from pension fund.

The carrying amount of trade and other receivables are denominated in the following currencies:

	2018 N.'000	2017 N.'000
NGN	8,176,225	11,770,146
USD	3,337,665	221,116
	11,513,890	**11,991,262**

The age analysis below excludes WHT and VAT

	2018 N.'000	2017 N.'000
Neither impaired nor past due	6,117,545	10,808,955
Impaired	-	-
Not impaired and past due in the following periods:		
1 to 30 days	692,999	-
31 to 60 days	387,100	922,327
61 to 90 days	437,930	6,773
91 to 180days	1,797,804	115,841
above 181	1,438,126	74,458
	10,871,504	**11,928,354**

In line with established practice, the bridging claims receivable is net off against bridging allowances payable to Petroleum Equalization Fund (PEF).

Notes to the Financial Statements

	2018 N.'000	2017 N '000

11. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

Loans and receivables 2018

	Loans and receivables	Total
Trade and other receivables (Excl. VAT and WHT)	10,871,504	10,871,504
Cash and cash equivalents	1,109,186	1,109,186
	11,980,690	**11,980,690**

Loans and receivables - 2017

	Loans and receivables	Total
Trade and other receivables (Excl. VAT and WHT)	11,928,354	11,928,354
Cash and cash equivalents	4,839,870	4,839,870
	16,768,224	**16,768,224**

Refer to page 51 for trade receivables categorised in line with IFRS 9.

12. Loans to directors, managers and employees

Carrying value of loans to employees

	2018	2017
At beginning of the year	284,581	237,506
Advances	14,131	140,970
Repayments	(43,363)	(93,895)
	255,349	**284,581**

Included as part of Advances and employees receivables (Trade and other receivables - note 10) are loans to employees. These advances comprises three types of loans made available to employees of the company. They are;

- Compassionate loan
- Car loan
- Home ownership scheme

The Compassionate loan and Home ownership scheme loan were given to employees at 0% interest rate while the Car loan was given to employees at 5% of the prevailing interest rate. In 2018, this equated to 0.83% (5% of 16.5%).

The Company measures employee loans at amortised cost using the effective interest method.

Employees loans at amortized cost

	2018	2017
Loans to directors, managers and employees	142,610	194,328

Fair value information is disclosed on note 37.

13. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consist of:

	2018	2017
Total balance	2,358,078	4,389,870
Bank overdraft	(1,248,892)	-
	1,109,186	**4,389,870**

Notes to the Financial Statements

	2018 N.'000	2017 N.'000

13. Cash and cash equivalents (continued)

Current assets	2,358,078	4,389,870
Current liabilities	(1,248,892)	-
	1,109,186	**4,389,870**

Details on bank overdraft is disclosed in note 16.

Cash and bank

Short term deposits	1,864,060	1,500,000
Bank account	494,018	2,300,741
Trade deposit	-	589,129
	2,358,078	**4,389,870**

Short-term deposits were placed based on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings.

Credit rating

A+	9	-
AA	(422,636)	502,919
B+	1,531,813	-
B	-	3,886,951
	1,109,186	**4,389,870**

14. Share capital

Authorised

400,000,000 Ordinary shares at 50k each	200,000	200,000

Reconciliation of number of shares issued:

Reported as at January 1, 2018	194,678	194,678

360,595,261 ordinary shares of the total authorised number of shares of 50k each have been called-up and fully paid.

Issued

360,595,261 Ordinary shares of 50k each	180,298	180,298
Share premium	14,380	14,380
	194,678	**194,678**

15. Retained income and other reserves

Reconciliation of retained income is as follows:

Balance at beginning of year	27,164,151	21,262,818
Profit for the year	9,328,935	7,518,733

Notes to the Financial Statements

	2018 N.'000	2017 N.'000
15. Retained income and other reserves (continued)		
Other comprehensive income for the year	-	1,267,362
Dividends paid	(2,884,762)	(2,884,762)
	33,578,097	**27,164,151**

2018 reconciliation of retained income and other reserves	**Retained Income**	**Other Reserves**	**Total**
Balance at beginning of year	27,164,151	-	27,164,151
Profit for the year	9,328,935	-	9,328,935
Effect of adoption of IFRS 9	(30,227)	-	(30,227)
Dividends paid	(2,884,762)	-	(2,884,762)
	33,578,097	**-**	**33,578,097**

2017 reconciliation of retained income and other reserves	**Retained Income**	**Other Reserves**	**Total**
Balance at beginning of year	22,530,180	(1,267,362)	21,262,818
Profit for the year	7,518,733	-	7,518,733
Other comprehensive income for the year	-	1,267,362	1,267,362
Dividends paid	(2,884,762)	-	(2,884,762)
	27,164,151	**-**	**27,164,151**

16. Borrowing

Held at amortised cost		
Bank Ovedraft	1,248,892	-

The bank overdraft facility was obtained for working capital requirements

The carrying value of the bank overdraft equals its fair value.

17. Retirement benefits

Defined contribution plan

The benefit structure is described as follows

Eligibility: All confirmed employees of 11Plc.

Mandatory retirement age: This is 60 for both male and female staff.

Early retirement: Allowable from age 45 with a minimum of 10 years company service.

Final pensionable salary: This is the Annual Pensionable Salary (i.e. annual basic salary + annual housing allowance + annual transport allowance + vacation allowance + year end bonus + annual furniture allowance) at date of exit (death, retirement or withdrawal from service).

Years of service: Accredited service is defined as the length of time, during which an employee worked full-time for the Company prior to retirement or death or withdrawal.

Employee savings scheme: This is payable at retirement and is calculated as 8.33% of annual pensionable salary and multiplied by the years of service, provided 5 years of qualifying service has been rendered at exit.

Pension Scheme: The Defined Benefit pension scheme was converted to Defined Contribution on the 31st January 2017 for active employees.

Notes to the Financial Statements

	2018 N.'000	2017 N.'000

17. Retirement benefits (continued)

Defined benefit plan

The Company's Defined benefit plan funding requirements are determined using PENCOM regulations. The plan was fully funded following PENCOM's approval in January 2017 to convert to a Defined Contribution scheme for active employees.The Annuitants are still under the defined benefit scheme.

The valuation of the fund for Annuitants under the defined benefit scheme is as follows:

The valuation was carried out by Ernst & Young (FRC/2012/NAS/00000000738).

Carrying value	2018 N.'000	2017 N.'000
Pension liability	(885,864)	(1,002,111)
Fund at market value	856,035	968,521
	(29,829)	**(33,590)**

Plan Asset Classification Summary	2018 N.'000	2017 N.'000
Fixed deposit	62,640	27,238
Government bond	797,027	695,265
Corporate bonds	-	250,579
Cash	465	695
Receivables	536	346
Payables	(4,633)	(5,602)
	856,035	**968,521**

Notes to the Financial Statements

	2018 N.'000	2017 N.'000

17. Retirement benefits (continued)

Key assumptions used

The following assumptions were also used by the Actuary in the calculation of the company's Pension Expense, Plan Asset and Defined Benefit Obligation.

Discount rates used	15.50 %	14.00 %
Inflation	12.00 %	12.00 %
Expected Return on Plan Asset Rate	15.50 %	14.00 %

In order to measure the liability, the projected benefit obligation is discounted to a net present value as at the current balance sheet date.

IFRS through IAS 19 requires that the discount rate be determined on the company's balance sheet date by reference to market yields on high quality corporate bonds, except where there is no deep market in such bonds, in which case the discount rate should be based on market yields on Government bonds.

The discount rate should reflect the duration of the liabilities of the benefit program.

The weighted average liability duration for the Plan is 5years. The average weighted duration of a similar Nigerian Government bond as at 31st of December, 2018 was 4.70 years with a gross redemption yield of 15.32%.

In view of the above, the actuary adopted 15.50% p.a as the discount rate for the current valuation.

Fund management and regulatory expenses are charged directly to the fund on an on-going basis.

Demographic Assumptions:

Mortality:The rates of mortality assumed in the plan are the rates in PA (90) Table (UK annuitant table - published jointly by the Institute and Faculty of Actuaries, UK). The Mortality experience reflects our assumed future longevity of each pensioner, which is age related.

Age now	Average expectation of life	
	Male	Female
55	22	27
60	19	23
65	15	19
70	12	15
75	9	12
80	7	9 .

Defined contribution plan

The Company's contribution to the scheme in 2018 was N98.5million(2017:N91.7million).

18. Deferred income

Deferred income relates to advance rent on investment properties leased mainly to Mobil Producing Nigeria Unlimited.

Analysis of deferred income		
Opening balance	23,201,305	24,760,548
Additions	6,341,135	5,324,678
Amortisation (rental income for the year)	(7,893,301)	(6,883,921)
	21,649,139	**23,201,305**

Notes to the Financial Statements

	2018 N.'000	2017 N.'000

18. Deferred income (continued)

Non-current	14,763,734	16,961,598
Current	6,885,405	6,239,707
	21,649,139	**23,201,305**

The Company leases its investment properties to Mobil Producing Nigeria Unlimited under various lease agreements. There were no contingent rents recognised during the period.

19. Contigent liabilty

At the reporting date, there were several lawsuits with claims amounting to N114million (2017: N119million) against the Company. The directors are of the opinion that the Company will not incur any significant loss with respect to these claims and accordingly, no provisions have been made in the accompanying financial statements.

20. Current tax payable

Balance at beginning of the year	(2,355,463)	(2,730,605)
Current tax for the year	(3,760,175)	(2,647,454)
Balance at December 31	2,981,363	2,355,463

Movement in current income tax		
Opening balance	2,355,463	2,730,605
Payments	(2,573,543)	(2,991,685)
Provision for the year	3,760,175	2,647,454
Withholding tax credit utilised	(560,732)	(30,911)
Balance at December 31	**2,981,363**	**2,355,463**

21. Trade and other payables

Trade payables	1,397,826	13,535,591
VAT payable	-	117,322
Other payables	208,969	342,716
Accrued expenses	59,090	23,090
Unclaimed dividend & payments	1,385,517	1,275,215
Non-product trade payables	1,531,487	2,151,476
Bridging allowance	3,629,212	2,097,743
	8,212,101	**19,543,153**

Terms and conditions of the above financial liabilities:

- Trade and other payables are non-interest bearing and are settled within an average of 34 days of receipt of invoice
- Other payables are non-interest bearing and are mainly made up of retention on contracts, WHT and employee payables .
- Terms and conditions of related parties are disclosed in note 33.

22. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below. There was no contract liability in 2018.

Loans and payables - 2018

	Financial liabilities at amortised cost	Total
Trade and other payables (Excl. VAT, WHT and unclaimed dividend and payment)	6,826,584	6,826,584
Bank overdraft	1,248,892	1,248,892
	8,075,476	**8,075,476**

Notes to the Financial Statements

	2018 N.'000	2017 N.'000

22. Financial liabilities by category (continued)

Loans and payables - 2017

	Financial liabilities at amortised cost	Total
Trade and other payables (Excl. VAT, WHT and unclaimed dividend and payment)	18,150,616	18,150,616

23. Revenue

	2018	2017
Third party sales	139,465,457	105,946,288
Intercompany sales	25,144,078	19,310,821
	164,609,535	**125,257,109**

Revenue from contract with customers		
Sale of goods	164,609,535	125,257,109

Disaggregation of revenue is disclosed on page 53.

24. Other income

	2018	2017
Rental income	8,150,317	7,211,166
Other operating income	378,734	139,492
Backcourt income	97,688	110,779
	8,626,739	**7,461,437**

Rental income represents rent received from investment properties of N7,893million (2017: N6,884million) and the balance represents rent from service stations.

Other operating income includes; services charges on demurrage, sale of scrap.

25. Cost of sales

Sale of goods		
Purchases	147,610,693	109,526,827
Manufacturing expense	405,223	456,899
	148,015,916	**109,983,726**

Notes to the Financial Statements

	2018 N.'000	2017 N.'000

26. Operating expense

Total expenses

	2018 N.'000	2017 N.'000
Administrative expenses	5,024,634	3,828,732
Selling and distribution expenses	6,924,988	5,796,586
Loss on asset disposals	28,368	24,164
	11,977,990	**9,649,482**

The following items are included within operating expenses:

	2018 N.'000	2017 N.'000
Administrative expense (excl. depreciation)	2,285,098	1,426,191
Selling and distribution expenses (excl. depreciation)	6,461,574	5,040,848
Depreciation and amortisation	3,202,950	3,158,279
Loss on asset disposals	28,368	24,164
	11,977,990	**9,649,482**

Depreciation on manufacturing expense is charged to cost of sales and excluded from depreciation and amortisation in operating expense.

Included in operating expenses are the following expenses by nature

Expenses by nature

	2018 N.'000	2017 N.'000
Employee related expenses	2,082,823	1,949,509
Volume related expense	4,583,192	3,059,102
Depreciation and amortisation	3,202,953	3,158,279
Maintenance & repairs	641,462	573,945
Auditors remuneration	21,000	21,000
Loss on asset disposals	107,546	24,164
Service station rent amortisation	264,140	230,236
Others	611,042	611,455
Advert and promotion	436,846	-
Interest expense employee	19,269	21,792
Impairment on trade receivables	7,717	-
	11,977,990	**9,649,482**

Auditors remuneration relates to Audit services performed by Grant Thornton. The auditors remuneration disclosed is inclusive of value added tax.

Non-audit services relates to tax consultancy services amounting to 3.6M.

Others mainly consists of contract labour, financial, legal, research and royalty paid to ExxonMobil.

27. Finance costs

	2018 N.'000	2017 N.'000
Interest expense	40,632	86,916

Finance costs were incurred on overdraft facility obtained for working capital requirements, deposit made by dealers and on establishment of letter of credit.

28. Finance Income

	2018 N.'000	2017 N.'000
Interest income on short-term bank deposits	473,021	335,227
Interest income on loan to employees	20,703	33,256
	493,724	**368,483**

Notes to the Financial Statements

	2018 N.'000	2017 N.'000

29. Taxation

Major components of the tax expense

	2018 N.'000	2017 N.'000
Current		
Company income tax	3,427,809	2,918,934
Prior year overprovision	-	(529,664)
Education tax (non - deductibility of Depreciation - 2%)	332,366	258,184
	3,760,175	**2,647,454**
Deferred		
Origination and reversal of temporary differences	616,022	971,699
Tax effect on IFRS 9	(9,673)	-
	606,349	**971,699**
	4,366,524	**3,619,153**
Profit before tax	13,695,459	11,137,886

Reconciliation of tax expense using accounting profit

	2018 N.'000	2017 N.'000
Income tax using statutory rate 30%	4,108,638	3,341,366
Education tax	332,365	274,605
Investment allowance (Tax incentive)	(71,848)	(9,717)
Others	(2,631)	12,899
	4,366,524	**3,619,153**

30. Other comprehensive income

Components of other comprehensive income - 2017

	Gross (N'000)	Tax (N'000)	Net (N'000)
Items that will not be reclassified to profit or loss			
Remeasurements on net defined benefit liability/asset	1,863,768	(596,406)	1,267,362

31. Earnings per share

Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders of the parent by the weighted average number of oredinary shares outsandind during the year. The weighted avereage number of shares used in the Earnings per share calculation is 360,595,261 (2017: 360,595,261).

The final dividend stated below was declared and authorised after the end of the reporting period. The dividend has therefore not been recognised as a liablility in the reporting period. It has been disclosed for information purposes only.

	2018	2017
Basic earning per share		
from continuing operations (kobo per share)	2,587	2,085

The computation of basic earnings per share was based on earnings and a weighted average number of ordinary shares in issue

	2018	2017
Dividends per share		
Dividend per share: final (kobo)	825	800

32. Dividends paid

	2018	2017
Dividends	(2,884,762)	(2,884,762)

Notes to the Financial Statements

	2018 N.'000	2017 N.'000

33. Related parties

Relationships

Nipco Plc	Parent Company
Agri Chemicals Limited	Common shareholders

Related party balances

	2018 N.'000	2017 N.'000
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Nipco Plc	4,418,839	6,443,854
Advance payment to related parties		
Agri Chemicals Limited	2,092,568	2,683,696
Dividend paid		
Nipco Plc	1,932,790	1,932,790

Related party transactions

	2018 N.'000	2017 N.'000
Income from related parties		
Nipco Plc	25,144,078	19,310,821
Administration expenses paid to related parties		
Nipco Plc	398,831	-
Purchases from related party		
Nipco Plc	6,701,769	7,235,517
Agri Chemicals Limited	33,906,276	31,108,578

11Plc purchased lubricants from ExxonMobil Corporation through Agri Chemicals Limited.

Other related party disclosures

The sales to and purchases from related parties were made on terms equivalent to those that would prevail in an arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. No guarantees were provided or received for any related party receivables or payables. For the year ended December 31, 2018, 11Plc has not recorded any impairment of receivables relating to amounts owed by related parties (2017: Nil). This assessment is taken each financial year by examining the financial position of the related party and the market in which the related party operate.

34. Commitments

Authorised capital expenditure

No commitment on investment properties in 2018.

35. Exceptional Item

	2018 N.'000	2017 N.'000
Curtailment loss	-	2,229,019

The exceptional item relates to the curtailment loss on the closure of the Defined Benefit pension plan scheme.

Notes to the Financial Statements

36. Non-current assets held for sale

The asset held for sale relates to a service station that the Lagos state goverment intend to use for a project of overidding public interest.

Disposal of Asset held for sale	**Cost (N'000)**	**Depreciation (N'000)**	**Carrying value (N'000)**
Land	30,556	-	30,556
Building	69,082	(48,492)	20,590
Plant and equipment	132,354	(104,322)	28,032
Fixtures and fittings	1,682	(1,682)	-
	233,674	**(154,496)**	**79,178**

Note 37 Fair Value Measurement and disclosures

11plc considers the fair value of its financial assets and liabilities not significantly different from its carrying values disclosed in the statement of financial position

a) Investment Properties

Location of Investment properties	Valuation technique
1, Lekki Epe Express Way, Victoria Island, Lagos	The market approach was used in arriving at the fair value of the property using evidences of similar and comparable (nature, location and condition) properties of recent sales transaction in the property market.
1, Ligali Ayorinde Street, Victoria Island, Lagos	The market approach was used in arriving at the fair value of the property using evidences of similar and comparable (nature, location and condition) properties of recent sales transaction in the property market.
1 & 3 Bayo Kuku Road, Ikoyi, Lagos	The market approach was used in arriving at the fair value of the property using evidences of similar and comparable (nature, location and condition) properties of recent sales transaction in the property market.
10A & B Temple Road, Ikoyi, Lagos	The market approach was used in arriving at the fair value of the property using evidences of similar and comparable (nature, location and condition) properties of recent sales transaction in the property market.
10 Temple Road, Ikoyi, Lagos	The market approach was used in arriving at the fair value of the property using evidences of similar and comparable (nature, location and condition) properties of recent sales transaction in the property market.

b) Employee loans

Loans to Employees	Amortised cost using effective interest rate was used in arriving at the fair value of the loans the Company provides to employees. This fair value is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risks and remaining maturity.

The fair values of 11plc's investment properties and employee loans are categorized as Level 3.

Notes to the Financial Statements

	2018 N. '000	2017 N. '000

38. Directors & Key management personnel emoluments

Emoluments of directors

	2018	2017
Fees paid to Non-Executive Directors	-	525
Remuneration paid to Executive Directors	175,382	328,022
Other emoluments to NED	1,441	4,483
Total	176,823	333,030

The Executive Directors' remuneration shown above
(excluding pensions and pension contributions) include:

	2018	2017
Chairman	-	-

The role of the chairman has been seperated from the role of managing director

	2018	2017
Highest paid Director	80,493	69,423

Directors received emoluments in the following ranges :

	Number	Number
N251,001 - N1,000,000	-	-
Above N1,000,000	4	4

The chairman does not receive emolument

Emoluments of key management personnel

	2018	2017
Short term benefits (Salaries wages & other benefits)	285,725	330,497
Post employment benefits	-	8,076
Total	285,725	338,573

Staff numbers

(a) The average monthly number of full time persons employed by the Company during the year (excluding the 3 executive directors) was as follows :

	Number	Number
Management staff	16	21
Senior staff	60	67
Total	76	88

(b) Employees of the Company, other than Directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions) in the following ranges :

Under N2,000,000	1	0
N2,000,001 - N 6,000,000	10	0
N6,000,001 - N 8,000,000	8	12
N8,000,001 - N 10,000,000	19	5
N10,000,001 - N 20,000,000	21	44
N20,000,001 & above	17	27
Total	76	88

Notes to the Financial Statements

39 Segmental Information

As at December 31 2018, the Company had two reportable business segments:
(i) Petroleum Products Marketing (ii) Property Business

All MON's assets are located within Nigeria and there were no export sales made as at December 31, 2018. (2017: Nil)
Segment revenue reported below represents revenue generated from external customers. There were also no intersegment sales as at December 31, 2018 (2017: nil). The accounting policy of the reportable segments below are the same as 11Plc's accounting policies disclosed in the financial statements. See page 36 for additional information on segment policy.

	Petroleun Products Marketing (N'000)	Property Business (N'000)	Total (N'000)
A The segment results for the period ended December 31, 2018 are as follows:			
Revenue	164,609,535	-	164,609,535
Cost of sales	(148,015,917)	-	(148,015,917)
Operating expense	(9,382,698)	(2,595,292)	(11,977,990)
Other income	733,437	7,893,302	8,626,739
Finance income	493,724	-	493,724
Finance costs	(40,632)	-	(40,632)
Profit before tax	8,397,449	5,298,010	13,695,459
Taxation credit/charge	(2,619,636)	(1,746,888)	(4,366,524)
Profit for the period	5,777,813	3,551,122	9,328,935
The segment results for the period ended December 31, 2017 are as follows:			
Revenue	125,257,109	-	125,257,109
Cost of sales	(109,983,726)	-	(109,983,726)
Operating expense	(7,044,637)	(2,604,845)	(9,649,481)
Other income	577,516	6,883,921	7,461,437
Finance income	368,483	-	368,483
Finance costs	(86,916)	-	(86,916)
Profit before taxation	9,087,829	4,279,076	13,366,905
Exceptional items	(2,229,019)	-	(2,229,019)
Taxation	(2,198,319)	(1,420,834)	(3,619,153)
Profit for the period	4,660,491	2,858,242	7,518,733
B Reconciliation of segment assets and liabilities to total assets and liabilities as at December 31, 2018:			
Intangible assets	68,316	-	68,316
Segmented total assets (excl. cash and cash equivalents & deferred tax)	45,066,501	23,236,219	68,302,720
Segmented total liabilities	(9,446,577)	(23,396,026)	(32,842,603)
Deferred tax		(2,796,528)	(2,796,528)
Cash and cash equivalents	1,109,186	-	1,109,186
Segmented net assets	36,729,111	(2,956,335)	33,772,775
Capital expenditure	2,988,029	-	2,988,029
Depreciation charge for the year	(670,302)	(2,576,229)	(3,246,531)
Reconciliation of segment assets and liabilities to total assets and liabilities as at December 31, 2017:			
Intangible assets	64,863	-	64,863
Segmented total assets (excl. cash and cash equivalents & deferred tax)	44,309,999	25,949,059	70,259,058
Segmented total liabilities	(20,477,782)	(24,622,138)	(45,099,921)
Deferred tax		(2,190,178)	(2,190,178)
Cash and cash equivalents	4,389,870	-	4,389,870
Segmented net assets	28,222,085	(863,257)	27,358,828
Capital expenditure	1,528,180	13,531	1,541,711
Depreciation charge for the year	(636,732)	(2,576,464)	(3,213,196)

Segment assets consist primarily of Investment properties, property, plant and equipment, intangible assets, Inventory, long term receivables, debtors and other receivables. Deferred taxation and cash and short term deposits are not allocated to segments as they are managed on a total company basis.

Segment liabilities comprise current taxation, unamortized rental income, payables and other liabilities and provision for liabilities & charges. Unallocated liability is deferred taxation.

Capital expenditure comprises additions to property, plant and equipment, Investment property and intangible assets.

Property, plant and equipment

December 2018	Land	Buildings	Plant and Equipment	Fixtures and Fittings	Motor Vehicles	Asset under Construction	Total
		N'000	N'000	N'000	N'000	N'000	N'000
Cost							
At beginning of the year	749,269	5,469,837	6,443,546	316,855	356,235	1,368,119	14,703,861
Additions	-	1,342,071	1,027,937	-	71,225	518,765	2,959,998
Transfers from lease							-
Transfers from asset under Construction	-	8,490	501,522	17,850	30,224	(558,086)	-
Held for sale	(30,556)	(69,082)	(132,354)	(1,682)			(233,674)
Disposals		(10,280)	(32,604)	-	(27,820)	(30,240)	(100,943)
At end of the year	**718,713**	**6,741,036**	**7,808,047**	**333,023**	**429,864**	**1,298,558**	**17,329,241**
Depreciation							
At beginning of the year	-	(2,111,923)	(3,287,791)	(233,740)	(290,330)	-	(5,923,784)
Charge for year	-	(232,858)	(353,369)	(40,406)	(43,669)	-	(670,302)
Held for sale	-	48,492	104,322	1,682	-	-	154,496
Transfers from lease	-	-	-	-	-	-	-
Disposals	-	2,094	3,600	-	27,820	-	33,515
At end of the year	**-**	**(2,294,194)**	**(3,533,238)**	**(272,464)**	**(306,179)**	**-**	**(6,406,075)**
Net book value							
December 31, 2018	**718,713**	**4,446,842**	**4,274,809**	**60,559**	**123,685**	**1,298,558**	**10,923,166**

December 2017	Land	Buildings	Plant and Equipment	Fixtures and Fittings	Motor Vehicles	Asset under Construction	Total
		N'000	N'000	N'000	N'000	N'000	N'000
Cost							
At beginning of the year	749,269	5,043,566	6,452,245	322,908	360,140	760,605	13,688,733
Additions	-	64,891	128,520	-	400	1,334,369	1,528,180
Transfers from lease	-	-	-	-	-	-	-
Transfers from asset under Construction	-	395,989	330,866	-	-	(726,855)	-
Disposals	-	(34,609)	(468,085)	(6,053)	(4,305)	-	(513,052)
At end of the year	**749,269**	**5,469,837**	**6,443,546**	**316,855**	**356,235**	**1,368,119**	**14,703,861**
Depreciation							
At beginning of the year	-	(1,898,219)	(3,377,421)	(220,183)	(255,930)	-	(5,751,753)
Charge for year	-	(237,052)	(342,442)	(19,610)	(37,629)	-	(636,733)
Transfers from lease	-	-	-	-	-	-	-
Disposals	-	23,348	432,072	6,053	3,229	-	464,702
At end of the year	-	**(2,111,923)**	**(3,287,791)**	**(233,740)**	**(290,330)**	**-**	**(5,923,784)**
Net book value							
December 31, 2017	**749,269**	**3,357,914**	**3,155,755**	**83,115**	**65,905**	**1,368,119**	**8,780,077**

Intangible assets

December 2018	Software Costs	Franchise Costs	Permit	Total
	N'000	N'000	N'000	N'000
Cost				
At beginning of the year	201,551	91,041	15,045	307,637
Additions	28,031	-	-	28,031
Disposals	-	(14,035)	-	(14,035)
At end of the year	**229,582**	**77,006**	**15,045**	**321,633**
Amortization				
At beginning of the year	(150,046)	(89,907)	(2,821)	(242,774)
Amortization for the period charged to expense	(22,780)	(1,046)	(752)	(24,578)
Disposals	-	14,035	-	14,035
At end of the year	**(172,826)**	**(76,918)**	**(3,573)**	**(253,317)**
Net Book Value				
December 31, 2018	**56,756**	**88**	**11,472**	**68,316**

December 2017	Software Costs	Franchise Costs	Permit	Total
	N'000	N'000	N'000	N'000
Cost				
At beginning of the year	201,551	123,647	15,045	340,242
Additions	-	-	-	-
Disposals	-	(32,606)	-	(32,606)
At end of the year	201,551	91,041	15,045	307,637
Amortization				
At beginning of the year	(136,609)	(118,882)	(2,069)	(257,560)
Amortization for the period charged to expense	(13,437)	(1,367)	(752)	(15,556)
Disposals	-	30,342	-	30,342
At end of the year	(150,046)	(89,907)	(2,821)	(242,774)
Net Book Value				
December 31, 2017	**51,505**	**1,134**	**12,224**	**64,863**

Intangible assets are made up of the cost of upgrading the Company's computer systems, permits and the franchise cost paid, which gives Company owned service stations the right to have named brand in the back-court shops. The assets are amortised using straight line method with a useful life of fifteen, ten and twenty years for the software, franchise and permit cost respectively.

Investment property movement analysis

December 2018	Land and Buildings	Plant and Equipment	Fixtures and Fittings	Asset under Construction	Total
	N'000	N'000	N'000	N'000	N'000
Cost					
At beginning of the year	12,646,195	20,548,734	-	194,854	33,389,783
Asset class realignment	-	-	-	-	-
Additions	-	-	-	-	-
Transfers	-	(98,350)	-	98,350	-
Disposals	-		-		-
At end of the year	**12,646,195**	**20,450,385**	**-**	**293,205**	**33,389,783**
Depreciation					
At beginning of the year	(1,498,576)	(5,942,148)	-	-	(7,440,724)
Asset class realignment			-	-	
Charge for year	(300,692)	(2,275,537)	-	-	(2,576,229)
Disposals	-	-	-	-	-
At end of the year	**(1,799,269)**	**(8,217,684)**	**-**	**-**	**(10,016,953)**
Net book value					
December 31, 2018	**10,846,926**	**12,232,700**	**-**	**293,205**	**23,372,830**

December 2017	Land and Buildings	Plant and Equipment	Fixtures and Fittings	Asset under Construction	Total
	N'000	N'000	N'000	N'000	N'000
Cost					
At beginning of the year	12,704,685	19,805,924	569,552	1,158,498	34,238,659
Asset class realignment	(58,490)	628,042	(569,552)	-	-
Additions	-	13,531	-	-	13,531
Transfers	-	101,237	-	(101,237)	-
Disposals	-	-	-	(862,407)	(862,407)
At end of the year	**12,646,195**	**20,548,734**	**-**	**194,854**	**33,389,783**
Depreciation					
At beginning of the year	(1,199,055)	(3,564,518)	(100,687)	-	(4,864,260)
Asset class realignment	1,170	(101,857)	100,687	-	-
Charge for the year	(300,691)	(2,275,773)	-	-	(2,576,464)
Disposals	-	-	-	-	-
At end of the year	**(1,498,576)**	**(5,942,148)**	**-**	**-**	**(7,440,724)**
Net book value					
December 31, 2017	**11,147,619**	**14,606,586**	**-**	**194,854**	**25,949,059**

11Plc

(Registration number RC 914)
Financial statement for the year ended December 31, 201

Statement of Value Added

	2018 N. '000	%	2017 N. '000	%
- Inland sales	164,609,535		125,257,109	
- Export sales	-		-	
Sales to outsiders	164,609,535		125,257,109	
- Local purchases	120,237,796		85,158,570	
- Purchases from imports	33,906,276		31,108,578	
Purchases of goods and other services	154,144,072		116,267,148	
Value added by trading operations	10,465,462	55	8,989,960	55
Other income	8,598,371	45	7,437,272	45
	19,063,833		16,427,232	
Other expense	(28,368)	(0)	(24,164)	-
	19,035,465	100	16,403,068	100

Applied as follows :				
To pay staff and labour related expenses	2,028,265	11	1,949,509	12
To pay dividends to shareholders	2,884,762	15	2,884,762	18
To pay interests and similar charges	40,632	0	86,916	1
To pay Government taxes and licences	4,366,524	23	3,619,153	21
To provide for maintenance of assets	3,271,108	17	3,228,756	20
Profit after tax transferred to reserve (net of dividend)	6,444,173	34	4,633,972	28
	19,035,465	100	16,403,068	100

Five-Year Financial Summary

	2018	2017	2016	2015	2014
	N'000	N'000	N'000	N'000	N'000
Equity					
Share capital	180,298	180,298	180,298	180,298	180,298
Share premium	14,380	14,380	14,380	14,380	14,380
Reserves	33,578,097	27,164,151	21,262,818	15,168,723	13,354,772
	33,772,775	27,358,829	21,457,796	15,353,401	13,549,450
Assets and liabilities :					
Property, plant & equipment	10,923,166	8,780,077	7,936,980	7,612,813	7,287,171
Investment property	23,372,829	25,949,059	29,374,398	29,288,265	26,954,798
Intangible assets	68,316	64,863	82,683	100,862	121,838
Deferred tax assets	-	-	-	156,455	1,049,185
Prepayments	2,033,676	2,033,239	1,978,780	1,598,378	1,552,726
Working capital	14,935,050	9,683,367	3,506,932	1,034,858	(4,081,207)
	51,333,037	46,510,605	42,879,773	39,791,631	32,884,511
Net deferred credits	(17,560,262)	(19,151,776)	(21,422,277)	(24,428,230)	(19,335,061)
Net tangible assets	33,772,775	27,358,829	21,457,496	15,363,401	13,549,450
Turnover	164,609,535	125,257,109	94,107,683	64,220,901	79,583,738
Profit before taxation	13,695,459	11,137,886	12,019,892	6,906,322	8,446,137
Taxation	(4,366,524)	(3,619,153)	(3,865,599)	(2,033,393)	(2,053,347)
Profit after taxation	9,328,935	7,518,733	8,154,293	4,872,929	6,392,790
Actuarial gains/(losses)	-	1,267,362	536,088	(679,049)	(217,398.72)
Reserves beginning of the year	27,164,151	21,262,818	15,168,723	13,354,772	9,342,953
Bonus issue	-	-	-	-	-
Dividends	(2,884,762)	(2,884,762)	(2,596,286)	(2,379,929)	(2,163,572)
Adoption of IFRS adjustments	(30,227)	-	-	-	-
Reserves end of year	33,578,097	27,164,151	21,262,818	15,168,723	13,354,772
Earnings per 50k share	2587K	2261K	2261K	1351K	1773K
Dividends per 50k share		800K	800K	720K	660K
Net assets per 50k share	9366K	7587K	5951K	4261K	3758K

Note:

1) Earnings and dividend per share are calculated on the basis of the fully paid ordinary shares of 360,595,261 for 2014- 2018 financial year .

   Net assets per share are based on the net assets of the Company and number of ordinary shares of 50k in issue at the end of each financial year

2) All figures disclosed are based on IFRS.

Board of Directors & Corporate Information

COMPANY REGISTRATION NO. RC914

Country of incorporation and domicile	Nigeria
Nature of business and principal activities	Petroleum Products Marketing
DIRECTORS:	Mr. Ramesh Kansagra - Chairman Mr. Venkataraman Venkatapathy Mr. Adetunji Oyebanji – MD/CEO Mr. Ramesh Virwani - COO Mr. Alhaji Abdulkadir Aminu Mr. Paul Chukwuma Obi Mr. Rishi Kansagra Mr. Thomas Dietz
COMPANY SECRETARY:	Danladi, Adams & Co.
AUDIT COMMITTEE:	Mr. Esan Ogunleye– Chairman Mr. Raphael O Osayameh Mr. Ramesh Virwani Mr. Paul Chukwuma Obi Alhaji Abdulkadir Aminu Barr. G. Adetutu Siyonbola
REGISTERED OFFICE:	1, Mobil Road, Apapa, Lagos.
BUSINESS ADDRESS:	1, Mobil Road, Apapa, Lagos.
TELEPHONE:	01-2801600, 2801100
FAX:	01-2801607
WEBSITE:	**www.11plc.com**
AUDITORS:	Grant Thornton Nigeria 3rd & 4th Floors 294 Herbert Macaulay Way Sabo- Yaba Surulere, Lagos Nigeria.
REGISTRARS AND TRANSFER OFICER:	GTL Registrars Limited 274, Murtala Muhammad Way Alagomeji, Yaba Lagos State.

...drive way service at the station

Proxy Form

Annual General meeting to be held at 11.00 a.m on Thursday May 16, 2019 at The Shell Hall, MUSON Centre, 8/9 Marina, Onikan, Lagos

I/WE*____

of____
being a member/members of 11Plc hereby appoint **_______________________________________

____
or failing him/her, the Chairman of the meeting as my/our proxy to act and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, May 16, 2019.

Dated _______________ day of _________________2019

Signature_______________________________________

	NUMBERS OF SHARES		
	RESOLUTION		
1.	To receive the report of the Directors, the balance sheet as at December 31, 2017 together with the Profit or Loss Account for the year ended on that date and the Report of the Independent Auditors thereon.		
2.	To declare a dividend		
3.	Retirement/Re-election of Directors		
4.	To fix the remuneration of the Directors		
5.	To appoint the Auditors for the company and authorise Directors to fix the remuneration.		
6.	To elect members of the Auditor Committee		

Please indicate with “X” in the appropriate box who you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

NOTE
A member who is unable to attend an Annual General Meeting is allowed by law to vote by proxy. A proxy form has been prepared to enable you exercise your right in case you cannot personally attend the meeting. The proxy form should not be completed if the member will be attending the meeting.

If you are unable to attend, read the following instructions very carefully:

(a) Write your name in BLOCK CAPITALS on the proxy form where marked*
(b) Write the name of your proxy where marked**, and ensure the proxy form is dated and signed by you. The Common Seal should be affixed on the proxy form if executed by a Corporation.
(c) The proxy form must be posted so as to reach the address shown overleaf not later than 48 hours before the time for holding the meeting.

- -

Before posting the above proxy form, please tear off this part retain it for admission to the meeting.

ADMISSION CARD

11Plc

Annual General Meeting to be held at 11.00 a.m on Thursday, May16, 2019 at The Shell Hall, MUSON Centre, 8/9 Marina, Onikan, Lagos.

Name of Shareholder

Signature of person attending

NOTE
The admission card must be produced by the shareholder or his/her proxy in order to be admitted at the meeting.

Shareholders or their proxies are requested to sign the admission card at the entrance in the presence of the Registrar on the day of Annual General Meeting.

Danladi, Adams & Co.
Company Secretaries

Affix
Stamp

The Registrar,
GTL Registrars Ltd,
274, Murtala Muhammad Way,
Alagomeji, Yaba,
Lagos State

11Plc

Application Form
for e-Bonus and e-Dividend

Dear Shareholder(s)

SHAREHOLDER'S DATA UPDATE

In our request to update shareholders data with the current technology in the Capital Market (i.e) e-Bonus and e-Dividend, we require you to complete this form with the following:-

Tel. Nos: ____________ CSCS A/C No: ______________ STOCK BROKING FIRM: ________________

E-Mail Address: ____________________ Name of Bank ______________________________________

Branch of Bank _____________ Bank Acct No. ______________ Branch Code ____________________

No. of Units held ______________________________

NAME OF SHAREHOLDER

____

PRESENT/NEW ADDRESS:

____

____

____

NAME OF COMPANY IN WHICH YOU HAVE SHARES

☐ **11Plc**

REGISTRAR'S USE

NAME ____________________

SIGNATURE ________________

DATE _____________________

Please notify our Registrars, GTL Registrars Limited of any change in telephone, address and bank whenever it occurs.

Yours faithfully,

11Plc

Note: **Please be informed that by filling and sending this form to our Registrar, GTL Registrars Limited for processing, you have applied for the e-Dividend and e-Bonus; thereby, authorizing 11 Plc to credit your account (in respect of dividends and bonus) electronically.**

PLEASE COMPLETE AND RETURN TO
GTL REGISTRARS LIMITED
2 BURNA ROAD, APAPA

SIGNATURE/RIGHT THUMBPRINT OF SHAREHOLDER

In the case of Corporate Shareholder, use company seal.

11Plc
(RC 914)

PTO

Affix N50.00
Postage Stamp
Here

THE MANAGING DIRECTOR
GTL REGISTRARS LTD,
274, MURTALA MUHAMMAD WAY,
ALAGOMEJI, YABA,
LAGOS STATE


The Best Technology,
The Best Oil.
Mobil 1
Keeps Engines Performing Like New
0W-40
Keeps Engines Performing Like New.
Mobil
The world's leading synthetic motor oil brand
For more information, kindly visit www.11plc.com
11

CORPORATE SOCIAL RESPONSIBILITY

BAPTIST PRIMARY SCHOOL BUILDING:
Renovation Project

Then & Now

Classrooms & Corridor

- Project handed back to Lagos State Government through the Universal Basic Education Board

Investment Property

Apapa Terminal