Annual Report and Accounts 2021

Energy For Life

eterna

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Financial Highlights

	2021 N'000	2020 N'000	%Change
Turnover	82,197,987	58,715,576	40
Gross Profit	4,264,407	5,507,893	(23)
(Loss)/Profit before taxation	(936,415)	548,146	(271)
Taxation	(163,717)	392,896	(142)
Loss)/Profit for the year	(1,100,132)	941,042	(217)
Total Assets	46,082,300	35,767,556	29
Net Assets	12,118,375	13,348,921	(9)
Earnings per share	(0.84)	0.72	(217)
Proposed Dividend	Nil	0.10	N/A

Directors, Professional Advisers, etc.

Directors:

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

Company Secretary/Legal Adviser:
Mandella Golkus

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

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

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

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

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

Notice of 29th Annual General Meeting

NOTICE IS HEREBY GIVEN that the 29th Annual General Meeting of Eterna Plc will be held on Thursday 16th June 2022 at the Shell Hall, Muson Centre, Onikan Lagos at 11.00am prompt to transact the following businesses:

Ordinary Business:

1. To lay the Report of the Directors, the Audited Financial Statements, the Reports of the Auditors and the Audit Committee for the year ended 31st December 2021 before the shareholders;

2. To elect the following Directors of the Company;
2.1 Dr. Gabriel Ogbechie
2.2 Mr. Benjamin Nwaezeigwe
2.3 Mrs. Phoebean Ifeadi
2.4 Mrs. Godrey Ogbechie
2.5 Mr. Emmanuel Omuojine
2.6 Mr. Okechukwu Omezi
2.7 Mr. Anibor Kragha
2.8 Mr. Akinwande Ademosu

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

4. To elect members of the Audit Committee;

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

Special Business:

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

6.1 To fix the remuneration of the Directors.

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

6.3 That in compliance with the Rules of the Nigerian Exchange Limited (NGX) governing transactions requiring the approval of shareholders, sequel to the granting of the "Authority to proceed" by SEC following the triggering of the mandatory tender offer (MTO) provision of Section 131 of the Investment and Securities Act (ISA) and Rule 445 of SEC, the company is hereby authorized to approve the Take-over bid by the Majority Shareholder to acquire additional 1,300,000 ordinary shares equivalent to 0.10% equity stake from other Minority Shareholders in the Company at a price of N13.50 per share.

In compliance with the Rules of the Nigerian Exchange Limited (NGX), related parties or interested persons shall abstain from exercising any voting rights in respect of resolution 6.2 and 6.3 above at the meeting.

BY ORDER OF THE BOARD

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

Notice of 29th Annual General Meeting

Notes:

Proxy:

In line with the guidelines of the Corporate Affairs Commission (CAC) on the conduct of the Annual General Meeting (AGM) of Public Companies by Proxies and in line with Section 254 of the Companies and Allied Matters Act, 2020, the Company has obtained the approval of CAC to hold the AGM with attendance by proxies.

In compliance with the above guidelines, members who are entitled to attend and vote at the AGM of the Company are hereby advised to select a proxy from the following selected proxies to attend and vote in their place:

(a) Dr. Gabriel Ogbechie (Chairman)
(b) Mr. Benjamin Nwaezeigwe (Ag. Managing Director/CEO)
(c) Mrs. Phoebean Ifeadi
(d) Mr. Emmanuel Omuojine
(e) Mr. Ignatius Adegunle
(f) Sir. Sunny Nwosu
(g) Mr. Boniface Okezie
(h) Mrs. Fadekemi Dosunmu-Pereira
(i) Engr. M.O.T Olayiwola Tobun

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

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

Closure of Register and Transfer Books:

The Register of members and Transfer Books will be closed from Monday, 6th June, 2022 to Friday, 10th June, 2022 (both days inclusive) for the purpose of updating the Register of Members.

E-Dividend Mandate

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

Unclaimed Dividend

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

Audit Committee

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

E-Annual Report

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

Rights of Securities' Holders to ask Questions

Shareholders have a right to ask questions not only at the meeting, but also in writing prior to the meeting and such questions must be submitted to the Company on or before 9th June 2022.

Website

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

Live Streaming of the AGM

The AGM will be streamed live online. The link for the live streaming will be made available on the Company's website:www.eternaplc.com and by the Registrar, in due course.


PROTECTION FROM THE START
Castrol
MAGNATEC
Castrol
MAGNATEC
eterna
Is the Sole Licensee in Nigeria
IT'S MORE THAN JUST OIL.
IT'S LIQUID ENGINEERING.
Castrol

Corporate Profile

Our Mission

To provide energy solutions in efficient and innovative ways

Our Vision

To be Africa's Preferred Energy Company

Our Core Values

- Accountability
- Innovation
- Respect
- Ethics
- Efficiency

Our Logo

"Border"

The three sails of our logo represent our planned integration in the oil sector – Upstream, Midstream and Downstream

- Sails were chosen as our symbol because sailing is about harnessing natural resources for movement and the adventure of crossing borders. There is a sense of freedom and timelessness which comes with sailing and which reflects aspects of the Eterna spirit.
- The Border around the logo conveys stability that Eterna now has. It is a company which has had experiences from which it has drawn, resulting in a stronger, better grounded company.
- The colours of the logo are yellow, orange and green, a vibrant combination deliberately chosen to demonstrate the energy and vision of the company as well as its concern for the environment.
- The name is written using a type face which is attractive, yet simple. The use of small 'e' for Eterna shows the youthful, innovative and informal Company that it is.

Community Affairs, Safety, Health, Environment & Security (CASHES Policy)

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

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

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

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

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

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

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

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

Quality Policy

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

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

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

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

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

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

Benjamin Nwaezeigwe
Acting Managing Director

Revised: May 01, 2022

Chairman's Statement

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

Dr. Gabriel Ogbechie
Chairman

Chairman's Statement

On behalf of the Board of Directors, I am delighted to welcome you to the 29th Annual General Meeting of our Company, and to present to you the Group Annual Report and Audited Financial Statements for the year ended 31st December 2021.

Operating Environment

2021 was eventful and brought some needed respite from the unprecedented events of the previous year.

The pandemic had its toll on Nigeria's economy like the rest of the world. With the increased relaxation of travel and movement restrictions, the first quarter witnessed slow but steady recovery from the pandemic-driven recession. The development and gradual roll out of COVID – 19 Vaccines injected the needed stimuli for improved economic activities and catapulted oil prices to a two-year record high in the third quarter.

The result of the third wave was increased hospitalization and an increase in recorded cases of infection, while the fourth quarter ushered the Omicron variant which nearly eroded the economic steam gathered, due to its near crippling impact. The coordinated global action on COVID has led to a considerable improvement in the handling and management of the pandemic and its impact on the global economy. The year ended with the global community exerting some level of confident control over the otherwise untamed rampage of the virus.

On the security front, Nigeria continued to struggle with taming the wildfires of terrorism and banditry in the North-East and North-West, while the South-East was engulfed partially in secessionist agitations and unabated violence. Abductions have also continued to cast a dark shadow, eclipsing the hopes of many school children to access education. Generally, the state of insecurity midwifed a continuous disruption of economic activities. With many farmers lacking access to their farmlands, and the mass exodus of rural dwellers to Urban centers owing to unrest, unemployment, desperate housing deficit and food insecurity have continued to be front burners.

The devaluation of the Naira led to an unprecedented spike in the cost of doing business. Double digit inflation without commensurate wage augmentation meant a reduction in the purchasing power, while unemployment continued to soar. Total deregulation across all product lines has continued to be a topic of fervent discussion.

The year witnessed two important enactments, the Finance Act 2021 and the Petroleum Industry Act (PIA) 2021 which reignited hope in the government's to transform the Petroleum Industry. Set to take effect from 2022, the PIA promises to give a definite structure to the Nigerian Petroleum Industry and makes highly commendable provisions towards addressing core areas of regulatory, community and environmental concerns.

All these factors impacted the operation of our Company in 2021.

Operating Results

Our Company achieved a consolidated operating revenue of N82 billion compared with N58.7 billion in 2020. This was largely attributable to the improved economic activities as against the previous period. We recorded a decline in our gross profit from N5.5 billion in 2020 to N4.2 billion in 2021.

We also recorded a decline in our Operating Profit from N1.5 billion in 2020 to N236 million in 2021. In 2021, we recorded a Loss before Taxation of (N936 million) a decline from the N548 million Profit recorded in the previous year. This was due largely to compliance with IFRS reporting which mandated some inventories be written off.

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

Dividends

Your Board acknowledges its inability to declare a dividend in respect of the 2021 financial year, due to the poor performance in the year.

Chairman's Statement

Strategic Plans

While continuing the trajectory of our 5-year strategic plan, our Company attracted investment interests and in the fourth quarter of 2021. A new investor; Preline Limited acquired 60.98% stake in the Company, making it the largest and majority shareholder. With the addition of the new investor, the prospects have continued to look up for our Company, considering the track record, resolute commitment to stakeholder value addition and the industry experience the new investor brings. The investment demonstrates the belief in the potential of our company.

We shall continue to grow our retail footprints and add to the number of our retail outlets across Nigeria which stood at 61 as at December 2021. We will begin to incrementally improve our involvement in the aviation space with the retail of Aviation Turbine kerosene. We will invest in Liquefied Petroleum Gas and incrementally set up necessary infrastructure for market penetration.

We have also introduced various initiatives targeted at enhancing market presence, growing volumes and local brand equity for our lubricants. In relation to new businesses, we have commenced discussions with some potential strategic partners with a view to exploring opportunities in identified growth areas within the energy space.

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

Board Appointments

Following the acquisition, the following Directors resigned from the Board in October 2021; Mr. Lamis Shehu Dikko, Chief (Dr) Michael Ade Ojo OON, Mr. Oluwole Abegunde, Mr. Adebode Adefioye and Mr. Farouk Ahmed, while Mrs. Kudi Badmus exited the company in March 2021. Mr. Nnamdi Obiagwu exited the Company in April 2022, the Company is grateful to the exited Board members for their contribution towards the growth of the Company.

Consequently, the following were appointed Directors of the Company in October 2021; Mrs. Phoebean Ifeadi, Mrs. Godrey Ogbechie, Mr. Anibor Kragha, Mr. Emmanuel Omuojine, Mr. Okechukwu Omezi and my humble self Dr. Gabriel Ogbechie. Also, Mr. Akinwande Ademosu and Mr. Benjamin Nwaezeigwe were appointed to the Board in March 2022. The above Directors will be presented for election at this meeting, subject to ratification by our esteemed Shareholders. Their respective profiles are contained in the Annual Report and are also available on the Company's website: www.eternaplc.com.

The Board is confident that the new Directors would add significant value to the Board of Eterna and the Company given their collective wealth of experience, balance and spread of expertise and deep industry knowledge.

Health, Safety, Security and Environment (HSSE)

The Health, Safety and Security of our employees, customers and stakeholders is of paramount importance to us. We continue to adhere to the guidelines recommended by the Nigeria Centre for Disease Controls (NCDC).

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

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

Our Community Affairs, Health, Safety, Environmental and Security (CASHES) policy is adhered to, at all our locations. All staff and third-party personnel are properly inducted and participate in scheduled drills in Health, Safety, Security & Environmental (HSSE) practices to reinforce our established HSSE practices.

Chairman's Statement

Our Employees undergo routine health assessments as part of our wellness programme to maintain a healthy work force. The Company also encourages bonding and wellness through sports and other recreational activities amongst employees.

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

Risk Management

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

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

Internal Controls

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

Quality Management System

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

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

Employees

I would like to thank the entire Management Team and Staff for another year of hard work, loyalty and dedication. As at 31st December 2021, we had 92 permanent employees on our payroll.

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

Future Outlook

The Russia-Ukraine conflict has impacted oil prices and created an opportunity for gas producing nations like Nigeria to leverage. Heightened tension between the United States and Russia and the continuous imposition of sanctions on Russia have further stirred a deterioration in the fragile relationship between Russia and its European neighbors. The conflict continues to impact food, manufacturing and supply chain directly and indirectly.

With the improved handling of COVID -19 and the improved global outcome, Governments have largely relaxed restrictive policies targeted at curbing the spread of the Virus. Local and international travel is picking up, thereby opening local economies to much needed foreign capital.

Chairman's Statement

We are optimistic that with the sustained recovery, the economic and health impact of the pandemic will wane and a new dawn will open opportunities in a post pandemic world.

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

Conclusion
On behalf of the Board, I would like to thank all members of the Management team and staff for their commitment and hard work during the preceding year.

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

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

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

Dr. Gabriel Ogbechie
Chairman

Board of Directors' Profile

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

Dr. Ogbechie is a graduate of Production Engineering from the University of Benin. He holds an Honorary Doctorate Degree of Technology Management, from Novena University, Nigeria. He began his career as a factory engineer between 1989 and 1991 and subsequently joined PricewaterhouseCoopers, a leading firm of Chartered Accountants and Management Consultants. He worked at Ascon Oil Limited as Head, Sales and Operations; prior to founding Rainoil Limited in 1997.

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

He has established various philanthropic initiatives covering educational / vocational scholarships, youth development through sports and infrastructure projects. He is happily married with children and is passionate about playing lawn tennis.

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

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

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

He holds a Bachelor of Science degree in Industrial Chemistry from Ambrose Ali University, as well an MBA in Production and Operation Management from Lagos State University, Lagos.

He has attended capacity building training programs offered by reputable institutions in and outside Nigeria.

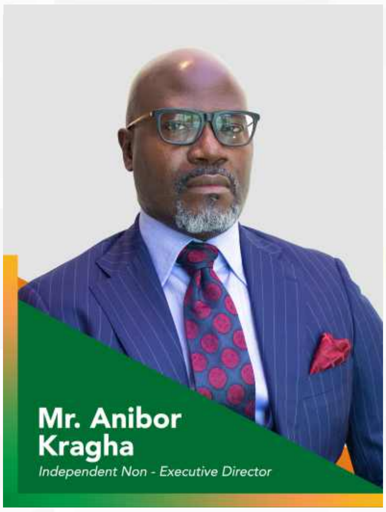
Board of Directors' Profile

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

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

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

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



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

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

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

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

Board of Directors' Profile

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

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

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

Board of Directors' Profile

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

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

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

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

Mr. Ademosu has a passion for knowledge and learning. He is currently pursuing his Doctor of Business Administration at Georgia State University, the United States, and Fintech specialization certification from Oxford/Said UK. He has business interests in real estate, fintech, retailing, logistics, agriculture, education, entertainment, and hospitality.
He is happily married with children and likes running, playing tennis, and soccer socially.

Board of Directors' Profile

Mrs. Godrey Ogbechie is a 1988 graduate of Agricultural Economics and Extension from the University of Calabar. She also holds a Masters' Degree in Business Administration. She has extensive banking experience, spanning Operations, Customer Service / Relationship Management, Audit and Human Resource Management. Cumulatively, she spent 19 years with Universal Trust Bank Limited and Fidelity Bank Plc, where she managed high profile projects both within and outside the country. As the Head – Human Resources of Fidelity Bank, she was a key member of the Fidelity, FSB and Manny Bank Merger Team.

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

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

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

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

He is the Group Head, Strategy and Business Development at Rainoil Limited where he has responsibility for driving corporate strategic direction; business processes/controls and overseeing capital projects group-wide.

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

Board of Directors' Profile

Mr. Golkus holds a Bachelor of Laws [LL.B] (Second Class Honors Upper Division) from the University of Jos. He is a Barrister & Solicitor of the Supreme Court of Nigeria called to the Nigerian Bar in 2012, having passed the Council of Legal Education Qualifying Examinations with Second Class Honors Upper Division. He is currently undergoing a Master of Laws programme at the University of Lagos.

He has extensive legal, corporate commercial, company secretarial, compliance and corporate governance experience spanning about (11) years. Before his current role, he was the Lead Company Secretariat & Investor Relations of Eterna Plc. Prior to joining Eterna, he worked at Rainoil Limited as Legal Officer assisting the Company Secretary & Legal Adviser in the secretariat, compliance, and legal advisory role. Prior to that, he was Legal & Compliance Officer at FBN General Insurance Ltd, responsible for regulatory compliance and advisory support, and before that, he worked in Total E&P Nigeria CPFA Limited assisting the Company Secretary/Legal Adviser in the advisory, compliance, legal risk management and governance function.

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

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

Mr. Golkus is married with two children. He is a published author, poet and a music enthusiast.

eterna

High Performance Engine Oil

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info@eternaplc.com | www.eternaplc.com

Directors' Report

The Directors submit their report together with the audited financial statements for the year ended 31 December 2021 which disclose the state of affairs of the Group and the company.

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

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

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

Results and dividend
The Group's results for the year are set out on page 43. The loss after tax for the year of N1.1 billion (2020: N941 Million profit) has been transferred to retained earnings.
The Group achieved consolidated revenue of N82 billion representing overall percentage increase of 40% compared with N59 billion revenue.

However, gross profit decreased by 23% in 2021 to N4.26 billion compared to gross profit of N5.51 billion achieved in 2020.

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

Mr Lamis Shehu Dikko	(Chairman)	Resigned 20th October 2021
Ms Kudi Badmus	(Executive Director/CFO)	Resigned 31st March 2021
Chief (Dr) Michael Ade Ojo, OON	(Alternate: Otunba Femi Deru)	Resigned 20th October 2021
Mr Oluwole Abegunde	(Non-Executive Director)	Resigned 20th October 2021
Mr Adebode Adefioye	(Independent Non-Executive Director)	Resigned 20th October 2021
Mr Farouk Ahmed	(Non-Executive Director)	Resigned 4th October 2021
Mr Nnamdi Obiagwu	(Managing Director/CEO)	Appointed Executive Director/COO- 10th January 2020. Appointed as MD/CEO 1st September 2020
Mr Gabriel Ogbechie		Appointed as Chairman on 20th October 2021
Mrs Phoebean Ifeadi		Appointed as Executive Director 20th October 2021
Mrs Godrey Ogbechie		Appointed as Non-Executive Director 20th October 2021
Mr Anibor Kragha		Appointed as Non-Executive Director 20th October 2021
Mr Emmanuel Omuojine		Appointed as Non-Executive Director 20th October 2021
Mr Okechukwu Omezi		Appointed as Non-Executive Director 20th October 2021

Directors' Report

Directors' interest in contracts

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

Directors' shareholding

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

Director		No of shares held 31 Dec 2021	No of shares held 31 Dec 2020
Mr Lamis Dikko		-	2,000,000
Chief (Dr) Michael Ade Ojo, OON		-	25,645,823
Mr Nnamdi Obiagwu		331,103	331,103
Ms Kudi Badmus		-	1,003,789
Indirect Shareholding	***Represented By:***		
Lenux Integrated Resources Limited	Messrs Lamis Dikko; Mr Mahmud Tukur; Mr Ibrahim Boyi and Mr Farouk Ahmed	Nil	250,156,231
Radix Trustees Limited	Mr Oluwole Abegunde	Nil	73,625,601
Meristem Trustees Limited	Mr Oluwole Abegunde	Nil	45,555,988
GASL Nominees Account 'E'	Mr Oluwole Abegunde	Nil	113,814,750
GTI Asset Management & Trust Limited	Mrs Afolake Lawal	Nil	30,380,000
GTI Securities Limited	Mrs Afolake Lawal	Nil	45,116,000
GTI Capital Limited	Mrs Afolake Lawal	Nil	16,880
Preline Limited	Messrs Gabriel Ogbechie, Mrs Godrey Ogbechie	805,213,517	Nil
Norsworthy Investment Limited	Messrs Gabriel Ogbechie, Mrs Godrey Ogbechie	34,062,967	Nil

Shareholding structure			
Range	***No of shareholders***	***No of shareholders***	***Percentage***
1 - 1,000	8,827	4,770,299	0.37%
1,001 - 5,000	10,441	25,113,336	1.92%
5,001 - 10,000	2,815	20,595,825	1.58%
10,001 - 50,000	3,237	67,786,730	5.20%
50,001 - 100,000	440	32,191,506	2.47%
100,001 - 500,000	372	75,088,713	5.76%
500,001 - 1,000,000	43	29,899,878	2.29%
1,000,001 - 5,000,000	49	104,737,325	8.03%
5,000,001 - 100,000,000	11	138,747,518	10.64%
100,000,001 and above	1	805,213,517	61.74%
Total	**26,236**	**1,304,144,647**	**100%**

Directors' Report

According to the register of members as at 31 December 2021, the following shareholders of the Company held more than 5% of the issued share capital of Eterna Plc.

Shareholder	2021 No of shares held	2021 percentage %	2020 No of shares held	2020 percentage %
Preline Limited	805,213,517	61.74%	Nil	Nil
Lenux Integrated Resources Limited	Nil	Nil	250,156,231	19.18%
Global Energy Engineering & Raw Materials Limited	Nil	Nil	179,990,000	13.80%
GASL Nominees Account 'E'	Nil	Nil	113,814,750	8.73%
Radix Trustees Limited	Nil	Nil	73,625,601	5.65%

Research and development

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

Employment of disabled persons

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

Employee training and involvement

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

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

Health, safety and environment

The Company has established and enshrined in its operating protocols high standards for Health, Safety and Environmental (HSE) protection for its staff, third party staff and the public in all its operating environments. All Company and third-party personnel are subjected to regular and consistent induction and drills in healthy, safe and environmentally friendly practices. We also update and monitor our HSE performance against our objectives regularly to ensure we operate at the highest standard.

Fixed assets

Movement in fixed assets during the year is shown in Note 15 to the financial statements. In the opinion of the Directors, the market value of the Company's properties is not less than the value shown in the financial statements.

Donations and gifts

The Company made contributions to some charitable institutions and organizations during the year 2021 amounting to N5.5million (2020: N17.8 million).

Directors' Report

Beneficiary	Purpose	N'000
SMP 79 Group at Lagos Business School	Charity contribution for SMP 79 Group at Lagos Business School	500
BILLE Community Rivers State	Charity contribution for the coronation of the King of Bille Community	5,000
Total		**5,500**

Auditors

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

By order of the Board

Bummi Agagu
Company Secretary/Legal Adviser
FRC/2013/NBA/00000004342
March 31, 2022

Corporate Governance Report

The governance principles applicable to Eterna Plc are a combination of the laws of Nigeria; the Memorandum and Articles of Association of the Company; the Code of Corporate Governance in Nigeria; the Listing Rules and the Continuing Obligations as issued by the Nigerian Exchange Limited from time to time; Code of Business Ethics and Policies as approved by the Board of Directors. We have put in place a framework that sustains high standards of corporate governance and transparency in our dealings. Our intention is to take our corporate governance compliance beyond a mere box-ticking exercise.

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

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

Complaint Management Policy
Eterna Plc is committed to delivering exceptional value to all its stakeholders which includes our shareholders, employees, customers, the communities in which we operate, our regulators etc. We acknowledge however, that our stakeholders may sometimes have cause to complain or give us feedback. The Company has developed a Complaint Management Policy to provide guidance to our stakeholders regarding the manner in which we receive and manage complaints. Our Complaint Management Policy also conforms with the guidelines set by the Securities and Exchange Commission on complaints management.

Securities Trading Policy
In compliance with the rules of the Nigerian Stock Exchange, Eterna Plc has established a Securities Trading Policy. Our Securities Trading Policy sets out the conduct of Directors, Principal Officers, Employees, Persons Discharging Managerial Responsibility, External Advisers of the Company and persons closely connected to them in the course of executing securities transactions relating to the Company.

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

Corporate Governance Report

Board Evaluation Report
May 2021

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

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

The appraisal entailed a review of the Company's corporate and statutory documents, Minutes of Board and Committee meetings, policies and other ancillary documents made available to us and the administration of questionnaires to Directors.
To ascertain the extent of compliance with relevant corporate governance principles and appraise the performance of the Board, we benchmarked the Company's corporate governance structures, policies and processes against the above-mentioned Codes as well as global Best Practices and considered the following seven key corporate governance themes:

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

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

Yours faithfully,
For: DCSL Corporate Services Ltd

Bisi Adeyemi
Managing Director
FRC/2013/NBA/00000002716

Corporate Governance Report

Governance Structure

Board of Directors

There were seven (7) members on the Board of the Company as at 31st December 2021.

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

Role of the Board

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

The Chairman

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

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

Role of the Chairman

The duties of the Chairman are as follows:

- Providing overall leadership and direction for the Board and the Company;
- Setting the Annual Board Plan;
- Setting the agenda for Board meetings in conjunction with the Managing Director/CEO and the Company Secretary;
- Playing a leading role in ensuring that the Board and its committees are composed of the relevant skills, competencies and desired experience;
- Ensuring that Board meetings are properly conducted and the Board is effective and functions in a cohesive manner;
- Ensuring that Board members receive accurate and clear information in a timely manner, about the affairs of the company to enable directors take sound decisions;
- Acting as the main link between the Board and the CEO as well as advising the Managing Director/CEO in the effective discharge of his duties;
- Ensuring that all the Directors focus on their key responsibilities and play constructive roles in the affairs of the company;
- Taking a lead role in the assessment, improvement and development of the Board;
- Presiding over Board Meetings and General Meetings of Shareholders.

Corporate Governance Report

The Managing Director/Chief Executive Officer

The Managing Director/CEO is the head of the Management Team, and he reports to the Board. He is responsible for managing and controlling the Company's business and day-to-day operations with the aim of securing significant and sustained increase in the value of the Company for stakeholders.

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

Role of the Managing Director/CEO

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

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

Corporate Governance Report

In 2021, the Board of Directors convened six (6) times (2020: eight)

Board Meetings (Attendance)

Director	Number of Meetings Attended	Date of Meeting
Dr. Gabriel Ogbechie (Appointed 20th October 2021)	2	November 5, 2021 December 10, 2021
Mr. Nnamdi Obiagwu	6	March 23, 2021 May 28, 2021 July 30, 2021 October 20, 2021 November 5, 2021 December 10, 2021
Mrs. Phoebean Ifeadi (Appointed 20th October 2021)	2	November 5, 2021 December 10, 2021
Mrs. Godrey Ogbechie (Appointed 20th October 2021)	2	November 5, 2021 December 10, 2021
Mr. Emmanuel Omuojine (Appointed 20th October 2021)	2	November 5, 2021 December 10, 2021
Mr. Anibor Kragha (Appointed 20th October 2021)	2	November 5, 2021 December 10, 2021
Mr. Okechukwu Omezi (Appointed 20th October 2021)	2	November 5, 2021 December 10, 2021
Mr. Lamis Shehu Dikko (Resigned 20th October 2021)	4	March 23, 2021 May 28, 2021 July 30, 2021 October 20, 2021
Kudi Badmus (Resigned 1st April 2021)	1	March 23, 2021
Adebode Adefioye (Resigned 20th October 2021)	3	March 23, 2021 May 28, 2021 July 30, 2021
Michael Ade Ojo (Resigned 20th October 2021)	2	May 28, 2021 October 20, 2021
Afolake Lawal (Resigned 20th October 2021)	4	March 23, 2021 May 28, 2021 July 30, 2021 October 20, 2021
Oluwole Abegunde (Resigned 20th October 2021)	4	March 23, 2021 May 28, 2021 July 30, 2021 October 20, 2021
Farouk Ahmed (Resigned 4th October 2021)	3	March 23, 2021 May 28, 2021 July 30, 2021

Corporate Governance Report

Committees of the Board and Summary of their Roles and Responsibilities

The Board has four permanent Committees:

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

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

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

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

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

The Audit Committee

The Audit Committee is the Board's preparatory body which focuses on matters relating to the Company's Financial Reporting and Controls. The Committee makes sure that the Company's financial reporting, accounting and financial management as well as external and internal audit and risk management systems are properly organized. The Committee meets regularly to review the internal control systems, review management control reports, and ensure independence of internal and external auditors.

In compliance with the provisions of section 404 (3) of the Companies and Allied Matters Act 2020, the Committee has three representatives of shareholders and two Directors.

In 2021, the Audit Committee convened four (4) times (2020: four). The Chairman of the Audit Committee is Mr. Ignatius Adegunle (a shareholder in the Company).

Composition:

1.	Mr. Ignatius Adegunle	Chairman
2.	Mr. Omokayode Adekunle	Member
3.	Mrs. Anike Odusote	*Elected 12th August 2021*
4.	Dr. Michael Ade Ojo	*Resigned from the Board 20th October 2021*
5.	Mr. Adebode Adefioye	*Resigned from the Board 20th October 2021*
6.	Mr. Anibor Kragha	Appointed 20th October 2021
7.	Mr. Emmanuel Omuojine	Appointed 20th October 2021

Corporate Governance Report

Audit Committee Meetings (Attendance)

Director	Number of Meetings Attended	Date of Meeting
Mr. Ignatius Adegunle	4	March 22, 2021 July 15, 2021 August 12, 2021 December 15, 2021
Mr. Omokayode Adekunle	4	March 22, 2021 July 15, 2021 August 12, 2021 December 15, 2021
Mrs. Anike Odusote	1	December 15, 2021
Dr. Michael Ade Ojo	1	March 22, 2021
Mr. Adebode Adefioye	3	March 22, 2021 July 15, 2021 August 12, 2021
Mr. Emmanuel Omuojine	1	December 15, 2021
Mr. Anibor Kragha	1	December 15, 2021

The Governance, Nomination and Remuneration Committee

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

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

The Committee convened three (3) times over the year 2021 (2020: nine times)

Composition:

1. Mr. Okechukwu Omezi — Appointed 20th October *2021*
2. Mrs. Godrey Ogbechie — Appointed 20th October *2021*
3. Dr. Michael Ade Ojo — *Resigned from the Board 20th October 2021*
4. Mr. Adebode Adefioye — *Resigned from the Board 20th October 2021*
5. Mr. Farouk Ahmed — *Resigned from the Board 4th October 2021*
6. Mr. Anibor Kragha — Appointed 20th October *2021*

Corporate Governance Report

Governance Nomination and Remuneration Committee Meetings (Attendance)

Director	Number of Meetings Attended	Date of Meeting
Mr. Okechukwu Omezi	NIL	NA
Dr. Michael Ade Ojo	2	April 1, 2021 May 5, 2021
Mr. Adebode Adefioye	2	April 1, 2021 May 5, 2021
Mr. Faroul Ahmed	3	April 1, 2021 April 2, 2021 May 5, 2021
Mrs. Afolake Lawal	3	April 1, 2021 April 2, 2021 May 5, 2021
Mr. Anibor Kragha	NIL	NA
Mrs. Godrey Ogbechie	NIL	NA

The Strategy, Finance and Investment Committee

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

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

The Committee convened two (2) meetings in the year 2021 (2020: four meetings).

Composition:

1. Mrs. Godrey Ogbechie — *Appointed 20th October 2021*
2. Mr. Oluwole Abegunde — *Resigned from the Board 20th October 2021*
4. Ms. Kudi Badmus — *Resigned from the Board 1st April 2021*
5. Mr. Farouk Ahmed — *Resigned from the Board 4th October 2021*
6. Mr. Emmanuel Omuojine — *Appointed 20th October 2021*
7. Mrs. Phoebean Ifeadi — *Appointed 20th October 2021*

Corporate Governance Report

Strategy, Finance and Investment Committee Meetings (Attendance)

Director	Number of Meetings Attended	Date of Meeting
Mrs. Godrey Ogbechie	1	December 9, 2021
Mr. Nnamdi Obiagwu	2	April 27, 2021 December 9, 2021
Mr. Emmanuel Omuojine	1	December 9, 2021
Mrs. Phoebean Ifeadi	1	December 9, 2021
Mr. Oluwole Abegunde	1	April 27, 2021
Ms. Kudi Badmus	NIL	NA
Mr. Farouk Ahmed	1	April 27, 2021

The Risk Management, Health, Safety and Environment Committee

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

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

Composition:

1.	Mr. Anibor Kragha	*Appointed 20th October 2021*
2.	Mr. Oluwole Abegunde	*Resigned from the Board October 20, 2021*
3.	Mr. Adebode Adefioye	*Resigned from the Board October 20, 2021*
4.	Mrs. Afolake Lawal	*Resigned from the Board October 20, 2021*
5.	Mr. Nnamdi Obiagwu	*Resigned from the Board April, 2022*
6.	Ms. Kudi Badmus	*Resigned from the Board April 1, 2021*
7.	Mr. Okechukwu Omezi	*Appointed 20th October 2021*
8.	Mr. Emmanuel Omuojine	*Appointed 20th October 2021*
9.	Mrs. Phoebean Ifeadi	*Appointed 20th October 2021*

In 2021, the Risk Management, Health, Safety and Environment Committee convened two (2) meetings; (2020: five meetings).

Corporate Governance Report

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

Director	Number of Meetings Attended	Date of Meeting
Mr. Anibor Kragha	NIL	NA
Mr. Oluwole Abegunde	2	March 17, 2021 June 17, 2021
Mr. Adebode Adefioye	2	March 17, 2021 June 17, 2021
Mrs. Afolake Lawal	2	March 17, 2021 June 17, 2021
Mr. Nnamdi Obiagwu	2	March 17, 2021 June 17, 2021
Ms. Kudi Badmus	1	March 17, 2021
Mr. Okechukwu Omezi	NIL	NA
Mr. Emmanuel Omuojine	NIL	NA
Mrs. Phoebean Ifeadi	NIL	NA

BY ORDER OF THE BOARD

Mandella Golkus
Company Secretary/Legal Adviser
FRC/2022/PRO/NBA/002/00000023899
20th May, 2022

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

The Directors of Eterna Plc accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group as at 31 December 2021, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011.

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

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

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

The consolidated and separate financial statements for the year ended 31 December 2021 were approved by the Directors on 30th March, 2022.

On behalf of the Directors of the Group and Company

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

Gabriel Ogbechie
Chairman*

*A waiver has been obtained from the Financial Reporting Council to allow the officer to sign the Financial Statements.

Certification of the Financial Statement

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

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

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

We state that management and directors:

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

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

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

We have disclosed:

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

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

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

The financial statements of the Group for the year ended 31 December 2021 were approved by the directors on 30th March, 2022.

On behalf of the Directors of the Group and Company

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

Abudukerimu Sule *
Chief Financial Officer

*Waiver has been obtained from the Financial Reporting Council to allow the officer to sign the Financial Statements.

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

In accordance with the Statutory requirement of Section 404(4) of the Companies and Allied Matters Act, 2020, we the members of the Audit Committee of Eterna Plc, having carried out our statutory functions under the Act hereby confirm that the accounting and reporting policies of the Group and Company are in accordance with legal requirements and agreed ethical practices.

In our opinion:

1. The accounting and reporting policies of Eterna plc as contained in the company's audited financial statement for the year ended 31st December 2021 are in accordance with the legal requirements and agreed ethical practices.
2. The scope and planning of the audit for the year ended 31 December, 2021 were adequate.
3. The External Auditor's findings on Management Matters and Management's responses thereto were satisfactory.
4. We have kept under review the effectiveness of the company's system of accounting and internal controls.

Dated the 24th day of March, 2022

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

Members of the Committee
Mr Ignatius Adegunle
Mr Omokayode Adekunle
Mrs Odusote O. Anike
Mr Anibor Kragha (appointed 20th October 2021)
Mr Emmanuel Omuojine (appointed 20th October 2021)
Chief (Dr) Michael Ade Ojo (resigned 20th October 2021)
Mr Adebode Adefioye (resigned 20th October 2021)

Independent Auditor's Report to the Shareholders of Eterna Plc

Deloitte.

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Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Eterna Plc and its subsidiaries (the Group and Company) set out on pages 43 to 88, which comprise the consolidated and separate statement of financial position as at 31 December 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of the Group and Company as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and Financial Reporting Council Act, 2011.

Basis for Opinion

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

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current year. However, we have not identified such matter in our audit of the financial statements in the current year.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit Committee's Report, corporate governance report and other national disclosures, which we obtained prior to the date of this report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

Independent Auditor's Report to the Shareholders of Eterna Plc

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Based on the work we have performed on the other information obtained prior to the date of this auditor's report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and separate financial statements
The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act 2020, the Financial Reporting Council Act, 2011 and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated and separate financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditor's Report to the Shareholders of Eterna Plc

Deloitte.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Report on Other Legal and Regulatory Requirements

In accordance with the Fifth schedule of Companies and Allied Matters Act 2020, we expressly state that:

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

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

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

Abraham

Abraham Udenani, FCA – FRC/2013/ICAN/00000000853
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
31 March 2022

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

		Group		Company	
		31 December	31 December	31 December	31 December
	Notes	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Revenue	6	82,197,987	58,715,576	82,197,987	58,715,576
Cost of sales	7.1	(77,933,580)	(53,207,683)	(78,192,664)	(53,363,485)
Gross profit		**4,264,407**	**5,507,893**	**4,005,323**	**5,352,091**
Selling and distribution expenses	7.2	(235,660)	(142,115)	(233,955)	(140,105)
General and administrative expenses	7.3	(4,233,926)	(3,915,938)	(3,954,891)	(3,684,441)
Other income	11	231,632	424,626	230,146	423,395
Foreign exchange gain/(loss)	12.1	210,012	(354,058)	210,012	(354,058)
Operating profit		**236,465**	**1,520,408**	**256,635**	**1,596,882**
Finance income	12	9,091	29,356	9,091	29,356
Finance cost	13	(1,181,971)	(1,001,618)	(1,180,555)	(1,001,618)
(Loss)/profit before tax		**(936,415)**	**548,146**	**(914,829)**	**624,620**
Taxation	14	(163,717)	392,896	(163,717)	392,896
(Loss)/profit for the year		**(1,100,132)**	**941,042**	**(1,078,546)**	**1,017,516**
Other comprehensive income net of tax		-	-	-	-
Total comprehensive (loss)/income for the year		**(1,100,132)**	**941,042**	**(1,078,546)**	**1,017,516**
(Loss)/profit for the year attributable to:					
– Owners of the parent		**(1,100,128)**	**941,057**	**(1,078,546)**	**1,017,516**
– Non-controlling interests		**(4)**	**(15)**	**-**	**-**
		(1,100,132)	**941,042**	**(1,078,546)**	**1,017,516**
Other comprehensive (loss)/income attributable to:					
– Owners of the parent		**(1,100,128)**	**941,057**	**(1,078,546)**	**1,017,516**
– Non-controlling interests		**(4)**	**(15)**	**-**	**-**
Total comprehensive income for the year		**(1,100,132)**	**941,042**	**(1,078,546)**	**1,017,516**
(Loss)/Earnings per share:					
Basic	28	(0.84)	0.72	(0.83)	0.78
Diluted	28	(0.84)	0.72	(0.83)	0.78

The accompanying notes form an integral part of these financial statements

Consolidated And Separate Statement Of Financial Position

		Group		Company	
		31 December	31 December	31 December	31 December
	Notes	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Non-current assets					
Property, plant and equipment	15	12,401,291	11,398,386	11,779,193	10,823,488
Intangible assets	15	64,451	76,244	64,451	76,244
Right of Use	16	2,065,088	2,046,208	2,065,088	2,046,208
Other investments	18.2	625,382	569,382	625,382	569,382
Investment in subsidiaries	18.1	-	-	50,990	50,990
		15,156,212	14,090,220	14,585,104	13,566,312
Current assets					
Inventories	20	12,037,556	6,899,708	12,019,495	6,858,012
Trade and other receivables	21	12,367,813	12,612,734	12,960,126	13,228,041
Prepayments	17	94,560	108,609	94,233	106,657
Cash and bank balances	22	6,426,159	2,056,285	6,422,003	2,033,293
		30,926,088	21,677,336	31,495,857	22,226,003
Total assets		**46,082,300**	**35,767,556**	**46,080,961**	**35,792,315**
Non-current liabilities					
Borrowings	23	1,060,374	448,738	1,060,374	448,738
Lease Liability	26	147,664	213,274	147,664	213,274
Deferred tax liability	19	951,211	1,161,333	992,212	1,202,334
Decommissioning liability	24	170,866	131,878	157,020	119,963
		2,330,115	**1,955,223**	**2,357,270**	**1,984,309**
Current liabilities					
Trade and other payab les	25	11,329,921	8,291,448	11,292,725	8,294,213
Borrowings	23	20,056,872	12,050,514	20,051,081	12,050,514
Tax payable	14.3	247,017	121,450	246,220	120,653
		31,633,810	**20,463,412**	**31,590,026**	**20,465,380**
Total liabilities		**33,963,925**	**22,418,635**	**33,947,296**	**22,449,689**
Equity attributable to shareholders					
Share capital	27	652,072	652,072	652,072	652,072
Share premium	27	5,796,053	5,796,053	5,796,053	5,796,053
Retained earnings		5,670,208	6,900,750	5,685,540	6,894,501
		12,118,333	13,348,875	12,133,665	13,342,626
Non -controlling interest		42	46	-	-
Total equity		**12,118,375**	**13,348,921**	**12,133,665**	**13,342,626**
Total equity and liabilities		**46,082,300**	**35,767,556**	**46,080,961**	**35,792,315**

The financial statements were approved by the board of directors and authorized for issue on 30th March, 2022. They were signed on its behalf by:

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

Abudukerimu Sule*
Chief Financial Officer

Gabriel Ogbechie*
Chairman

The accompanying notes form an integral part of these financial statements

*Waiver has been obtained from the Financial Reporting Council of Nigeria to allow the officers to sign the Financial Statements.

Consolidated And Separate Statement Of Changes in Equity

	Attributable to equity holders of the parent						
	Group						
	Share Capital	Share premium	Retained Earnings	Other Reserves	Total amount attributable to equity holders	Non - controlling interest	Total Equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2020	**652,072**	**5,796,053**	**5,959,693**	**-**	**12,407,818**	**61**	**12,407,879**
Comprehensive income							
Profit for the year	-	-	941,057		**941,057**	(15)	**941,042**
Other Comprehensive income							
Total comprehensive income	-	-	**941,057**	**-**	**941,057**	**(15)**	**941,042**
At 31 December 2020	**652,072**	**5,796,053**	**6,900,750**	**-**	**13,348,875**	**46**	**13,348,921**
Balance at 1 January 2021	652,072	5,796,053	6,900,750	-	**13,348,875**	46	**13,348,921**
Comprehensive income							
Loss for the year	-	-	(1,100,128)	-	**(1,100,128)**	(4)	**(1,100,132)**
Other Comprehensive income							
Dividend paid	-	-	(130,414)	-	**(130,414)**	-	**(130,414)**
Total comprehensive (Loss)/income	**-**	**-**	**(1,230,543)**	**-**	**(1,230,543)**	**(4)**	**(1,230,547)**
At 31 December 2021	**652,072**	**5,796,053**	**5,670,208**	**-**	**12,118,333**	**42**	**12,118,375**

	Company				
	Share capital N'000	Share premium N'000	Retained earnings N'000	Other Reserves N'000	Total Equity N'000
Balance at 1 January 2020	652,072	5,796,053	5,876,985	-	**12,325,110**
Comprehensive income					**-**
Profit for the year	-	-	1,017,516	-	**1,017,516**
Other Comprehensive Income					**-**
Total comprehensive income	**-**	**-**	**1,017,516**	**-**	**1,017,516**
At 31 December 2020	**652,072**	**5,796,053**	**6,894,501**	**-**	**13,342,626**
Balance at 1 January 2021	**652,072**	**5,796,053**	**6,894,501**	**-**	**13,342,626**
Comprehensive income					
Loss for the year	-	-	(1,078,546)	-	**(1,078,546)**
Other Comprehensive income					
Dividend paid	-	-	(130,414)	-	**(130,414)**
Total comprehensive (loss)/income	**-**	**-**	**(1,208,961)**	**-**	**(1,208,961)**
At 31 December 2021	**652,072**	**5,796,053**	**5,685,540**	**-**	**12,133,665**

Consolidated And Separate Statement Of Cash Flows

	Notes	Group 31 December 2021 N'000	Group 31 December 2020 N'000	Company 31 December 2021 N'000	Company 31 December 2020 N'000
CASH FLOWS FROM OPERATING ACTIVITIES :					
(Loss)/Profit before taxation		(936,415)	548,146	(914,829)	624,620
Adjustments for non-cash items:					
Depreciation	15	768,984	694,346	695,856	626,731
Amortisation of Intangible Assets	15	21,473	20,373	21,473	20,373
Amortisation of prepayments	17	28,028	41,808	28,028	41,808
Amortisation of right of use assets	16	393,185	338,262	393,185	338,262
Bad Debt written off	7.3	110,682	49,678	110,682	49,678
Provision no longer required	11	(12,111)	(37,741)	(12,111)	(37,743)
Property, plant & equipment written off	15	-	4,836	-	4,836
Finance cost		1,037,332	911,006	1,033,986	909,345
Finance Income		(9,091)	(29,356)	(9,091)	(29,356)
Finance cost on trading	22	595,111	456,189	596,526	456,189
Increase in accrued payables		223,400	269,432	223,761	274,956
Allowance for impairment	21	8,761	60,222	8,761	59,991
(Profit)/loss on disposals of property, plant and equipment	11	(804)	64,869	(804)	64,486
		2,228,535	**3,392,070**	**2,175,423**	**3,404,176**
Changes in working capital:					
(Increase) in inventory		(5,137,848)	(1,602,947)	(5,161,483)	(1,602,464)
(Increase) / decrease in debtors		101,102	(3,239,406)	124,101	(3,464,609)
(Increase)/decrease in prepayment		15,442	(1,799)	13,817	(1,738)
Increase in payables		2,815,073	3,070,500	2,774,751	3,111,975
		(2,206,231)	**(1,773,652)**	**(2,248,814)**	**(1,956,836)**
Cash flows generated from (used in) operating activities		**22,304**	**1,618,418**	**(73,391)**	**1,447,340**
Tax paid	14	(203,026)	(355,349)	(203,026)	(229,189)
Net cash (used in)/generated from operating activities		**(180,722)**	**1,263,069**	**(276,417)**	**1,218,151**
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of property, plant and equipment	15	(1,777,199)	(2,391,428)	(1,655,551)	(2,336,846)
Proceeds on disposal of Property, plant and equipment	15	6,111	-	4,791	-
Purchase of Intangible assets	15	(9,680)	-	(9,680)	-
Investment in JUHI -2	18.2	(56,000)	(10,514)	(56,000)	(10,513)
Interest received	12	9,091	29,356	9,091	29,356
Payments for leasehold properties	16	(441,486)	(138,048)	(441,486)	(138,048)
Net cash used in investing activities		**(2,269,163)**	**(2,510,634)**	**(2,148,835)**	**(2,456,051)**
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from borrowings	23	69,475,461	48,091,874	69,475,461	48,091,874
Repayment of borrowings	23	(62,454,743)	(46,165,573)	(62,454,743)	(46,165,573)
Repayment of lease liability	26	(65,610)	-	(65,610)	-
Dividend Paid		(130,414)	-	(130,414)	-
Net cash generated from financing activities		**6,824,694**	**1,926,301**	**6,824,694**	**1,926,301**
NET CHANGE IN CASH AND CASH EQUIVALENTS		4,374,808	678,736	4,399,442	688,401
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		850,518	155,308	827,526	122,651
Effect of foreign exchange rate changes		11,193	16,474	11,187	16,474
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER 2021	22	**5,236,519**	**850,518**	**5,238,155**	**827,526**

Notes to the Financial Statement

Notes to the Consolidated and Separate Financial Statements

1 Consolidated segment information

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

a) Reportable segments

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

i) Retail and industrial

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

ii) Lubricants and chemicals

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

iii) Trading

This segment represents the bulk importation and sale of fuels to offtakers (PMS, AGO, DPK), Base Oils, Bitumen, LPFO. It also involves lifting and sales of crude oil. The 2021 and 2020 figures are income generated from crude lifting.

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

	December 2021				December 2020			
	Retail & industrial	Lubricants & chemicals	Trading	Group	Retail & industrial	Lubricants & chemicals	Trading	Group
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Gross revenue	65,836,934	15,572,184	1,075,181	82,484,299	50,223,306	7,632,850	1,030,213	58,886,369
Intersegment sales	-	(286,312)	-	(286,312)	-	(170,793)	-	(170,793)
Net Revenue	**65,836,934**	**15,285,872**	**1,075,181**	**82,197,987**	**50,223,306**	**7,462,057**	**1,030,213**	**58,715,576**
Cost of sales	64,859,305	13,360,587	-	78,219,892	47,044,179	6,211,781	122,516	53,378,476
Intersegment cost of sales	-	(286,312)	-	(286,312)	-	(170,793)	-	(170,793)
Net cost of sales	**64,859,305**	**13,074,275**	**-**	**77,933,580**	**47,044,179**	**6,040,988**	**122,516**	**53,207,683**
Gross Profit	**977,629**	**2,211,597**	**1,075,181**	**4,264,407**	**3,179,127**	**1,421,069**	**907,697**	**5,507,893**
Operating profit before depreciation & amortisation	225,883	510,992	248,422	985,297	1,266,585	566,163	361,632	2,194,381
Depreciation & amortisation	(229,548)	(519,284)	-	(748,832)	(206,600)	(467,373)	-	(673,973)
Net finance cost	(948,528)	(224,352)	-	(1,172,880)	(786,285)	(185,977)	-	(972,262)
(Loss)/profit before tax	(952,193)	(232,644)	248,422	(936,415)	273,700	(87,187)	361,632	548,146
Income tax charge	(37,533)	(84,907)	(41,278)	(163,717)	226,776	101,371	64,749	392,896
(Loss)/profit after tax	(989,726)	(317,551)	207,144	(1,100,132)	500,477	14,183	426,381	941,042

Notes to the Consolidated and Separate Financial Statements

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

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

Revenue are derived from varieties of external customers as obtained in 2020 as well. Of these revenues, 80% are attributed to Retail & Industrial Fuels segment (85%: 2020), 19% from Lubricants & Chemical segment (13%: 2020) and 1% from Trading Segment (2%:2020)

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

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

2. General information

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

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

2.2 Composition of Financial statements

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

The financial statements comprise:

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

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

- Consolidated and separate value-added statement
- Consolidated and separate five-year financial summary

Notes to the Consolidated and Separate Financial Statements

2.3 Financial Period

These financial statements cover the period from 1 January 2021 to 31 December 2021 with comparative figures for the financial year from 1 January 2020 to 31 December 2020.

2.4 Statement of compliance

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

2.5 Basis of measurement

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

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

2.6 Basis of Consolidation

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

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

3.0 Adoption of new and revised IFRS standards

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

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time in 2021, but do not have any material impact on the consolidated financial statements of the Group.

3.2 Impact of the Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition. The amendments are not relevant to the Group given that it does not apply hedge accounting to its benchmark interest rate

Notes to the Consolidated and Separate Financial Statements

3.3 Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

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

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

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

c) There is no substantive change to other terms and conditions of the lease.

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

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

a. Amendments to IFRS 3: Reference to the Conceptual Framework

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

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

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

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

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

These amendments had no impact on the consolidated financial statements of the Group.
For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

Notes to the Consolidated and Separate Financial Statements

c. Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform
These amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relation is affected if the reform gives rise to uncertainties about the timing and of amount of benchmark-based cashflows of the hedged item or the hedging instrument. These amendments had no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

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

Details of these new standards and interpretations are set out below:
- IFRS 17 Insurance Contracts - Effective for annual periods beginning on or after 1 January 2023
- Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies- Effective for annual period beginning on or after January 1 2023
- Amendments to IAS 12 Deferred Tax - Effective date for annual period beginning on or after January 1 2023
- Classification of Liabilities as Current or Non-current - Amendments to IAS 1 - Effective for annual periods beginning on or after 1 January 2022.
- Amendments to IAS 16 Property, Plant and Equipment - Effective date for annual periods beginning on or after 1 January 2022
- Amendments to IAS 37 Onerous Contracts - Costs of Fulfilling a Contract - Effective date for annual

4.0 Summary of significant accounting policies

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

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

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

Notes to the Consolidated and Separate Financial Statements

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

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

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

(c) Disposal of subsidiaries

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

(d) Associates

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

e) Joint arrangements

The Group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. Eterna plc has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Notes to the Consolidated and Separate Financial Statements

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

4.3 Foreign currency translation

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

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other (losses)/Gain - net'. Translation differences related to changes in amortised cost are recognised in statement of comprehensive income.

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

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

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

All other borrowing costs are expensed in the income statement.

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

Notes to the Consolidated and Separate Financial Statements

a. Cash and cash equivalents

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

b. Trade receivables

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

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

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

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

c. Loans and receivables

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

(i) Initial measurement

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

(ii) Subsequent measurement

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

(iii) Impairment

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

Notes to the Consolidated and Separate Financial Statements

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

4.6 Revenue recognition

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

a) Sale of goods

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

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

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

4.7 Inventory

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

4.8 Financial Instruments

(i) Non-derivative financial assets- recognition and measurement

The Company initially recognises loans and receivables on the date when they are originated. All other financial assets are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Notes to the Consolidated and Separate Financial Statements

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

Classification of financial assets
Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

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

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

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

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

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

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

(ii) Financial liabilities and equity instruments

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

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

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

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

(iii) Offsetting
Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations. Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

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

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

iii) Offsetting

Definition of default

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

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

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

(iii) Credit-impaired financial assets

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

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

(iv) Write-off policy

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

(v) Measurement and recognition of expected credit losses

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

Non-financial assets: The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss is recognised immediately in the profit or loss.

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4.9 Provisions

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

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

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

4.10 Environmental Restoration

The Group makes provision for the future cost of decommissioning storage tanks on a discounted basis. These costs are expected to be incurred within 30 to 50 years. The provision has been estimated using existing technology at current prices, escalated at 10.3% (2015 – 10.3%) and discounted at 12.8% (2015 – 12.8%). The economic life and the timing of the asset retirement obligation are dependent on Government legislation, commodity price and the future production profiles of the project. In addition, the estimated cash outflows are subject to inflationary and/or deflationary pressures.

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

4.11 Property, Plant and Equipment

(i) Recognition and measurement

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

Property, plant and equipment comprise tangible items that are held for use in the production or supply of goods and services or for administrative purposes and are expected to be used during more than one accounting period. Buildings comprise of factories and offices.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use including, where applicable, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in profit or loss.

Notes to the Consolidated and Separate Financial Statements

(ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

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

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

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

4.11 Property, Plant and Equipment

(ii) Subsequent costs

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

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

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

4.12 Impairment of long-lived assets

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

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

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

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

4.13 Income taxation

(a) Current income tax

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

(b) Deferred income tax

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

4.15 Employee benefits
Defined contribution scheme

Pension obligations

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

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

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

4.16 Accounting for Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

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

Lease

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

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

Lessor

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

4.17 Dividend distribution

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

4.18 Interest Income

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

4.19 Intangible assets

1. **Licences**

Licences are shown at historical cost. Licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-

Notes to the Consolidated and Separate Financial Statements

line method over a period of licence to allocate the cost of licences over their estimated useful life.

2. **Computer software**

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Amortisation is calculated using the straight-line method over a period of rights obtained to allocate the cost of computer software. If software is integral to the functionality of related property, plant and equipment (PPE), then it is capitalised as part of the PPE. Costs that are directly associated with the development of identifiable and unique software products controlled by the company, and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets and amortised as above. Costs include employee costs incurred as a result of developing software, borrowing costs if relevant and an appropriate portion of relevant overheads. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

4.20 Compound financial instruments

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

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

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

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

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

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

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

4.21 Segment reporting

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

Notes to the Consolidated and Separate Financial Statements

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

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

5.0 Critical accounting judgement and key sources of estimating uncertainty

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

5.1 Critical judgement in applying accounting policies

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

5.1.1 Provision for decommissioning and restoration costs

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

5.2 Key sources of estimating uncertainty

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

5.2.1 Recoverability of assets carrying amount

The Group assesses its property plant and equipment for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable, or at least at every reporting date. Such indicators include changes in the, Group's business plans, changes in commodity prices, evidence of physical damage and, for oil and gas properties, significant downward revisions of estimated recoverable volumes or increases in estimated future development expenditure.

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

Notes to the Consolidated and Separate Financial Statements

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

5.2.2 Provision for obsolete inventory

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

5.2.3 Useful life of property, plant and equipment

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

5.2.4 Control over subsidiaries

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

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

5.2.5 Fair value hierarchy

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

5.2.6 Valuation of financial liabilities

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

Notes to the Consolidated and Separate Financial Statements

5.2.7 Recoverability of financial asset

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

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

5.0 Financial risk management

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

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

(a) Liquidity risk

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

The Group uses both long term and short-term cash flow projections to monitor funding requirements for activities and to ensure there are sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits on any of its borrowing facilities. Cash flow projections take into consideration the Group's debt financing plans, covenant compliance and internal balance sheet ratio targets.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed maturity periods. The table has been drawn based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Company can be required to pay

Notes to the Consolidated and Separate Financial Statements

5.0 Financial risk management (cont'd)

(a) Liquidity risk (cont'd)

Group	Due within one year	1 - 2 year	2 - 3 years	3 -5 years	Above 5 years
December 31, 2021					
Borrowings	18,867,232	1,060,374	-		-
Trade payables	11,329,921	-	-	-	-
Bank overdrafts	1,189,640	-	-	-	-
December 31, 2020					
Borrowings	10,844,747	448,738	-		-
Trade payables	8,291,448	-	-	-	-
Bank overdrafts	1,205,767	-	-	-	-

Company	Due within one year	1 - 2 year	2 - 3 years	3 -5 years	Above 5 years
December 31, 2021					
Borrowings	18,867,232	1,060,374	-	-	-
Trade payables	11,292,725	-	-	-	-
Bank overdrafts	1,183,848	-	-	-	-
December 31, 2020					
Borrowings	10,844,747	448,738	-	-	-
Trade payables	8,294,213	-	-	-	-
Bank overdrafts	1,205,767	-	-	-	-

(b) Market risk

(i) Price risk

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

(ii) Interest rate risk

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

An increase/decrease in the interest rate by 10%, all other factors remaining constant, will lead to a 1.5% (2020: 1.4%) increase/decrease in the value of borrowings for the year.

(iii) Foreign exchange risk

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

In December 2021, if the currency had weakened/strengthened by 10% against the United states Dollars (USD) with other variables constant, post-tax loss for the year would have been N35m (2020: N44m profit) lower/higher, mainly as a result of foreign exchange gains/losses on translation of the USD denominated transactions. Similarly, the impact on equity would have been N35m (2020: N44m) higher/lower.

Notes to the Consolidated and Separate Financial Statements

(c) Credit risk

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

The credit risk on cash is limited because the majority of deposits are with banks which have stable credit ratings assigned by international credit agencies as shown in the table below. The Group's maximum exposure to credit risk due to default of the counter party is equal to the carrying value of its financial assets.

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

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

	31 December 2021	31 December 2020
Neither past due nor impaired	11,574,122	11,402,841
Past due but not impaired	784,932	1,149,671
Impaired		
	8,761	60,222
	12,367,815	12,612,734

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

	31 December 2021	31 December 2020
Past due but not impaired:		
- by up to 90 days	573,879	974,567
- by 90 to 180 days	211,053	127,347
- later than 180 days	-	47,757
Total past due but not impaired	784,932	1,149,671

5.01 Capital management

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

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

The Group's strategy which was considered since 2018 was to maintain a net debt ratio of below or within 45% to 55%. The net debt ratio as at 31st December 2021 and 31st December 2020 are as follows:

	31 December 2021	31 December 2020
Borrowings (Note 23)	21,117,246	12,499,252
Less: Cash and bank balances (Note 22)	(6,426,159)	(2,056,285)
	14,691,087	10,442,967
Equity	11,830,870	13,348,921
Net debt ratio	124%	78%

Notes to the Consolidated and Separate Financial Statements

5.02 Financial instruments and fair values

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

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

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

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

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

The following table shows the carrying values and fair values of the Group's assets and liabilities for each of these categories at December 31, 2021 and 2020.

	Carrying Amount			Fair Value	
	31 December 2021	31 December 2020	Level	31 December 2021	31 December 2020
Assets					
Loans and receivables:					
Cash and bank balances	6,426,159	2,056,285	3	6,426,159	2,056,285
Trade and other receivables	12,367,813	12,612,734	3	12,367,813	12,612,734
	18,793,972	**14,669,019**		**18,793,972**	**14,669,019**
Liabilities					
Amortized cost:					
Trade and other payables	11,329,921	8,291,448	3	11,329,921	8,291,448
Borrowings	19,927,606	11,293,485	3	19,927,606	11,293,485
Bank overdrafts	1,189,640	1,205,767	3	1,189,640	1,205,767
	32,447,167	**20,790,700**		**32,447,167**	**20,790,700**

	Group		Company	
	2021	2020	2021	2020
6 **Revenue**				
Trading	1,075,181	1,030,213	1,075,181	1,030,213
Fuel	64,486,012	45,352,221	64,486,012	45,352,221
Lubricants	15,285,872	7,462,057	15,285,872	7,462,057
Others (Note 6.1)	1,350,922	4,871,085	1,350,922	4,871,085
	82,197,987	58,715,576	82,197,987	58,715,576

6.1 This represents revenue from the sales of Base oil and Low Pour Fuel Oil.

Notes to the Consolidated and Separate Financial Statements

		Group		Company	
7	**Expenses by nature**	**2021**	**2020**	**2021**	**2020**
7.1	**Cost of sales**				
	Material cost	77,048,118	52,322,221	77,307,202	52,478,023
	Delivery cost	885,462	885,462	885,462	885,462
		77,933,580	53,207,683	78,192,664	53,363,485
7.2	**Selling and Distribution expenses**				
	Marketing and sales commission	230,009	136,430	230,009	136,376
	Sampling and analysis	5,651	5,685	3,946	3,729
		235,660	142,115	233,955	140,105
7.3	**General and Administration expenses**	993,075	836,565	916,316	757,076
	Staff costs	41,768	41,641	37,642	36,946
	Pension costs	277,974	278,751	271,393	278,751
	Legal and Professional fees	770,305	694,346	695,856	626,731
	Depreciation	1,360	173,076	1,246	171,586
	Employee Welfare	45,784	32,523	45,299	30,445
	Training and Staff Development	495,565	575,049	488,276	569,933
	Rent, Travelling & Entertainment	470,221	316,736	399,523	276,815
	Repairs and Maintenance	128,589	72,850	128,539	72,813
	Marketing and Business Development	5,500	17,800	5,500	17,800
	Donations and gifts	67,156	60,272	60,552	57,171
	Other expenses	105,578	74,648	101,407	71,532
	Stationery and communication	153,769	116,757	137,760	106,460
	Insurance, medical and security	185,853	106,190	183,125	105,882
	Licence fees	73,565	67,000	73,565	67,000
	Directors' remuneration	28,028	41,808	28,028	41,808
	Amortisation on Prepayments	110,682	49,678	110,682	49,678
	Bad Debt written off	37,000	40,000	30,000	30,000
	Auditors' remuneration	192,881	222,565	192,840	218,571
	Bank charges	21,473	20,373	21,473	20,373
	Amortisation of Intangible assets				
	Loss on disposal of property, plant and	-	2,529	-	3,950
	equipment	8,761	59,991	8,761	59,991
	Allowance for impairment (Note 21)	19,039	14,790	17,108	13,129
	Accretion charge	**4,233,926**	**3,915,938**	**3,954,891**	**3,684,441**

	Expenses by function	Group		Company	
		2021	**2020**	**2021**	**2020**
8.	Cost of sales	77,933,580	53,207,683	78,192,664	53,363,485
	Selling and Distribution expenses	235,660	142,115	233,955	140,105
	General and Administration expenses	4,214,887	3,901,148	3,937,782	3,671,312
		82,384,127	**57,250,946**	**82,364,401**	**57,174,902**

Notes to the Consolidated and Separate Financial Statements

9 Employees' remuneration and numbers

	Group 2021	Group 2020	Company 2021	Company 2020
	Number	**Number**	**Number**	**Number**
Administration	28	28	27	27
Operations	37	37	30	30
Sales and marketing	18	17	18	17
	83	82	75	74
Senior Management	12	12	11	11
Management	9	9	8	8
Senior staff	62	61	56	55
	83	82	75	74

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

	Group 2021	Group 2020	Company 2021	Company 2020
	Number	**Number**	**Number**	**Number**
N3,000,001 - N4,000,000	25	25	22	22
N4,000,001 - N5,000,000	10	10	6	6
Above 5,000,000	48	47	47	46
	83	82	75	74

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

	Group 2021	Group 2020	Company 2021	Company 2020
	N'000	**N'000**	**N'000**	**N'000**
Salaries and wages	993,075	836,565	916,316	757,076
Employee welfare	1,360	173,076	1,246	171,586
Pension costs	41,768	41,641	37,642	36,946
	1,036,203	**1,051,282**	**955,204**	**965,608**

10 Directors' remuneration

	Group 2021	Group 2020	Company 2021	Company 2020
Fees for services as a director	73,565	67,000	73,565	67,000
Other emoluments as management	56,362	124,657	56,362	124,657
	129,927	**191,657**	**129,927**	**191,657**
The emoluments of the chairman of the board (excluding pension contributions)	17,000	17,000	17,000	17,000
The emoluments of the highest paid director	53,498	80,752	53,498	80,752

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

Notes to the Consolidated and Separate Financial Statements

	Number 2021	Number 2020	Number 2021	Number 2020
Less than N500,001	-	-	-	-
N500,001 - N3,000,000	-	-	-	-
N8,000,001 - N12,000,000	6	6	6	6
More than N12,000,000	2	2	2	2
	8	8	8	8

11 Other income

	Group		Company	
	2021	**2020**	**2021**	**2020**
Other income	164,060	352,412	162,575	351,180
Profit on disposal of property, plant & equipment	804	-	804	-
Provision no longer required	12,111	37,741	12,111	37,743
Rent income	52,688	23,576	52,688	23,576
Depot storage income	1,969	10,897	1,968	10,896
	231,632	**424,626**	**230,146**	**423,395**

Other income in the current year is largely from handling fee with respect to a transaction with a customer

12 Finance income

	Group		Company	
	2021	**2020**	**2021**	**2020**
Interest income on short -term bank deposits	9,091	29,356	9,091	29,356
	9,091	**29,356**	**9,091**	**29,356**

12.1 Foreign exchange gain/(loss)

	Group 2021	Group 2020	Company 2021	Company 2020
Foreign exchange gain/(loss)	210,012	(354,058)	210,012	(354,058)
	210,012	**(354,058)**	**210,012**	**(354,058)**

This amount represents the gain/loss resulting from exchange rate differences on foreign currency denominated transactions

13 Finance cost

	Group		Company	
	2021	**2020**	**2021**	**2020**
Interest on bank overdrafts	163,677	105,402	163,676	105,402
Interest on Short term financing	948,001	798,214	946,586	798,214
Interest on long term financing	70,293	96,357	70,293	96,357
Effect of Discount on Extended lease contracts	-	1,645	-	1,645
	1,181,971	**1,001,618**	**1,180,555**	**1,001,618**

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

Notes to the Consolidated and Separate Financial Statements

14	**Taxation**	**Group 2021**	**Group 2020**	**Company 2021**	**Company 2020**
	Current taxes on income for the year	206,093	147,951	206,093	147,951
	Education tax levy for the year	-	24,991	-	24,991
	Tax Credit	167,746	(167,746)	167,746	(167,746)
	Deferred tax for the year	(210,122)	(398,092)	(210,122)	(398,092)
	Tax expense/(credit) on Income statement	163,717	(392,896)	163,717	(392,896)
	Tax on Other Comprehensive Income	-		-	
	Total tax expense/(credit)	**163,717**	**(392,896)**	**163,717**	**(392,896)**

The tax credit represents the credit resulted from the change in minimum tax rate by Finance Act 2019 which was unclaimable in 2020

14.1	**Reconciliation of effective tax rate**	**Group 2021**		**Group 2020**	
	(Loss)/profit before income tax		(936,415)		548,146
	Income tax using the domestic corporation tax rate	30%	(274,449	34%	187,386
	Disallowed expenses	26%	247,818	37%	203,398
	Effect of irrecoverable tax losses in subsidiaries	1%	6,476	-	-
	Non- taxable income	0%	(804)	(3%)	(15,923)
	Education tax levy	0%	-	5%	24,991
	Tax Incentives	27%	(248,238)	(46%)	(249,883)
	Minimum Tax Effect	(22%)	206,093	2%	8,816
	Temporary difference Effect	22%	(210,122)	(73%)	(398,092)
	Tax credit	(18%)	167,746	(27%)	(167,746)
	Other Differences	(6%)	(51,762)	3%	14,157
	Total income tax expense in statement of comprehensive income	(17%)	163,717	(68%)	(392,896)

14.2	**Reconciliation of effective tax rate**	**Company 2021**		**Company 2020**	
	(Loss)/profit before income tax		(914,829)		624,620
	Income tax using the statutory tax rate	30%	(274,449)	30%	187,386
	Disallowed expenses	(27%)	274,818	33%	203,398
	Non- taxable income	0%	(804)	(3%)	(15,923)
	Education tax levy	0%	-	4%	24,991
	Tax incentives	27%	(248,238)	(40%)	(249,883)
	Minimum Tax Effect	(23%)	206,093	1%	8,816
	Temporary difference Effect	23%	(210,122)	(64%)	(398,092)
	Tax credit	(18%)	167,746	(27%)	(167,746)
	Other Differences	6%	(51,762)	2%	14,157
		(18%)	163,717	(64%)	(392,896)

Notes to the Consolidated and Separate Financial Statements

14.3	**Tax Payable**	**Group**		**Company**	
		2021	**2020**	**2021**	**2020**
	Opening balance	121,450	471,603	120,653	344,646
	Tax paid	(203,026)	(355,349)	(203,026)	(229,189)
	WHT utilised	(45,246)	-	(45,246)	-
	Income tax charge	373,839	5,196	373,839	5,196
	Closing balance	**247,017**	**121,450**	**246,220**	**120,653**
	Current	247,017	121,450	246,220	120,653
	Non-current	-	-	-	-
		247,017	**121,450**	**246,220**	**120,653**

Corporation tax is calculated at 30 percent of the taxable profit for the year. The charge for taxation on these financial statements is based on the provisions of the Companies Income Tax Act CAP C21 LFN 2004 and Finance Act 2021. The Tertiary Education tax of 2.5 per cent is based on the provisions of the Tertiary Education Trust Fund Act 2011 and Finance Act 2021.

Notes to the Consolidated and Separate Financial Statements

15 Property, plant and equipment and intangible assets

Group

	Property Plant and Equipment							Intangible Assets	
	Land and Buildings	Plant and Machinery	Capital Work-In-Progress	Office Equipment	Furniture & Fittings	Motor Vehicles	Total PPE	Computer Software	Total Intangible Assets
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Naira									
Cost									
At 1 January 2020	4,118,961	7,027,664	553,164	276,614	249,695	951,960	**13,178,058**	143,938	**143,938**
Additions in the year	1,540,391	278,580	354,342	30,491	57,701	129,923	**2,391,428**	-	**-**
Transfers (Note 16.4)	32,713	44,705	(80,761)	160	3,183	-	-	-	-
Asset Written off (Note 16.3)	-	-	(4,836)	-	-	-	**(4,836)**	-	**-**
Asset Disposed	(6,186)	(15,575)	-	(11,968)	(7,683)	(144,562)	**(185,974)**	(780)	**(780)**
At 31 December 2020	5,685,879	7,335,374	821,909	295,297	302,896	937,321	**15,378,676**	143,158	**143,158**
Additions in the year	151,481	249,665	1,017,190	47,994	19,209	291,660	**1,777,199**	9,680	**9,680**
Transfers (Note 16.4)	92,320	74,056	(174,678)	-	8,302	-	-	-	-
Asset Disposed	(153)	(11,789)		(3,722)	(1,539)	(127,050)	**(144,253)**	-	-
At 31 December 2021	**5,929,526**	**7,647,306**	**1,664,421**	**339,569**	**328,868**	**1,101,931**	**17,011,621**	**152,838**	**152,838**
Accumulated Depreciation, Amortisation and Impairment									
At 1 January 2020	(360,142)	(2,454,027)	-	(140,886)	(101,845)	(349,533)	**(3,406,433)**	(47,936)	**(47,936)**
Charge for the year	(124,519)	(279,098)	-	(49,384)	(56,561)	(184,784)	**(694,346)**	(20,373)	**(20,373)**
Asset Disposed	3,926	14,839	-	10,830	6,341	84,553	**120,489**	1,395	**1,395**
At 31 December 2020	(480,735)	(2,718,286)	-	(179,440)	(152,065)	(449,764)	**(3,980,290)**	(66,914)	**(66,914)**
Charge for the year	(163,219)	(311,538)	-	(48,145)	(53,308)	(192,775)	**(768,984)**	(21,473)	**(21,473)**
Asset Disposed	93	7,688		3,328	787	127,050	**138,946**	-	**-**
At 31 December 2021	**(643,862)**	**(3,022,136)**	**-**	**(224,257)**	**(204,586)**	**(515,489)**	**(4,610,330)**	**(88,387)**	**(88,387)**
Net Book Value									
At 31 December 2020	5,205,144	4,617,088	821,909	115,857	150,831	487,557	**11,398,386**	76,244	**76,244**
At 31 December 2021	5,285,664	4,625,170	1,664,421	115,312	124,282	586,442	**12,401,291**	64,451	**64,451**

Notes to the Consolidated and Separate Financial Statements

15 Property, plant and equipment and intangible assets

Company

	Property Plant and Equipment							Intangibles	
	Land and Buildings	Plant and Machinery	Capital Work-In-Progress	Office Equipment	Furniture & Fittings	Motor Vehicles	Total PPE	Computer Software	Total Intangible Assets
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Naira									
Cost									
At 1 January 2020	3,941,786	6,383,256	553,064	221,427	217,541	937,960	**12,255,034**	143,938	**143,938**
Additions in the year	1,524,450	248,593	351,135	28,832	53,913	129,923	**2,336,846**	-	-
Transfers (Note 16.4)	32,713	44,705	(80,761)	160	3,183	-	-	-	-
Asset Written off (Note 16.3)	-	-	(4,836)	-	-	-	**(4,836)**	-	-
Asset Disposed	(6,186)	(8,201)		(7,537)	(6,844)	(137,562)	**(166,330)**	(780)	**(780)**
At 31 December 2020	5,492,763	6,668,353	818,602	242,882	267,793	930,321	**14,420,714**	143,158	**143,158**
Additions in the year	145,821	158,917	1,018,279	42,868	18,073	271,592	**1,655,551**	9,680	**9,680**
Transfers (Note 16.4)	92,320	74,056	(174,678)	-	8,302	-	-	-	-
Asset Disposed	(153)	(6,289)	-	(3,722)	(1,539)	(127,050)	**(138,753)**	-	-
At 31 December 2021	**5,730,750**	**6,895,037**	**1,662,203**	**282,028**	**292,629**	**1,074,863**	**15,937,512**	**152,838**	**152,838**
Accumulated Depreciation, Amortisation and Impairment									
At 1 January 2020	(330,077)	(2,208,789)	-	(102,736)	(88,523)	(341,598)	**(3,071,723)**	(47,936)	**(47,936)**
Charge for the year	(115,436)	(235,983)	-	(42,007)	(49,921)	(183,384)	**(626,731)**	(20,373)	**(20,373)**
Asset Disposed	3,926	7,561		6,687	5,501	77,553	**101,228**	1,395	**1,395**
At 31 December 2020	(441,587)	(2,437,211)	-	(138,056)	(132,943)	(447,429)	**(3,597,226)**	(66,914)	**(66,914)**
Charge for the year	(152,082)	(267,124)	-	(42,138)	(46,816)	(187,696)	**(695,856)**	(21,473)	**(21,473)**
Asset Disposed	93	3,477	-	3,359	787	127,050	**134,766**	-	-
At 31 Dec. 2021	**(593,577)**	**(2,700,858)**	**-**	**(176,835)**	**(178,972)**	**(508,075)**	**(4,158,316)**	**(88,387)**	**(88,387)**
Net Book Value									
At 31 December 2020	5,051,176	4,231,142	818,602	104,826	134,850	482,892	**10,823,488**	76,244	**76,244**
At 31 December 2021	5,137,173	4,194,179	1,662,203	105,193	113,657	566,788	**11,779,193**	64,451	**64,451**

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

15.2. Assets pledged as security – The assets pledged as security in relation to loans held by the Company are primarily the storage tank farms held by the Company in Ibru Jetty, Ibafon, Apapa with a Net Book Value of N3.3billion

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

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

15.5. Included in land and buildings and Capital Work in Progress is freehold land of N2.5 billion (2020: N2.4 billion) which is not depreciated..

Notes to the Consolidated and Separate Financial Statements

16 Right of Use Assets

	Group 31 Dec 2021	Group 31 Dec 2020	Company 31 Dec 2021	Company 31 Dec 2020
Opening Balance	2,046,208	2,044,955	2,046,208	2,044,955
Additional lease	412,065	339,515	412,065	339,515
Depreciation	(393,185)	(338,262)	(393,185)	(338,262)
	2,065,088	**2,046,208**	**2,065,088**	**2,046,208**

16.1

	Retail Stations N'000	Others N'000	Right Of Use Of Asset N'000
Cost or valuation			
At 1 January 2020	2,119,878	112,594	2,232,472
Additions	282,854	56,661	339,515
At 31 December 2020	2,402,731	169,256	2,571,987
Additions	412,065	-	412,065
At 31 December 2021	2,814,796	169,256	2,984,052
Accumulated depreciation and impairment			
At 1 January 2020	166,868	20,649	187,517
Charge for the year	290,590	47,672	338,262
At 31 December 2020	457,458	68,322	525,779
Charge for the year	345,513	47,672	393,185
At 31 December 2021	802,970	115,994	918,964
Carrying amount			
At 31 December 2021	**2,011,826**	**53,262**	**2,065,088**
At 31 December 2020	**1,945,274**	**100,934**	**2,046,208**

The group leases several fueling stations and tank farms. The average lease term is 7 years (2020: 7 years). There are usually an extension or termination options on the lease. None of the leased property expired during the year under review (2020: Nil)

17 Payments

	Group 31 Dec 2021	Group 31 Dec 2020	Company 31 Dec 2021	Company 31 Dec 2020
Prepaid rent	7,433	27,691	7,433	27,691
Additions	29,421	21,550	29,421	21,550
Amortisation	(28,028)	(41,808)	(28,028)	(41,808)
	8,826	**7,433**	**8,826**	**7,433**
Other short-term prepayment	85,734	101,176	85,407	99,224
Prepayments	8,826	7,433	8,826	7,433
	94,560	**108,609**	**94,233**	**106,657**

Notes to the Consolidated and Separate Financial Statements

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

		Company	
18	**Investments**	**31 Dec 2021**	**31 Dec 2020**
18.1	**Investment in subsidiaries is made up of:**		
	99.98% in Eterna Industries Limited	49,990	49,990
	99.99% in Eterna Marine and Services Limited	1,000	1,000
		50,990	**50,990**

These investments are ultimately consolidated at group level.

		Group		Company	
		31 Dec 2021	**31 Dec 2020**	**31 Dec 2021**	**31 Dec 2020**
18.2	**Other Investments**				
	JUHI -2 Ventures Limited	625,382	569,382	625,382	569,382
		625,382	569,382	625,382	569,382

The investment in JUHI -2 Ventures Limited represents the equity contribution of Eternal Plc in the Company. The SPV was incorporated as a joint venture arrangement among consortium of downstream operators with joint control and rights to the net assets and returns of the venture. The Company is established for the operation of aviation tank farm terminal (Joint User Hydrant Installation 2) within the premises of Murtala Muhammed International Airport, Ikeja, Lagos, Nigeria. Eterna Plc holds 31% ownership of the Venture as at 31st December 2021. The investment is accounted for using the equity method.

As at 31st December 2021, the project is still under construction and the joint venture is expected to commence in the year 2022 after completion of all the necessary equipment testing and obtaining necessary regulatory approval for commercial operation.

		Group		Company	
19	**Deferred Income Tax**	**31 Dec 2021**	**31 Dec 2020**	**31 Dec 2021**	**31 Dec 2020**
	The analysis of deferred tax liabilities is as follows:				
	Deferred tax Liabilities				
	Deferred tax liabilities to be recovered after more than 12 months	951,211	1,161,333	992,212	1,202,334
	Deferred tax liabilities to be recovered within 12 months	-	-	-	-
		951,211	1,161,333	992,212	1,202,334

Notes to the Consolidated and Separate Financial Statements

19 Deferred Income Tax (cont'd)

	Group					
Deferred Tax liabilities	**Trade and other Receivables**	**Intangible Assets**	**Property, Plant & Equipment**	**Other Provisions**	**Employee Benefits**	**Total**
At 1 January 2020	(11,348)	-	1,574,005	(3,232)	-	1,559,425
Charged/(Credited) to the income statement	(7,849)	-	(351,788)	(38,455)	-	(398,092)
At 31 December 2020	**(19,197)**	**-**	**1,222,217**	**(41,687)**	**-**	**1,161,333**
Charged/(Credited) to the income statement	16,350	-	(230,145)	3,673	-	(210,122)
Charged/(Credited) to other comprehensive income	-	-	-	-	-	-
At 31 December 2021	**(2,847)**	**-**	**992,072**	**(38,014)**	**-**	**951,211**

	Company					
Deferred Tax liabilities	**Trade and other Receivables**	**Intangible Assets**	**Property, Plant & Equipment**	**Other Provisions**	**Employee Benefits**	**Total**
At 1 January 2020	(11,348)	-	1,615,033	(3,259)	-	1,600,426
Charged/(Credited) to the income statement	(7,849)		(351,788)	(38,455)	_	(398,092)
At 31 December 2020	**(19,197)**	**-**	**1,263,245**	**(41,714)**	**-**	**1,202,334**
Charged/(Credited) to the income statement	16,350	-	(230,145)	3,673	-	(210,122)
Charged/(Credited) to other comprehensive income						-
At 31 December 2021	**(2,847)**	**-**	**1,033,100**	**(38,041)**	**-**	**992,212**

Notes to the Consolidated and Separate Financial Statements

20 Inventories

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Raw materials	1,233,362	972,764	1,233,362	972,764
Finished goods	10,687,666	5,814,878	10,687,501	5,791,928
Consumables	116,528	112,066	98,632	93,320
	12,037,556	**6,899,708**	**12,019,495**	**6,858,012**

The inventories transferred by the Group to cost of sales for the year 2021 is N77 billion (2020: N53billion).

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

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

21 Trade and other receivables

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Trade receivables	3,632,020	2,722,059	3,632,020	2,722,655
Less: Bad debts written off (note 7.3)	(110,682)	(49,678)	(110,682)	(49,678)
Less: Impairment of trade receivables (note 22.1)	(8,761)	(60,222)	(8,761)	(59,991)
Trade receivables – net	3,512,577	2,612,159	3,512,577	2,612,986
Due to Group Companies (note 32)	-	-	645,462	636,725
Advances	4,264,031	2,767,639	4,238,129	2,767,821
WHT receivables	1,122,396	874,190	1,122,396	874,190
Bridging claims	863,806	248,225	863,806	248,225
Foreign exchange Forward contract	512,492	4,756,041	512,492	4,756,041
Other receivables (Note 21.2)	2,092,513	1,354,480	2,065,261	1,332,053
	12,367,815	**12,612,734**	**12,960,123**	**13,228,041**

Third party trade receivable above are non-interest bearing and include amounts which are past due at reporting date but against which the group has not recognised allowance for doubtful receivable because there has not been a significant change in credit quality as the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances, nor does it have a legal right of offset against any amounts owed by the Group to the counter party. The average age of these receivables is generally between 30 to 220 days (2020: 30 to 220 days)

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

21 Trade and other receivables (cont'd)

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

2021

Age Bands	Current	1-30 Days	31-60 Days	61-90 Days	91-180 Days	181-360 Days	Above 360 Days
Total Exposure	1,469,162,109	392,607,395	181,272,022	211,052,875	-	-	-
Total Expected Loss	1,854,640	2,277,413	2,071,112	2,558,317	-	-	-
Coverage Ratio	0.13%	0.58%	1.14%	1.21%	0.00%	0.00%	0.00%

2020

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

The Foreign exchange forward contract relates to the advance purchase of USD in the forward market to cover the foreign exchange risk that may arise from a letter of credit and a Bills for collection on the importation of AGO and Baseoils. The tenor of the forward is 30 -120 days maturity.

Amount due from related parties are unsecured, non-interest bearing and receivable upon demand.
The Directors consider that the carrying amount of trade and other receivables is appropriately equal to their fair value.

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

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Neither past due nor impaired	11,574,122	11,402,841	12,166,429	12,018,379
Past due but not impaired	784,932	1,149,671	784,933	1,149,671
Impaired	8,761	60,222	8,761	59,991
Total past due but not impaired	**12,367,815**	**12,612,734**	**12,960,123**	**13,228,041**

Notes to the Consolidated and Separate Financial Statements

21 Trade and other receivables (cont'd)

Receivables that are neither past due nor impaired

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

Receivables that are past due but not impaired

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

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

	Group		Company	
Past due but not impaired:	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
- by up to 90 days	573,879	974,567	573,879	974,567
- by 90 to 180 days	211,053	127,347	211,053	127,347
- later than 180 days	-	47,757	-	47,757
Total past due but not impaired	**784,932**	**1,149,671**	**784,932**	**1,149,671**

21.2 Other receivables relates to Output VAT Retained(2021: N1.2billion, 2020: N816million)by customers and other various debit balances.

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

	Group		Company	
Movements on the provision for impairment for trade receivables are as follows:	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Opening balance	(60,222)	(37,972)	(59,991)	(37,743)
Expected credit loss (ECL)	(8,761)	(12,111)	(8,761)	(12,111)
Specific provision	-	(47,880)	-	(47,880)
Release of previous provision	60,222	37,741	59,991	37,743
Closing balance	**(8,761)**	**(60,222)**	**(8,761)**	**(59,991)**

The release of Expected Credit Loss (ECL) provisions is included in 'other income' in the income statement (note 11).

22 Cash and Cash Equivalents

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Cash and bank	1,689,033	1,991,119	1,684,877	1,968,127
Short term deposits with Financial institutions	4,737,126	65,166	4,737,126	65,166
	6,426,159	**2,056,285**	**6,422,003**	**2,033,293**
Bank overdrafts (Note 23)	(1,189,640)	(1,205,767)	(1,183,848)	(1,205,767)
Cash and Cash equivalents	**5,236,519**	**850,518**	**5,238,155**	**827,526**

Short term investment represents short term bank deposits with a maximum maturity of 90 days . For the purpose of the statements of cash flows the cash and cash equivalent balance includes bank overdraft.

Notes to the Consolidated and Separate Financial Statements

23 Borrowings

	Group		Company	
	2021 N'000	31 Dec 2020 N'000	2021 N'000	31 Dec 2020 N'000
Bank Short Term loan	18,873,233	10,844,747	18,867,234	10,844,747
Long Term Loan	1,060,373	448,738	1,060,373	448,738
Bank overdraft	1,183,640	1,205,767	1,183,848	1,205,767
	21,117,246	**12,499,252**	**21,111,455**	**12,499,252**
Current				
Opening balance	11,293,485	8,016,424	11,293,485	8,016,424
Additions	69,475,461	48,091,874	69,475,461	48,091,874
Interest on term loan	70,293	96,357	70,293	96,357
Interest on trading cost	1,543,111	1,254,403	1,543,111	1,254,403
Repayment	(62,454,743)	(46,165,573)	(62,454,743)	(46,165,573)
	19,927,607	**11,293,485**	**19,927,607**	**11,293,485**
Bank overdraft	1,189,640	1,205,767	1,183,848	1,205,767
	21,117,246	**12,499,252**	**21,111,455**	**12,499,252**
Current	20,056,872	12,050,514	20,051,081	12,050,514
Non- current	1,060,374	448,738	1,060,374	448,738

Bank borrowings classified as current are denominated in Naira. This relates to various import finance facilities (IFF) and local purchase facilities (LPF) obtained from various banks at interest rates ranging from 13% to 15% per annum with repayment period ranging from 15 to 270 days. The facilities are secured by lien on the products for resale and the Group's Petroleum Storage Depot.

The long-term loan facilities include Project Orion long term facility which is above 1 year and classified as long-term loan. Project Orion is a syndicated loan from consortium of banks for financing stations expansions with a base interest rate of 15%, the tenor of the loan is 5years was secured with a Security Trust Deed. The loan in relation to Project Orion was liquidated subsequent year.

24 Decommissioning Liability

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Balance as at 1 January	131,878	100,614	119,963	90,360
Additional obligations incurred	19,949	16,474	19,949	16,474
Accretion expenses (Note 7.3)	19,039	14,790	17,108	13,129
Balance at 31 December	170,866	131,878	157,020	119,963

The Company makes provision for the future cost of decommissioning storage tanks on a discounted basis. The estimated costs to be incurred by the Company in dismantling and removing the underground tank and other structures on the leased land after the expiration of the lease. Six filling stations were acquired in 2021 and its discounted decommissioning cost amounted to N19m which was included in the capitalised cost of the asset in 2021.

Notes to the Consolidated and Separate Financial Statements

25	**Trade and other payables**	Group 31 Dec 2021	Group 31 Dec 2020	Company 31 Dec 2021	Company 31 Dec 2020
	Trade creditors	9,272,884	6,156,881	9,272,884	6,173,421
	Tax related liabilities	57,686	26,021	56,638	25,606
	Advance received	699,706	1,234,289	699,706	1,234,289
	Accrued payables	554,665	331,265	554,665	330,904
	Other payables	744,980	542,992	708,832	529,993
		11,329,921	**8,291,448**	**11,292,725**	**8,294,213**

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

26	**Lease Liability**	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	Opening balance	213,274	10,162	213,274	10,162
	Payment during the year	(65,610)	-	(65,610)	-
	Additions	-	201,467	-	201,467
	Effect of Discounted value	-	1,645	-	1,645
		147,664	**213,274**	**147,664**	**213,274**

26.1 The lease liability represents the future lease payments obligation for the land at Ibafo Depot, Apapa with a tenor of 5 years and it is measured at cost.

27

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

Movements during the year:	Number of shares	Ordinary shares	Share premium	Total
At 1 January 2021	1,304,145	652,072	5,796,053	6,448,125
Issue of new shares	-	-	-	-
At 31 December 2021	1,304,145	652,072	5,796,053	6,448,125

28 Earnings per share

(a) Basic

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

	Group 31 Dec 2021	Group 31 Dec 2020	Company 31 Dec 2021	Company 31 Dec 2020
(Loss)/Profit for the year attributable to shareholders (in N'000)	(1,100,132)	941,042	(1,078,546)	1,017,516
Weighted average number of ordinary shares in issue (thousands)	1,304,145	1,304,145	1,304,145	1,304,145
Basic (loss)/earnings per share (in N)	(0.84)	0.72	(0.83)	0.78

Notes to the Consolidated and Separate Financial Statements

(b) Diluted

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

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
(Loss)/Profit for the year attributable to shareholders (in N'000)	(1,100,132)	941,042	(1,078,546)	1,017,516
Weighted average number of ordinary shares in issue	1,304,145	1,304,145	1,304,145	1,304,145
Adjustments for:				
- Share options	-		-	
Weighted average number of ordinary shares for diluted earnings per share (thousands)	1,304,145	1,304,145	1,304,145	1,304,145
Basic (loss)/earnings per share (in N)	(0.84)	0.72	(0.83)	0.78

29 Contingent liabilities

The Group is involved in few legal proceedings that arise in the ordinary course of its businesses as at 31 December 2021. In our opinion and based on the various responses received from our external Solicitors handling our lawsuits, there are no significant claims likely to crystalize from legal cases against the Company.

30 Commitments

The group has no commitment as at 31st December 2021.

31 Related party transactions

Eterna Plc. is not wholly controlled by any individual/Company/entity. However, Preline Limited holds 61.74% of the shareholding of Eterna plc. and is represented by 2 directors out of the 8 directors on the board.

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

Company Name:	**Relationship**	**31 Dec 2021**	**31 Dec 2020**
Eterna Industries Limited	Subsidiary	578,270	572,533
Eterna Marine and Services Limited	Subsidiary	67,192	64,192
		645,462	636,725

Notes to the Consolidated and Separate Financial Statements

In addition, the company engaged in transactions with other related companies (Rainoil Limited and Fynfield Petroleum Company Limited) which are connected companies to Preline Limited. These transactions were done at arm's length.

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

a) Transactions

	31 Dec 2021	31 Dec 2020
Sales		
Eterna Industries Limited	286,312	170,793

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

Purchases

	31 Dec 2021	31 Dec 2020
Rainoil Limited	2,947,265	-
Fynfield Petroleum Company Limited	626,122	-
Eterna Industries Limited	-	-
	3,573,387	

These represent the petroleum products purchased for resale at Eterna's fueling stations across the country.

b) Key management compensation

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

	31 Dec 2021	31 Dec 2020
Salaries and other short-term employee benefits	190,047	195,670
Post-employment benefits	-	-
	190,047	195,670

32 Events after reporting period

Impact of Russian-Ukraine War

The global oil market has been pitched into turmoil by Russia's invasion of Ukraine, with the US and Europe imposing penalties on Moscow and crude buyers shunning the country's cargoes. Brent had risen above $100 a barrel during this period to hit the highest since 2014. This has affected the prices of petroleum products in Nigeria with PMS, DPK and AGO risen above the standard prices over the period.

The increased in the prices of petroleum products due to the Russian invasion of Ukraine has affected our business by increasing the working capital requirements of the business and as well put more pressure on products sourcing. The immediate impact cannot be reliably estimated.

Other National Disclosure Consolidated Value Added Statement

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

	31 Dec 2021	%	31 Dec 2020	%
Group				
Turnover	82,197,987		58,715,576	
Bought in materials and services - all local	(80,643,707)		(55,831,155)	
	1,554,280		2,884,421	
Interest income	9,091		29,356	
Other income	231,632		424,626	
Value added	**1,795,003**		**3,338,403**	
Applied to pay as follows:				
Employees	1,034,843	58	836,565	25
Fund Providers	1,201,010	67	1,238,973	37
Government	373,839	20	5,196	-
For future growth:				
Asset Maintenance	495,565	28	714,719	22
Deferred tax	(210,122)	(12)	(398,092)	(12)
Retained in the business	(1,100,132)	(61)	941,042	28
	1,795,003	**100**	**3,338,403**	**100**
Company				
Turnover	82,197,987		58,715,576	
Bought in materials and services - all local	(80,712,155)		(55,520,171)	
	1,485,832		3,195,405	
Interest income	9,091		29,356	
Other income	230,146		423,395	
Value added	**1,725,069**		**3,648,156**	
Applied to pay as follows:				
Employees	953,958	55	794,022	22
Fund Providers	1,197,664	69	1,233,318	33
Government	373,839	22	354,288	10
For future growth:				
Asset Maintenance	488,276	29	647,104	18
Deferred tax	(210,122)	(12)	(398,092)	(11)
Retained in the business	(1,078,546)	(63)	1,017,516	28
	1,725,069	**100**	**3,648,156**	**100**

Consolidated Five-Year Financial Summary

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

			Group		
	Dec 2021	**Dec 2020**	**Dec 2019**	**Dec 2018**	**Dec 2017**
Financial performance					
Revenue	82,197,987	58,715,576	229,274,785	251,877,933	173,030,225
(Loss)/profit before tax	(936,415)	548,146	111,440	1,989,899	2,812,941
Taxation	(163,717)	392,896	(255,729)	(980,903)	(811,039)
(Loss)/profit for the year	(1,100,132)	941,042	(144,289)	1,008,996	2,001,902
Actuarial gains or losses	-	-	-	(29,363)	(31,206)
Tax effect of actuarial gains and losses	-	-	-	8,809	9,362
Non - controlling interest	4	15	19	26	13
Total comprehensive income for the year	(1,100,128)	941,057	(144,270)	988,468	1,980,071
Basic earnings per share (kobo)	(0.84)	0.72	(0.11)	0.77	1.54
Diluted earnings per share (kobo)	(0.84)	0.72	(0.11)	0.77	1.54
Financial position					
Share capital	652,072	652,072	652,072	652,072	652,072
Share premium	5,796,053	5,796,053	5,796,053	5,796,053	5,796,053
Non -controlling interest	42	46	61	80	106
Retained Earnings	5,670,208	6,900,750	5,959,693	6,430,000	5,968,811
Total equity	**12,118,375**	**13,348,921**	**12,407,879**	**12,878,205**	**12,417,042**
Property, plant and equipment	12,465,742	11,398,386	9,771,625	8,338,502	7,380,587
Other non-current assets	2,690,470	2,691,834	2,699,825	1,605,222	900,931
Net current (liabilities)/assets	(707,719)	1,213,924	1,952,059	6,375,455	6,087,182
Non-current liabilities	(2,330,115)	(1,955,223)	(2,015,630)	(3,440,974)	(1,951,658)
Net assets	**12,118,378**	**13,348,921**	**12,407,879**	**12,878,205**	**12,417,042**
Net assets per share (Naira)	9.29	10.24	9.51	9.87	9.52

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

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

Separate Five-Year Financial Summary

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

			Company		
	Dec 2021	**Dec 2020**	**Dec 2019**	**Dec 2018**	**Dec 2017**
Financial performance					
Revenue	82,197,987	58,715,576	229,274,785	251,874,722	173,611,081
(Loss)/profit before tax	(914,829)	624,620	257,703	2,117,616	2,900,813
Taxation	(163,717)	392,896	(306,306)	(978,099)	(830,967)
(Loss)/profit for the year	(1,078,546)	1,017,516	(48,603)	1,139,517	2,069,846
Actuarial gains or losses	-	-	-	(29,363)	(31,206)
Tax effect of actuarial gains and losses	-	-	-	8,809	9,362
Non - controlling interest	-	-	-	-	-
Total comprehensive income for the year	(1,078,546)	1,017,516	(48,603)	1,118,963	2,048,002
Basic earnings per share (kobo)	(0.83)	0.78	(0.04)	0.87	1.59
Diluted earnings per share (kobo)	(0.83)	0.78	(0.04)	0.87	1.59
Financial position					
Share capital	652,072	652,072	652,072	652,072	652,072
Share premium	5,796,053	5,796,053	5,796,053	5,796,053	5,796,053
Non -controlling interest	-	-	-	-	-
Retained Earnings	5,685,540	6,894,501	5,876,985	6,251,625	5,659,941
Total equity	**12,133,665**	**13,342,626**	**12,325,110**	**12,699,750**	**12,108,066**
Property, plant and equipment	11,843,644	10,823,488	9,183,312	7,772,513	7,139,714
Other non-current assets	2,741,460	2,742,824	2,750,815	1,656,212	951,921
Net current (liabilities)/assets	(94,169)	1,760,623	2,437,360	6,692,804	5,952,077
Non-current liabilities	(2,357,270)	(1,984,309)	(2,046,377)	(3,421,779)	(1,935,646)
Net assets	**12,133,665**	**13,342,626**	**12,325,110**	**12,699,750**	**12,108,066**
Net assets per share (Naira)	9.30	9.93	9.45	9.74	9.28

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

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

Corporate Events

Corporate Events

E-DIVIDEND MANDATE ACTIVATION FORM

GREENWICH REGISTRARS & DATA SOLUTIONS

Affix Current Passport Photograph

Only Clearing Banks Are Acceptable

Date ______ ______ ______
DD MM YY

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

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

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

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

Shareholders Account Information

Surname/Company Name	First Name	Other Name(s)
Address		
City	**State**	**Country**
Previous Address (if any)		
CSCS Clearing House Number	**Email Address**	
Mobile Number (1)	**Mobile Number (2)**	
Shareholder's Signature	**2nd Signatory** (Joint/Company Accounts)	
Company Seal (if applicable)		

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

Shareholder Online Access

AFFIX CURRENT PASSPORT
(To be Stamped by Bankers)

Please write your name at the back of your passport photograph

INSTRUCTION

Authority to Receive Electronic Corporate Information

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

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

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

Or

The Registrar
Greenwich Registrars & Data Solutions Limited
274 Murtala Muhammed Way
Alagomeji Yaba Lagos, Nigeria
Email: info@gtlregistrars.com

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

Share Capital History

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

Unclaimed Dividend as at March 31, 2022

		GREENWICH REGISTRARS & DATA SOLUTION LIMITED.						
		UNCLAIMED DIVIDEND AS AT MARCH 31, 2022						
COMPANIES' NAME	DIV. NUMBER	AMOUNT OF DIV. DECLARED	TOTAL DIV. PAID TILL DATE	DATE OF PAYMENT	UNCLAIMED DIVIDEND	REMITTANCE AFTER 15 MONTHS	DATE OF REMITTANCE	CASH POSITION
ETERNA PLC	2	294,039,515.29	256,325,923.01	12/12/2016	37,713,592.28	34,784,094.98	6/4/2021	2,929,497.30
ETERNA PLC	3	352,847,475.39	308,990,424.06	7/6/2017	43,857,051.33	40,178,987.47	6/4/2021	3,678,063.86
ETERNA PLC	4	470,464,500.52	376,214,589.56	6/20/2018	94,249,910.96	86,977,174.43	6/4/2021	7,272,736.53
ETERNA PLC	5	294,227,246.94	236,817,092.43	6/14/2019	57,410,154.51	52,900,529.36	6/4/2021	4,509,625.15
ETERNA PLC	6	117,630,741.35	83,621,228.84	8/13/2021	34,009,512.51			34,009,512.51
		1,529,209,479.49	**1,261,969,257.90**		**267,240,221.59**	**214,840,786.23**		**52,399,435.36**

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

PROXY FORM

ETERNA PLC
RC.124136

(Please tear off and complete)

I/We ....
of ....
Being a member/members of ETERNA PLC hereby appoint
(a) Mrs. Phoebean Ifeadi (Executive Director, Corporate Services)
(b) Mr. Emmanuel Omuojine (Non-Executive Director)
(c) Mr. Ignatius Adegunle (Shareholders Representative, Audit Committee)
(d) Sir. Sunny Nwosu (Minority Shareholder)
(e) Mr. Boniface Okezie (Minority Shareholder)
(f) Mrs. Fadekemi Dosunmu-Pereira (Minority Shareholder)
(g) Engr. M.O.T Olayiwola Tobun (Minority Shareholder)

Or failing him/her, Dr. Gabriel Ogbechie the chairman of the meeting or failing him, Mr. Benjamin Nwaezeigwe, Ag. Managing Director/CEO as my proxy to act and vote for me/us on my/our behalf at the Annual General Meeting to be held at 11:00am on Thursday 16th June, 2022.

As witness my/our hand(s) this .... Day of 2022

Signed ....

NOTE:
1. All proxy forms must be deposited at the office of the registrar, GTL Greenwich Registrars & Data Solutions Limited, 274 Murtala Muhammed Way, Alagomeji, Yaba, Lagos, not less than 48 hours before the time for holding the meeting.
2. In the case of joint shareholders, anyone of such may complete the form, but the names of all joint shareholders must be stated.
3. It is a requirment of the law under the Stamp Duties Act, Cap C20, Laws of the Federation of Nigeria, 2004 that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must be duly stamped by the Commissioner for Stamp Duties. All instruments of proxy shall be stamped at the company's expense.
4. If the shareholder is a corporation, this form must be under its common seal or under the hand of some officer.
5. Please indicate with an "X" in the appropriate space how you wish your votes to be cast on the resolutions set out.
Unless otherwise instructed, the proxy will vote or abstain at his discretion.

	ORDINARY BUSINESS	FOR	AGAINST
	To consider and if thought fit, pass the following Ordinary Resolutions		
1.	To lay the Report of the Directors, the Audited Financial Statements, the Reports of the Auditors and the Audit Commitee for the year ended 31st December 2021 before shareholders.		
2.	To elect the following Directors		
	Dr. Gabriel Ogbechie		
	Mr. Benjamin Nwaezeigwe		
	Mrs. Phoebean Ifeadi		
	Mrs. Godrey Ogbechie		
	Mr. Emmanuel Omuojine		
	Mr. Okechukwu Omezi		
	Mr. Anibor Kragha		
	Mr. Akinwande Ademosu		
3.	To re-appoint the Auditors and authorize the Directors to fix the remuneration of the Auditors.		
4.	To elect members of the Audit Commitee.		
5.	To disclose the Remuneration of Managers of the Company in line with Section 257 of the Companies and Allied Matters Act, 2020		
	SPECIAL BUSINESS	**FOR**	**AGAINST**
6	To consider and if thought fit, transact the following special business as ordinary resolutions of the company:		
6.1	To fix the remunerations of the Directors		
6.2	"That, in compliance with the Rules of the Nigerian Exchange Limited (NGX) governing transactions with Related Parties or Interested Persons, the company is hereby granted a general mandate in respect of all recurrent transactions entered into with a related party or interested person provided such transactions are of a revenue or trading nature or are necessary for the Company's day-to-day operations. This Mandate shall commence on the date on which this resolution is passed and shall continue to operate until the date on which the next Annual General Meeting of the Company is held".		
6.3	That in compliance with the Rules of the Nigerian Exchange Limited (NGX) governing transactions requiring the approval of shareholders, sequel to the granting of the ''Authority to proceed'' by SEC following the triggering of the mandatory tender offer (MTO) provision of Section 131 of the Investment and Securities Act (ISA) and Rule 445 of SEC, the company is hereby authorized to approve the Take-over bid by the Majority Shareholder to acquire additional 1,300,000 ordinary shares equivalent to 0.10% equity stake from other Minority Shareholders in the Company at a price of N13.50 per share.		

In compliance with the Rules of the Nigerian Exchange Limited (NGX), related parties or interested persons shall abstain from exercising any voting rights in respect of resolution 6.2 and 6.3 above.

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

ADMISSION CARD | ETERNA PLC

29TH ANNUAL GENERAL MEETING

PLEASE ADMIT ONLY THE SHAREHOLDERS NAMED ON THIS CARD OR HIS DULY APPOINTED PROXY TO THE COMPANY'S 29TH ANNUAL GENERAL MEETING TO BE HELD AT Shell Hall, Muson Centre, Onikan, Lagos on Thursday 16th June, 2022 at 11:00am prompt

NAME OF SHAREHOLDER/PROXY:..

SIGNATURE: .... ADDRESS...

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

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

Energy For Life