



**MRS Oil Nigeria Plc**

**Annual Report and Financial  
Statements For the year ended  
31 December 2024**

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## **Corporate Profile**

The Company was incorporated as a privately owned Company in 1969 and was converted to a Public Limited Liability Company quoted on the Nigerian Exchange Limited (formerly known as the Nigerian Stock Exchange) in 1978, as a result of the 1977 Nigerian Enterprises Promotions Decree. The Company is domiciled in Nigeria and its shares are listed on the Nigerian Exchange Limited (NGX).

The marketing of products in Nigeria commenced in 1913 under the Texaco brand, when the products were distributed exclusively by CFAO, a French Multinational Retail Company. In 1964, Texaco Africa Limited started the direct marketing of Texaco products; selling through service stations and kiosks acquired from the said multinational retail Company, on lease terms. It also entered into the aviation business.

On the 12<sup>th</sup> of August 1969, Texaco Nigeria Limited was incorporated as a wholly owned subsidiary of Texaco Africa Limited, thus inheriting the business formerly carried out in Nigeria by Texaco Africa Limited. With the promulgation of the Nigeria Indigenization Decree in 1978, 40% of Texaco Nigeria Limited shares, was sold to Nigerian individuals and organizations by Texas Petroleum Company.

In 1990, the Companies and Allied Matters Decree came into force and this necessitated the removal of Limited from the Company's corporate name, to the prescribed 'Public Limited Liability Company' (PLC) with its shares quoted on the Nigerian Exchange Limited.

Following the creation of ChevronTexaco in 2001 from the merger between Chevron Corporation and former Texaco Inc., Texaco Nigeria Plc became an integral part of the new corporation. As Chevron considered the acquisition of former Union Oil Company of California (UNOCAL), the Board of ChevronTexaco decided to eliminate 'Texaco' from the corporate name and retain only Chevron as the new name of the enlarged corporation.

Effective the 1<sup>st</sup> of September 2006, the Company's name changed from Texaco Nigeria Plc to Chevron Oil Nigeria Plc following a directive from Chevron Corporation's headquarters to all affiliate companies. This was designed to present a clear, strong and unified presence of Chevron Corporation throughout the world.

On the 20<sup>th</sup> of March 2009, there was an acquisition of Chevron Holdings Limited, (a Bermudian Company) by Corlay Global S.A. of Moffson Building, East 54<sup>th</sup> Street, Panama, Republic of Panama. By virtue of this foreign transaction, Chevron Nigeria Holdings Limited, Bermuda changed its name to MRS Africa Holdings Limited, Bermuda. The new management of the Company announced a change of name of the Company from Chevron Oil Nigeria Plc to MRS Oil Nigeria Plc ('MRS') effective 2 December 2009, following the ratification of the name change of the Company at the 40<sup>th</sup> Annual General Meeting of the Company on 29 September 2009.

Currently, 342,884,706 shares are held by about 26,231 Nigerian Shareholders and 1 foreign shareholder (MRS Africa Holdings Limited, Bermuda, a subsidiary of Corlay Global S.A.) in MRS Oil Nigeria Plc, a Company with the main business of marketing and/or manufacturing of petroleum related products in Nigeria.

With about 140 active Company-owned outlets and 264 third-party-owned operating outlets, MRS Oil Nigeria Plc is a major player in Nigeria's petroleum products marketing industry and a leading producer of quality lubricating oils and greases.

Corporate Information: RC 6442, TIN: 01061308-0001

Board of Directors	Mr. Patrice Alberti Mr. Marco Storari Ms. Amina Maina Mr. Matthew Akinlade Sir. Sunday Nnamdi Nwosu Dr. Amobi Daniel Nwokafor Mrs. Priscilla Ogwemoh	Chairman Managing Director Non-Executive Director Independent Director Non-Executive Director Non-Executive Director Non-Executive Director
Registered Office	2, Tin Can Island Port Road Apapa Lagos	
Company Secretary	Mrs. O. M. Jafojo 2, Tin Can Island Port Road Apapa Lagos	
Registrar	First Registrars and Investor Services Limited Plot 2, Abebe Village Road, Iganmu Lagos PMB 12692 Marina Lagos	
Auditor	SIAO Partners, 18b, Olu Holloway Road, Ikoyi, Lagos State.	
Principal Bankers	Access Bank Plc First Bank of Nigeria Limited Stanbic IBTC Bank Plc Sterling Bank Limited Union Bank of Nigeria Plc Wema Bank Plc Zenith Bank Plc	

## Leadership Team

**Marco Storari**  
Managing Director

**Oluwakemi M. Jafojo**  
Company Secretary

**Samson Adejonwo**  
\*Chief Finance Officer

**Muideen Salami**  
\*\*Chief Finance Officer

**Sunday Oyekale**  
Chief Internal Auditor

**Mahmud Mohammed**  
\*\*\*Logistics Manager

**Chinedu Emeshili**  
\*\*\*\*Logistics Manager

**Abraham S. Unubi**  
Quality Assurance Quality Control  
Manager

**Col. Adebisi Adesanya**  
Chief Security Officer

**Dhikrullah Ameen-Ikoyi**  
Treasury Manager

**Olawale Badru**  
Chief Legal Counsel

**Donald Oghuma**  
\*\*\*\*\*Sales and Marketing  
Manager

**Oluwatoyin Olufunsho-Godson**  
\*\*\*\*\* Sales and Marketing  
Manager

**Nkem Fasanmi**  
\*\*\*\*\*Supply Manager

**Abdulrazaq Suleiman**  
Engineering and Project Manager

**Rita Agbasi**  
Human Resources Manager

### Effective Date:

\* *resigned on October 29, 2024.*

\*\* *appointed on October 29, 2024.*

\*\*\**resigned on May 17, 2024.*

\*\*\*\* *appointed on May 17, 2024.*

\*\*\*\*\**resigned on October 31, 2024.*

\*\*\*\*\**appointed on October 31, 2024.*

\*\*\*\*\**resigned on September 27, 2024.*

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS.**

The Directors of MRS Oil Nigeria Plc ("the Company") are responsible for the preparation of the Financial Statements that give a true and fair view of the financial position of the Company as at 31 December 2024 and the results of its operations, cash flows and changes in the equity for the year then ended, in compliance with the International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

In preparing the Financial Statements, the Directors are responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- Making an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for:

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

Going Concern:

The Directors have assessed the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern in the year ahead.

The Financial Statements of the Company for the year ended 31 December 2024 were approved by Directors on March 27, 2025.

On behalf of the Directors of the Company



**Mr. Marco Storari**  
**(Managing Director)**

FRC/2021/003/00000022038



**Dr. Amobi D. Nwokafor**  
**(Director)**

FRC/2013/ICAN/00000002770

## **BOARD OF DIRECTORS:**

The profile of all the Directors appear under this section for your information.

<p><b>MR. PATRICE ALBERTI</b> Chairman</p>	<p>Mr. Alberti holds a Bachelor's Degree in Economics from the Paris Academy and has been with the MRS Group since 2004. He is currently the Group Vice Chairman of MRS Group of Companies and a Director on the Board of Corlay Global S.A.</p> <p>Prior to joining MRS Group, he held a number of positions over a period of 20 years in various banks in Europe namely: BNP Paribas, Paribas, Banque Arabe Internationale D'Investitsment, Banco Central SA, to mention a few.</p> <p>On 12<sup>th</sup> of July, 2017, Mr. Alberti was appointed as the Chairman of MRS Oil Nigeria Plc.</p>
<p><b>MR. MARCO STORARI</b> Managing Director</p>	<p>Mr. Storari is a seasoned leader with over three (3) decades of experience in shipping, trading and the management of terminal operations in the industry. He has held various high level positions where he recorded business successes from Companies in Italy, Monaco and Nigeria.</p> <p>Until his appointment as Director and Managing Director, he was the Group Executive Director (Storage and Terminal) of MRS Holdings Limited. He has been a driving force in the transformation of the MRS Group over the last ten years.</p> <p>On the 3<sup>rd</sup> of August, 2021, the Shareholders ratified the appointment of Mr. Marco Storari as Director and Managing Director of the Company.</p>
<p><b>MS. AMINA MAINA</b> Director</p>	<p>Ms. Maina holds a degree in Business Administration. She is currently the Group Executive Director (Supply &amp; Trading) of MRS Holdings Limited, Executive Director of MRS Oil &amp; Gas Company Limited.</p> <p>Prior to joining the MRS Group, she was an Executive Director/Vice President of Energy Solutions Integrated Services Limited, Junior Crude Oil Trader at Aurora Energy Trading Limited, to mention a few.</p> <p>She was appointed on the Board of the Company on November 6, 2013.</p> <p>In January 2024, Ms. Maina was appointed by President Bola Ahmed Tinubu as an Independent Member of the Midstream and Downstream Gas Infrastructure Fund (MGDIF), a position she currently holds till date.</p>

<p><b>MR. MATTHEW AKINLADE</b> Independent Director</p>	<p>Mr. Akinlade (FCA) started his accounting career about 44 years ago. He is an experienced and seasoned professional of the accounting profession and has experience spanning the manufacturing and engineering industries.</p> <p>He has served on the Board of a number of listed companies such as Nampak Nigeria Plc, NCR Nigeria Plc, amongst others.</p> <p>He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), a Member of the Chartered Institute of Taxation of Nigeria (CITN) and a Fellow of the Chartered Institute of Management Accountants (FCMA), U.K. He is also a member of the Institute of Directors.</p> <p>Mr. Akinlade (FCA) was appointed on April 27, 2017 and was re-designated to the Board as Independent Director on October 26, 2017.</p>
<p><b>SIR SUNDAY NNAMDI NWOSU (KSS)</b> Director</p>	<p>Sir Nwosu, KSS, GCOA, F.IOD, is the founder and former National Coordinator of the Independent Shareholders Association of Nigeria (ISAN). He is a Fellow of the Institute of Directors, member of the Security and Exchange Commission, Rule/Legislation Committee and the current President of the Boys Brigade of Nigeria.</p> <p>He has several years of private work experience and he is a major player in the Nigerian Capital Market. Sir Nwosu (KSS) is the Chairman of R. T Briscoe Plc and currently serves on the Board of Kajola Integrated Investments Plc, Obuchi Limited and Sunnaco Nigeria Limited. He is also on the committees of several listed companies in Nigeria.</p> <p>Sir Nwosu (KSS) was appointed to the Board on April 27, 2017.</p>
<p><b>DR. AMOBI DANIEL NWOKAFOR</b> Director</p>	<p>Dr. Nwokafor (FCA) is a seasoned professional accountant with over 31 years of work experience in the accounting profession. Dr. Nwokafor (FCA) holds a B.Sc. from the University of Nigeria, Enugu Campus and Masters in Banking and Finance from the Delta State University, Abraka.</p> <p>He is the managing partner of Amobi Nwokafor &amp; Co and he is a member of the Institute of Directors, a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), a Fellow of Chartered Institute of Taxation of Nigeria (CITN) and a member of the Chartered Institute of Arbitrators (ACI Arb), to mention a few.</p>



	<p>He has several years of work experience in private practice and has worked in a number of insurance firms. He rose to the position of Assistant General Manager and Head of Finance and Accounts, in International Standard Insurers Limited, before he resigned to manage his auditing firm in 1998</p> <p>Dr. Nwokafor (FCA) was appointed to the Board on April 27, 2017.</p>
MRS. PRISCILLA OGWEMOH Director	<p>Mrs. Ogwemoh, is currently the Managing Partner of the law firm of Kevin Martin Ogwemoh Legal. She is a graduate of Law from Ahmadu Bello University and she holds a Master Degree in Law.</p> <p>Mrs. Ogwemoh is a Fellow of the Nigeria Institute of Chartered Arbitrators of Nigeria, a CEDR-UK Accredited Mediator, a Member of the Panel of Neutrals, Lagos Multi Door Court House (LMDC), a Member of the Panel of Neutral Lagos Court of Arbitration (LCA), a Council Member, Nigerian Bar Association-Section on Business Law (NBA-SBL), the Chairperson of the Chartered Institute of Arbitrators (Nigeria) Maritime Committee.</p> <p>With over 28 years' experience in Legal Practice, Mrs. Ogwemoh serves on the Board of a few companies and she carries out multilevel tasks in branding, marketing, management and professional services.</p> <p>Mrs. Ogwemoh was appointed to the Board on February 28, 2019.</p>

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024**

The Directors present their Annual Report on the state of affairs of the Company, together with the Audited Financial Statements for the year ended 31 December 2024.

### **Incorporation and Legal Status of the Company**

The Company was incorporated as a privately owned Company in 1969, and was converted to a Public Limited Liability Company quoted on the Nigerian Exchange Limited (formerly known as Nigerian Stock Exchange) in 1978, as a result of the 1977 Nigerian Enterprises Promotions Decree. The Company is domiciled in Nigeria and its shares are listed on the Nigerian Exchange Limited (NGX).

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In 1990, the Companies and Allied Matters Decree came into force and this necessitated the removal of Limited from the Company's corporate name, to the prescribed 'Public Limited Liability Company' (PLC) with its shares quoted on the Nigerian Exchange Limited.

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Currently, 342,884,706 shares are held by about 26,231 Nigerian shareholders and 1 foreign shareholder (MRS Africa Holdings Limited, Bermuda, a subsidiary of Corlay Global S.A.) in MRS Oil Nigeria Plc, a company with the main business of marketing and/or manufacturing of petroleum related products in Nigeria.

With about 140 active Company-owned operating outlets and about 264 third-party-owned operating outlets,

MRS Oil Nigeria Plc is a major player in Nigeria's petroleum products marketing industry and leading producer of quality lubricating oils and greases.

**Principal Activities:**

The Company remains principally engaged in the business of marketing and distribution of refined petroleum products; blending of lubricants, manufacturing of greases and its sale.

**The Company's Result:**

The summary of the results of the Company as included in the Financial Statements are as follows:

<b>Year ended 31 December</b>	<b>2024 NGN'000</b>	<b>2023 NGN'000</b>
Revenue	312,229,523	182,310,963
Cost of sales	(288,331,759)	(167,309,031)
Tax charge	(3,350,106)	(1,935,850)
Profit for the year	6,496,917	4,048,758
Proposed Dividend for the Year		
Bonus Issue Reserve		
Earnings Per 50k Share (Naira)	18.95	11.81
Net Assets per 50k Share	82.56	65.94

**Board Changes:**

During the period under review, there were no changes on the Board of the Company.

**Board Induction:**

The Company carries out an induction program to familiarize new Directors appointed on the Board, with the Company's operation, the business environment and the Management of the Company. For the year under review, no induction was conducted.

**Election/Re-election of Directors:**

In accordance with Articles 90/91 of the Company's Article of Association, Sir Sunday Nnamdi Nwosu and Mr. Mathew Akinlade who are retiring by rotation offer themselves for re-election.

**The Directors:**

The Directors in office during the year are listed below and except where stated, served on the Board in 2024:

<b>Name</b>	<b>Nationality</b>	<b>Designation</b>	<b>Appointments/ Resignations (A/R)</b>
Mr. Patrice Alberti	French	Chairman	March 20, 2009 (A)
Mr. Marco Storari	Nigerian	Managing Director	August 3, 2021 (A)
Ms. Amina Maina	Nigerian	Non- Executive Director	November 6, 2013 (A)
Mr. Matthew Akinlade	Nigerian	Independent Director	April 27, 2017 (A)
Sir Sunday Nnamdi Nwosu	Nigerian	Non- Executive Director	April 27, 2017 (A)
Dr. Amobi Daniel Nwokafor	Nigerian	Non- Executive Director	April 27, 2017 (A)
Mrs. Priscilla Ogwemoh	Nigerian	Non- Executive Director	February 28, 2019 (A)

**Directors' Interest in the Issued Share Capital of the Company:**

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 purpose of Sections 301 of the Companies and Allied Matters Act, 2020 and the listing requirements of the Nigerian Exchange Limited are as follows:

Mr. Patrice Alberti (indirect holding), Ms. Amina Maina, Mr. Matthew Akinlade and Sir Sunday Nnamdi Nwosu directly own shares in the Company as follows:

<b>Name</b>	<b>2024</b>	<b>2023</b>
Mr. Patrice Alberti (indirect holdings)	205,730,806	205,730,806
Ms. Amina Maina	37,278	37,278
Sir Sunday Nnamdi Nwosu	5,914	5,914
Mr. Matthew Akinlade	642	642

**Directors' Interest in Contracts:**

For the purpose of Section 303 of the Companies and Allied Matters Act, 2020, none of the Directors have notified the Company of any direct or indirect interest in any contract or proposed contract with the Company.

**Significant Shareholders:**

According to the Register of Members as at 31 December 2024, the following Shareholders of the Company hold more than 5% of the issued ordinary share capital of the Company:

<b>Name</b>	<b>2024</b>		<b>2023</b>	
	<b>Unit</b>	<b>Percentage %</b>	<b>Unit</b>	<b>Percentage %</b>
MRS Africa Holdings Limited	205,730,806	60%	205,730,806	60%
First Nominee/Asset Management Corporation of Nigeria-MAI	35,909,817	10.47%	35,909,817	10.47%

Mr. Patrice Alberti represents MRS Africa Holdings Limited on the Board of the Company. There is no representative of First Nominee /Asset Management Corporation of Nigeria-MAI on the Board.

From the Register of Members, the Directors are not aware of any other person or persons who holds more than 5% of the fully issued and paid shares of the Company.

### **Analysis of Shareholding:**

According to the Register of Members at 31 December 2024, the spread of shareholding in the Company is presented below:

Number of holdings			Number of shareholders	Number of shares held	Percentage of shareholding
1	-	1000	13,736	4,504,583	1.31
1001	-	5000	8,513	18,986,162	5.54
5001	-	10000	2,513	15,540,672	4.53
10001	-	50000	1,263	23,746,006	6.93
50001	-	100000	110	7,386,301	2.15
100001	-	500000	80	15,543,554	4.53
500001	-	1000000	8	4,960,006	1.45
1000001	-	5000000	6	10,576,799	3.08
10000001	-	50000000	1	35,909,817	10.47
100000001	-	342884706	1	205,730,806	60.00
<b>Total</b>			<b><u>26,231</u></b>	<b><u>342,884,706</u></b>	<b><u>100.00</u></b>

	No of Shareholders	Number of shares held	Percentage of shareholding
Local shareholders	26,231	159,893,500	40%
Foreign shareholder	1	182,991,206	60%
	<b><u>26,232</u></b>	<b><u>342,884,706</u></b>	<b><u>100%</u></b>

### **Acquisition of its Own Shares:**

The Company did not acquire its own shares during the year (2023: Nil).

The Managing Director/CEO is responsible for the conduct of the Company's activities in the safest and most efficient manner and has the obligation to deliver value to its stakeholders.

### **Employment Policy:**

The Company fosters a diverse and high-performing team through a transparent hiring process that prioritizes recruitment based on competencies, qualifications abilities and skills.

The selection of talents is sourced both internally and externally. The recruitment process is founded on objectivity and merit-based evaluation of competencies, relevant experience and potential, alongside an assessment of general medical, physical, behavioural and mental fitness necessary for the role. Job applicants are not subjected to any form of discrimination on the grounds of gender, race, ethnic origin, or religion. The rights of the candidate to privacy are protected throughout the recruitment process. The Company complies with applicable labour laws as well as international best practices.

### **Employee Wellness and Wellbeing:**

Beyond traditional healthcare benefits, MRS Oil Nigeria PLC views employee wellness and well-being as a comprehensive concept which takes into account the social, emotional and physical aspects of an employee's life.

The Company invests in comprehensive wellness initiatives that aim to improve employee morale, productivity, and general satisfaction; this stems from its understanding of the need to cultivate a healthy workforce and an innovative organisation.

**Mental Health Support:**

The Company identifies and acknowledges that issues of mental health concerns are crucial to employee wellbeing and continues to collaborate with wellness partners to continue to organize mental health sessions. These sessions sensitize employees to potentially recognize red flags and triggers.

**Physical Health Support:**

The Company continues to create the awareness for employees to maintain healthy lifestyles and promote physical wellness through organized workshops, published HR articles and health talks.

**Work-Life Balance:**

The remote work policy provides necessary support to employees and to minimize commuting time. All employees are required to fully utilize their vacation days and ensure adequate paid time off.

**Wellness Initiatives Implemented in the Current Financial Year:**

- a) To demonstrate the Company's commitment to employee wellbeing, compulsory Annual Health Checks are organized to promote a proactive approach to preventive healthcare.
- b) To ensure workplace safety, the Company implemented drug and alcohol testing as part of the internal policies to promote a drug-free workplace culture.
- c) The M&B Wellness Team was established to coordinate wellness initiatives such as physical fitness sessions, preventive care and other health-related programs.

**Employee Engagement Initiatives:**

The Company organized quarterly town hall meetings, strategy sessions, buddy programmes, National Day recognition, financial fitness sessions and team building novelty match sessions, to foster continuous camaraderie between departments.

**Employee Learning and Development:**

As part of the Company's corporate values to continually develop employees to possess the necessary skills, competencies and values and carry out their functions professionally, various learning interventions were deployed. In the year under review, trainings focused on key areas of our business operations aimed at developing its middle and Senior Management teams in leadership skills, while also fostering a global mindset among the C-suites.

**Professional Membership:**

The Company ensures that the subscriptions of all professionally certified employees are up-to-date to keep them abreast of new initiatives in the industry. Eligible employees attended the Mandatory Continuing Professional Education (MCPE) and annual Memberships were renewed for the following institutes: The Nigeria Bar Association (NBA), Chartered Institute of Personnel Management (CIPM), Council of Registered Engineers of Nigeria (COREN), Institute of Chartered Accountants of Nigeria (ICAN), The Chartered Governance Institute, UK and Ireland, formerly known as the Instituted of Chartered Secretaries and Administrator, amongst others.

**In-House Training:**

Employees were trained in-house on product knowledge, evolving processes, automation of the customized ERP portals and on quality management ISO 45001:2018 OHS-MS training organized to create awareness of procedures and processes for the certification process.

**Graduate Trainee Internship:**

The internship program, deployed in June, 2024, was an initiative designed to develop and create a talent pipeline for leadership development. It seeks to provide learning opportunities and practical work experience for fresh graduates who need to develop the necessary tools and experience for working in the corporate sector.

**Workforce Management:**

As of December 31 2024, the Company's workforce was 75 (2023:80). The employees of the Company comprise of a robust blend of gender, ethnicity and religious background, reflecting the Company's commitment to a diverse and inclusive culture in the workplace.

**Health, Safety and Environment (HSE) Performances in 2024:**

In 2024, employees remained committed to the success of the Company operations which significantly improved in so many areas. This is as a result of the Company's intentional efforts to ensure the safety of all employees, assets and the environment for improved productivity.

- Team Involvement:  
Through frequent toolbox training, inductions, feedback sessions (safety observation cards) and open lines of communication, the Company actively engaged employees in HSE activities and fostered a culture of safety within the organization.
- Accident-Free Record and Data:  
The combination of improved safety standards, proactive risk detection techniques, enhanced training and an accident-free record board were maintained despite one documented event of spillage from a tank overflow. There was no legal sanction or LTI's encountered as a result of the spill.
- ISO 45001 Implementation:  
The Implementation and certification of the Company for ISO 45001 was achieved on the 27th of February, 2024 and March 2024 respectively. This created continuous awareness to employees on safety compliance and awareness.
- Safety Culture Participation:  
Employee participation in the safety culture, has contributed to the overall safety and well-being of every employee. Management continues to implement a safety action based programme for employees.
- Fire Warden Training:  
Fire Warden training gives all the fire marshals the opportunity to understand their responsibilities and active involvement in emergency and firefighting techniques.
- Emergency Response:  
The annual drill scheduled for the year was successfully completed.
- Regulatory Requirements:  
Several regulatory audits commenced within the year and necessary documents were presented such as Licenses (NMDPRA), Fire Certificate, OSCP, EMR to aid the smooth completion of the process.

- **HSE Activities:**

The activities for the year included the successful maintenance of various storage tanks, evacuation of Oil Water Separation (OWS), replacement of service lines, ongoing installation of tanks, completion of the installation of Inner Floating Roof (IFR) on storage tanks 4, 5, 6, completion of the modification of cargo lines, ongoing gas plant project and the acquisition and maintenance of new trucks.

**Trainings and Learnings:** This consisted of leadership coaching, emergency evacuation (HSE), compliance evaluation in retrospective, Minimum Industry Safety Training for Downstream Operations (MISTDO), security training; quality management system for Internal Auditors (Refresher Course), Solar Energy Training (MEMAN), ISO 45001:2018 trainings amongst others.

The training was a combination of both technical and people development which aligned with employees' and the organization's needs. The post-training feedback indicated a positive Return on Investment (ROI) and the knowledge-sharing sessions organized revealed the benefits of the training.

**Information Technology Upgrades:**

The Company is unwavering in its commitment to enhance improved and state of the art, information technology infrastructure nationwide.

In 2024, the following upgrades and improvements were implemented:

1. The installation of Starlinks to some of the Company's Outlets for effective and optimal internet connection. Starlink offers high-speed, low-latency broadband internet with a network of advanced satellites in low Earth orbit and creates a more stable and consistent internet connection.
  - **Increased Reliability:** Starlink's satellite network is less susceptible to ground-based disruptions like cable cuts or weather events.
  - **Improved Speed and Latency:** Starlink offers faster internet speeds and lower latency compared to traditional satellite internet, enabling smoother data transfer and real-time communication.
  - **Enhanced Operational Efficiency:** A stable internet connection ensures seamless operation of various systems and applications that rely on internet connectivity, improving overall efficiency.
2. The installation of Automated Smart Stations to some of the Company's locations for ease and seamless process flow. The following automated systems and technologies were implemented:
  - Automated data collection and processing;
  - Remote monitoring and control of equipment;
  - Automated workflows and decision-making processes;

**Internal Audit Function and Internal Controls in 2024**

The Board of Directors assigns some of its functions, duties and responsibilities to well-structured committees without abdicating its responsibilities. Every public Company must establish a Statutory Audit Committee responsible for the conduct of audits to ensure that effective and efficient risk management and controls are in place.

The Statutory Audit Committee of the Board meets at least once every quarter to review the Internal Audit Report on the adequacy and effectiveness of Management, Governance, Risk and the Control Environment. In order to promote an interchange of opinions and issues that might not be suitable for open debate as required by the



Nigerian Code of Corporate Governance, the Committee also meets the Chief Internal Auditor, without the presence of Management to deliberation on the control environment.

The Board ensures that the Internal Audit function is sufficiently skilled and resourced and headed by the Chief Internal Auditor who is a seasoned Chartered Accountant with integrity and over 14 years post qualification experience in internal audit, compliance, risk management and governance.

The Chief Internal Auditor provides assurance to the Board through periodic reviews and evaluations of the effectiveness and efficiency of the internal control systems, to determine its adequacy and effectiveness. The Internal Auditor team develops an annual risk-based, internal audit work plan and submits regular reports to the Company's Audit Committee for approval.

**Property, Plant and Equipment:**

Information relating to changes in the Company's property, plant and equipment is provided in Note 15 to the Financial Statements.

**Going Concern:**

Nothing has come to the attention of the Directors to inform them, that the Company will not remain a going concern in the next twelve months.

**Auditors:**

Messrs. SIAO Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditor to the Company. In accordance with Section 401 (2) of the Companies and Allied Matters Act 2020 and SEC Code of Corporate Governance, the Auditors will be re-appointed at the next Annual General Meeting of the Company without any resolution being passed.

By Order of the Board



**O. M. Jafojo (Mrs.) FCIS**

Company Secretary

**FRC NO: 2013/NBA/00000002311**

27 March, 2025

**Corporate Governance Report:**

The Board considers the maintenance of high standards of corporate governance, central to the achievement of the Company's objective to maximize Shareholders' value. The Board has a schedule of matters reserved specifically for its decision and the Directors have access to knowledge development and the learning of appropriate professional skills.

**Ethical Standards:**

In line with the Companies and Allied Matters Act, 2020, the Securities and Exchange Commission's Rules and Code of Corporate Governance for public companies, the Nigerian Exchange Limited Rules and Regulations and other statutory regulations, the Directors continue to act with the utmost integrity and high ethical standards and are aware of this primary responsibility in their business dealings with the Company.

**Board Composition:**

The Company's Board currently comprises of a Non-Executive Chairman, the Managing Director, 4 (four) Non-Executive Directors and an Independent Director. The Managing Director has extensive knowledge of the oil and gas industry, while the Non-Executive Directors bring their broad knowledge of business, financial, commercial and technical expertise to the Board.

Annually, the Board reviews the Board structure and ensures there is a satisfactory balance in the Board Composition. The balance may be reviewed in an ongoing basis, bearing in mind the size of the Company and its ownership structure.

There are seven (7) Directors on the Board, with each Director bringing their independent wealth of experience to bear in Board deliberations.

**Separation of Powers:**

The position of the Chairman of the Company and the Managing Director/CEO are held by separate individuals, in line with best practice and Corporate Governance standards. The Managing Director/CEO is responsible for the management of the day-to-day business operations and the implementation of the overall business strategy.

**The Company Secretariat:**

The Company Secretary is the custodian of the Company's historical records and is responsible for keeping Board Members abreast of Statutory and Corporate Governance policies. The Company Secretary also provides support, guidance and advice to the Directors as required.

The Secretariat is the liaison office between the Shareholders and the Directors and a warehouse of up-to-date statutory records, statutory registers and other records.

**Meetings:**

The register of attendance at Board and Committee meetings, is available for inspection during normal business hours (8:00 am - 5:00 pm), at the registered office of the Company and at each Annual General Meeting of the Company.

**Board Meetings:**

The Board meets at least 4 (four) times a year for regularly scheduled meetings to review the Company's operations and trading performance; to set and monitor strategies as well as consider new business options. The Board also meets for unscheduled meetings, to attend to specific matters that require its attention.

### **Attendance at Board and Committee Meetings:**

The attendance of Directors at Board and Committee meetings in the year under review:

### **MRS Oil Nigeria Plc – 2024 Board Meetings:**

<b>DIRECTORS</b>	<b>Designation</b>	<b>27 March '24</b>	<b>25 April '24</b>	<b>26 July '24</b>	<b>29 October '24</b>
Mr. Patrice Alberti	Chairman	√	√	√	√
Mr. Marco Storari	Managing Director	√	√	√	√
Ms. Amina Maina	Member	√	√	√	√
Mr. Matthew Akinlade	Member	√	√	√	√
Sir. Sunday N. Nwosu	Member	√	√	√	√
Dr. Amobi D. Nwokafor	Member	√	√	√	√
Mrs. Priscilla Ogwemoh	Member	√	√	√	√

√= Present, x = Absent, N/A = Not Applicable: Not a member at the stated date

### **Board Performance Appraisal:**

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

### **Sub Committees of the Board:**

The Board has established Committees, with approved Terms of Reference. There are four (4) sub- committees of the Board and the Chairman is not on any of the Committees. The sub-committees are established to assist the Board to effectively and efficiently perform, its guidance and oversight functions, amongst others.

The Terms of Reference for all the Committees are available for inspection at the registered office of the Company.

Sub-Committees attendance in the year under review:

### **The Audit Committee:**

<b>Members</b>	<b>Designation</b>	<b>26 Mar '24</b>	<b>24 Apr '24</b>	<b>25 Jul '24</b>	<b>28 Oct '24</b>
Mr. Emmanuel N. Okafor	Chairman	√	√	√	√
Ms. Amina Maina	Member	√	X	X	√
Mrs. Priscilla Ogwemoh	Member	√	√	√	√
Mr. Babajide A. Adetunji	Member	√	√	√	√
Mr. Oladimeji B. Adeleke	Member	√	√	√	√

\* √= Present, x = Absent, N/A = Not Applicable: Not a member at the stated date.

On the invitation of the Chairman of the Audit Committee, representatives of Management and the External Auditors are invited to attend Committee meetings. The Audit Committee is responsible for the view of the quarterly and annual financial reports of the Company before the final approval of the Board.

The Audit Committee also makes recommendations on the appointment of External Auditors and reviews the nature and scope of their work and makes recommendations on the Company's accounting procedures and internal controls.

In the year under review, the Audit Committee met 4 (four) times.

### **Board Nominations and Corporate Governance Committee**

<b>Members</b>	<b>Designation</b>	<b>19 April '24</b>	<b>September 13 '24</b>
Sir Sunday N. Nwosu	Chairman	√	√
Mr. Marco Storari	Member	√	√
Mr. Matthew Akinlade	Member	√	√
Dr. Amobi D. Nwokafor	Member	√	√
Mrs. Priscilla Ogwemoh	Member	√	√

\* √= Present, x = Absent, N/A = Not Applicable: Not a member at the stated date.

The Board Nominations and Corporate Governance Committee (BN&CGC) is responsible for the nomination of candidates to be appointed to the Board, bearing in mind the balance and structure of the Board. The Committee also considers corporate governance issues and ensures strict compliance with best practices. The BN&CGC makes recommendation to the Board on issues regarding but not limited to the membership of the Audit, the Risk, Strategic and Finance Planning and the Human Resources Committees, in consultation with the Chairman of each Committee.

In the year under review, the Board Nominations and Corporate Governance Committee met twice.

### **The Risk, Strategic and Finance Planning Committee:**

<b>Members</b>	<b>Designation</b>	<b>October 22 '24</b>	<b>October 25 '24</b>
Ms. Amina Maina	Chairman	√	√
Mr. Marco Storari	Member	√	X
Mr. Matthew Akinlade	Member	√	√
Sir Sunday N. Nwosu	Member	√	√
Dr. Amobi D. Nwokafor	Member	√	√

√= Present, x = Absent, N/A = Not Applicable: Not a member at the stated date.

The Risk, Strategic and Finance Planning Committee, is responsible for assisting the Board of Directors in the effective and efficient performance of its guidance and oversight functions and is specifically charged with managing the organization's exposure to financial and other risks. This Committee is also responsible for defining the Company's strategic objectives, determining its financial and operational priorities, making recommendations on the dividend policy of the Company and evaluating the long- term productivity of the business operations.

In the year under review, the Risk, Strategic and Finance Planning Committee met twice.

### **The Human Resources Committee:**

<b>Members</b>	<b>Designation</b>	<b>13 September '24</b>	<b>21 October '24</b>
Mr. Matthew Akinlade	Chairman	√	√
Ms. Amina Maina	Member	√	X
Sir Sunday N. Nwosu	Member	√	√
Dr. Amobi Nwokafor	Member	X	√
Mrs. Priscilla Ogwemoh	Member	√	√

√= Present, x = Absent, N/A = Not Applicable: Not a member at the stated date

The Human Resources Committee is responsible for the review of contract terms, remuneration and other benefits of Executive Directors and Senior Management of the Company. The Committee also reviews the reports of external consultants for services rendered, to assist the Committee in the execution of its duties.

The Chairman and other Directors are invited to attend meetings of the Committee but are not involved in the decision-making process that directly affect their remuneration. The Committee undertakes an external and independent review of remuneration policies at all levels and on a periodic basis, to ensure strict adherence to employment policies.

In the year under review, the Human Resources Committee met twice.

**Shareholders Rights:**

The Board is committed to the continuous engagement of its Shareholders and it ensures that Shareholders' rights are well protected. The Board further ensures effective communication to its Shareholders regarding the notice of meetings and necessary statutory information.

**E-Dividend:**

The Company records show that several dividends remain unclaimed despite publications in the Newspapers to the Shareholders of the Company and the circulation of the E-dividend forms. A list of Shareholders with unclaimed dividend, is available on the Company's website. Shareholders with unclaimed dividends are urged to update their records to enable the Registrars to complete the E-dividend process.

**Statement of Compliance:**

The Company has a Securities Trading Policy in place, which guides its Directors, Executive Management, Officers and Employees on insider trading as well as, the trading of the Company's shares. The Company continues to carry out its operations in line with procedures consistent with excellence through partnership and transparency.

MRS Oil Nigeria Plc has an established Complaints Management Policy with guidelines, on responses to feedback from investors, clients and other stakeholders. The Policy provides an impartial, fair and objective process for handling stakeholders' complaints as well as an established monitoring and implementation procedure.

The Company efficiently and effectively responds to feedback, to improve and exceed customer expectations, client experience and the delivery of excellent service to its stakeholders.

Based on the recommendations of the Securities and Exchange Commission (SEC), the Nigerian Exchange Limited Listing Rules (as Amended), as well as other international best practices, the Company has complied with corporate governance requirements and best practices.

MRS Oil Nigeria Plc is committed to the continued sustenance of the principles of sound corporate governance.

**Whistle Blowing:**

The Company is committed to complying with all laws in Nigeria that are relevant to its operations. In line with the provisions of the Securities and Exchange Commission Code of Corporate Governance and the Nigerian Code of Corporate Governance, a Whistle Blowing Policy exists, for the reporting of serious, actual and suspected concerns of integrity and unethical behavior. An extract of this Policy can be found on the Company's website.

By Order of the Board



**O. M. Jafajo (Mrs.) FCIS**

Company Secretary

FRC NO: 2013/NBA/00000002311

27 March, 2025

**REPORT OF THE AUDIT COMMITTEE**

For the year ended 31 December, 2024

**TO THE MEMBERS OF MRS OIL NIGERIA PLC**

In accordance with Section 404(4) of the Companies and Allied Matters Act, 2020, we the Members of the Audit Committee of MRS Oil Nigeria Plc, have reviewed the Audited Financial Statements of the Company for the year ended 31 December, 2024 and based on the documents and information available to us, report as follows:

- (a) We ascertain that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- (b) We have reviewed the scope and planning of the Audit requirements;
- (c) We have reviewed the findings on management matters in conjunction with the External Auditor and management responses thereon;
- (d) We have kept under review the effectiveness of the Company's system of accounting and internal control.

Members of the Audit Committee in 2024.

1. Mr. Emmanuel N. Okafor	-	Chairman
2. Mr. Babajide A. Adetunji	-	Member
3. Mr. Oladimeji B. Adeleke	-	Member
4. Ms. Amina Maina	-	Member
5. Mrs. Priscilla Ogwemoh	-	Member



**MR. EMMANUEL OKAFOR**

Chairman, Audit Committee

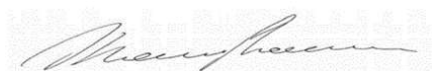
FRC/2021/002/00000022583

27 March, 2025

**CERTIFICATION PURSUANT TO SECTION 60 (2) OF INVESTMENT AND SECURITIES ACT NO. 29 OF 2007**

We the undersigned hereby certify the following with regards to the financial report for the year ended December 31, 2024 that:

- (a) We have reviewed the Report;
- (b) To the best of our knowledge, the Report does not contain:
  - (i) Any untrue statement of a material fact, or
  - (ii) Omit to state a material fact, which would make the statements, misleading in the light of the circumstances under which such statements were made;
- (c) To the best of our knowledge, the Financial Statements and other financial information included in the Report fairly present in all material respects the financial condition and results of operation of the Company as of and for the periods presented in the Report.
- (d) We:
  - (i) Are responsible for establishing and maintaining internal controls.
  - (ii) Have designed such internal controls to ensure that material information relating to the Company, particularly during the period in which the periodic reports are being prepared;
- (e) We have disclosed to the Auditors of the Company and the Audit Committee:
  - (i) Any fraud, whether or not material, that involves management or other employees who have significant roles in the Company's internal controls.



Mr. Marco Storari  
**(Managing Director)**  
**FRC/2020/003/00000022038**



Mr. Muideen Salami  
**(Chief Finance Officer)**  
**FRC/2024/PRO/ICAN/001/099517**



**Dr. Amobi D. Nwokafor**  
**(Director)**  
**FRC/2013/ICAN/00000002770**

27 March, 2025

**Management Report on the Assessment of Internal Control over Financial Reporting as at 31<sup>st</sup> December 2024**

Management of MRS Oil Nigeria Plc is responsible for establishing and maintaining an adequate system of internal control over financial reporting, including safeguarding of assets against unauthorized acquisition, use or disposition. This system is designed to provide reasonable assurance to management and the board of directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

MRS Oil Nigeria Plc's system of internal control over financial reporting is supported with written policies and procedures, contains self-monitoring mechanisms and is audited by the internal audit function. Appropriate actions are taken by management to correct deficiencies as they are identified. All internal control systems have inherent limitations, including the possibility of circumvention and overriding of controls, and, therefore, can provide only reasonable assurance as to the reliability of financial statement preparation and such asset safeguarding.

Management has assessed the effectiveness of its internal control over financial reporting as of December 31, 2024. In making this assessment, management used the COSO 2013 "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the SEC guidance on implementation of section 60-63 of the Investment and Securities Act 2007 "the ICFR framework". Based on this assessment, management believes that, as of December 31, 2024, the Company's internal control over financial reporting is designed and operating effectively. Additionally, based upon management's assessment, the Company determined that there were no material weaknesses in its internal control over financial reporting as of December 31, 2024.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2024, has been audited by SIAO Partners, an independent registered public accounting firm, as stated in their report which appears on page 6-8



Marco Storari  
Managing Director  
FRC/2020/003/00000022083  
March 27, 2025



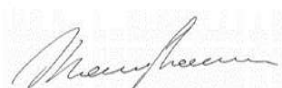
Muideen Salami  
Chief Financial Officer  
FRC/2024/PRO/ICAN/001/0099517  
March 27, 2024



**Certification Pursuant to Section 60 (2) of Investment and Securities Act No. 26 of 2007**

I, Marco Storari, certify that:

- a) I have reviewed this Internal Control over Financial Reporting (ICFR) report of MRS Oil Nigeria Plc;
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
- d) The company's other certifying officer(s) and I:
  - 1) are responsible for establishing and maintaining internal controls;
  - 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company, is made known to us by other entities, particularly during the period in which this report is being prepared;
  - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - 4) have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  - 1) There were no significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - 2) There were no fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
- f) The company's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts 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.



Marco Storari  
Managing Director  
FRC/2020/003/00000022083  
March 27, 2025

**Certification Pursuant to Section 60 (2) of Investment and Securities Act No. 26 of 2007**

I, Muideen Salami, certify that:

- a) I have reviewed this Internal Control over Financial Reporting report of MRS Oil Nigeria Plc;
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
- d) The company's other certifying officer(s) and I:
  - 1) are responsible for establishing and maintaining internal controls;
  - 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company, is made known to us by other entities, particularly during the period in which this report is being prepared;
  - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - 4) have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  - 1) There were no significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - 2) There were no fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
- f) The company's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts 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.



Muideen Salami  
Chief Finance Officer  
FRC/2024/PRO/ICAN/001/099517  
March 27, 2025

## **Assurance Report of Independent Auditor**

To the Shareholders of MRS Oil Nigeria Plc

### **Assurance Report on Management's Assessment of Controls over Financial Reporting**

We have performed a limited assurance engagement in respect of the systems of internal control over financial reporting of MRS Oil Nigeria Plc as of 31 December 2024, in accordance with the FRC Guidance on assurance engagement report on Internal Control over Financial Reporting and based on criteria established in the Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ("the ICFR framework"). MRS Oil Plc's management is responsible for maintaining effective internal control over financial reporting and for assessing the effectiveness of internal control over financial reporting, including the accompanying Management's Report on Internal Control over Financial Reporting.

We have also audited, in accordance with the International Standards on Auditing, the financial statements of the company and our report dated 27/03/2025 expressed unmodified opinion.

### **Limited Assurance Conclusion**

Based on the procedures we have performed and the evidence that we have obtained, nothing has come to our attention that causes us to believe that the company did not establish and maintain an effective system of internal control over financial reporting, as of the specified date, based on the SEC Guidance on Management Report on Internal Control over Financial Reporting.

### **Definition of internal control over financial reporting**

Internal control over financial reporting is a process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal control over financial reporting includes those policies and procedures that:

Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

Provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent limitations**

Our procedures included the examination of historical evidence of the design and implementation of the company system of internal control over financial reporting for the year ended 31 December 2024.



Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Our limited assurance report is subject to these inherent limitations.

#### **Directors' and Management's Responsibilities**

The Directors are responsible for ensuring the integrity of the entity's financial controls and reporting.

Management is responsible for establishing and maintaining a system of internal control over financial reporting that provides reasonable assurance regarding the reliability of financial reporting, and the preparation of financial statements for external purposes in accordance with the International Financial Reporting Standards (IFRS) and the ICFR framework.

Section 7(2f) of the Financial Reporting Council of Nigeria Act 2023 (as amended) further requires that management perform an assessment of internal controls, including information system controls. Management is responsible for maintaining evidential matters, including documentation, to provide reasonable support for its assessment of internal control over financial reporting.

#### **Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

The Firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

#### **Auditor's Responsibility and Approach**

Our responsibility is to express a limited assurance opinion on the company's internal control over financial reporting based on our Assurance engagement.

We performed our work in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting and the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than the Audits or Reviews of Historical Financial Information (ISAE 3000) revised.

That Standard requires that we comply with ethical requirements and plan and perform the limited assurance engagement to obtain limited assurance on whether any matters come to our attention that causes us to believe that the company did not establish and maintain an effective system of internal control over financial reporting in accordance with the ICFR framework.

That Guidance requires that we plan and perform the Assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Accordingly, we do not express a reasonable assurance opinion on whether the company established and maintained an effective system of internal control over financial reporting.

As described in the Guideline, the procedures we performed included obtaining an understanding of the internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary under the circumstances.

We believe the procedures performed provides a basis for our report on the internal control put in place by management over financial reporting.

For: SIAO Partners (Chartered Accountants)  
FRC/2022/COY/932774

A handwritten signature in blue ink, appearing to read 'Joshua Ansa', written over a horizontal dotted line.

**Joshua Ansa, FCA**

Engagement Partner

FRC/2013/ICAN/00000001728

Date: 27th March 2025





## **INDEPENDENT AUDITORS' REPORT**

To the Shareholders of MRS Oil Nigeria Plc

### **Report on the Audit of the Financial Statements for the year ended 31st December, 2024**

#### **Opinion**

We have audited the financial statements of MRS Oil Nigeria Plc which comprise the statement of financial position as at December 31, 2024 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of **MRS Oil Nigeria Plc** as at December 31, 2024 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) applicable and in the manner required by the Financial Reporting Council Act 2011 as amended, Companies and Allied Matters Act, 2020 and the Investments and Securities Act 2007.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The following key audit matters were identified:

#### **Other information**

Management is responsible for the Other Information. The Other Information comprises all the information in the **MRS Oil Nigeria Plc** 2024 annual report other than the financial statements and our auditors' report thereon ("the Other Information").

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

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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 the Other Information, we are required to report that fact.

We have nothing to report in this regard.

#### **Responsibilities of the Directors for the Financial Statements**

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, 2020, the Financial Reporting Council Act 2011 and the Investments and Securities Act 2007. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the 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.

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our Objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 359 (1) of the Companies and Allied Matters Act, 2020 and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks; and, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 the directors.
- 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the g audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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 the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationship and other matters that may reasonably be thought to bear on our independence.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the Company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

## **Report on Other Legal and Regulatory Requirements**

### ***Contravention of Regulatory Guidelines***

The company did not contravene any law or regulation during the year.



***Compliance with the FRC guidance for reporting the effects of COVID-19 on business operations***

The Company complied with the guidance provided by the Financial Reporting Council (FRC) for reporting the impact of COVID-19 on its operations. Also, we confirm that we have obtained sufficient appropriate audit evidence regarding going concern applicability. We conclude, based on the audit evidence obtained up to the date of our auditor's report that no material uncertainty exists about the Company's ability to continue as a going concern.

***Compliance with the requirements of the Companies and Allied Matters Act, 2020***

The Companies and Allied Matters Act require that in carrying out our audit we consider and report to you on the following matters. We confirm:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books;
- iii) The Company's statement of financial position and profit or loss and other comprehensive income are in agreement with the books of account.

**For: SIAO**  
**(Chartered Accountants)**  
**Ikoyi, Lagos**

A blue ink signature of Joshua Ansa, FCA, written over a diagonal line.

**Joshua Ansa, FCA**  
**Engagement Partner**  
FRC/2013/ICAN/00000001728

Date: 27th March 2025



## Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2024




	Notes	31 Dec 2024	31 Dec 2023
		₦'000	₦'000
Revenues	5	312,229,523	182,310,963
Cost of sales	8	(288,331,759)	(167,309,031)
<b>Gross profit</b>		<b>23,897,764</b>	<b>15,001,932</b>
Other income	6	646,778	232,316
Administrative expenses	10	(9,727,448)	(5,105,899)
Selling and distribution expenses	9	(1,736,831)	(716,854)
Net foreign exchange loss	12a	(1,289,520)	(3,221,283)
Impairment loss on financial assets	30a	(2,074,536)	(191,955)
<b>Operating profit</b>		<b>9,716,207</b>	<b>5,998,257</b>
Finance income	11	266,432	122,493
Finance costs	11	(135,616)	(136,142)
<b>Net finance costs</b>	11	<b>130,816</b>	<b>(13,649)</b>
<b>Profit before Taxation</b>	12	<b>9,847,023</b>	<b>5,984,608</b>
Income tax expense	14b	(3,350,106)	(1,935,850)
<b>Profit after tax</b>		<b>6,496,917</b>	<b>4,048,758</b>
<b>Profit after tax for the year</b>		<b>6,496,917</b>	<b>4,048,758</b>
Other Comprehensive Income, net of income tax		-	-
<b>Total comprehensive income for the year</b>		<b>6,496,917</b>	<b>4,048,758</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share (Naira)	13	18.95	11.81

The accompanying notes on pages 15 to 61 form an integral part of these financial statements.

**Statement of Financial Position  
as at 31 December 2024**

	Notes	31 Dec. 2024	31 Dec. 2023
		₦'000	₦'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	33,325,681	19,420,838
Right of use assets	29(i)	545,941	664,579
Intangible assets	16	144,675	227,803
<b>Total non-current assets</b>		<b>34,016,297</b>	<b>20,313,220</b>
<b>Current Assets</b>			
Inventories	19	25,733,928	7,631,431
Withholding tax receivables	18	56,928	40,960
Prepayments	27	317,591	188,665
Trade and other receivables	17	27,190,870	20,749,480
Cash and cash equivalents	20	18,457,553	5,907,533
<b>Total current assets</b>		<b>71,756,870</b>	<b>34,518,069</b>
<b>Total assets</b>		<b>105,773,167</b>	<b>54,831,289</b>
<b>Equity</b>			
Share capital	21(a)	171,442	171,442
Retained earnings	21(b)	28,137,610	22,439,790
<b>Total equity</b>		<b>28,309,052</b>	<b>22,611,232</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Employee benefit obligation	22(a)	8,072	8,523
Provisions	28	173,206	144,028
Lease liabilities	29(iii)	119,119	82,153
Deferred tax liabilities	14(e)	1,431,373	511,572
<b>Total non-current liabilities</b>		<b>1,731,770</b>	<b>746,276</b>
<b>Current liabilities</b>			
Contract liabilities	23	5,270,417	5,835,729
Dividend payable	24(b)	685,616	104,569
Trade and other payables	25	66,355,409	21,730,172
Short term borrowings	26	-	1,411,105
Lease liabilities	29(iii)	503,446	472,568
Tax payable	14(d)	2,917,457	1,919,638
<b>Total current liabilities</b>		<b>75,732,345</b>	<b>31,473,781</b>
<b>Total liabilities</b>		<b>77,464,115</b>	<b>32,220,057</b>
<b>Total equity and liabilities</b>		<b>105,773,167</b>	<b>54,831,289</b>

Approved by the Board of Directors on 27 March 2025 and signed on its behalf by:

	) Mr. Marco Storari (Managing Director) FRC/2020/003/00000022083
	) Dr. Amobi D. Nwokafor (Director) FRC/2013/ICAN/000000002770
	) Mr. Salami Muideen (Chief Finance Officer) FRC/2024/PRO/ICAN/001/099517

The accompanying notes on pages 15 to 61 form an integral part of these financial statements.

**Statement of Changes in Equity  
for the year ended 31 December 2024**

	Share capital	Retained earnings	Total equity
	₦'000	₦'000	₦'000
<b>Balance as at 1 January 2023</b>	171,442	18,328,004	18,499,446
<b>Total comprehensive income:</b>			
Profit for the year	-	4,048,758	4,048,758
<b>Total comprehensive income for the year</b>	-	<b>4,048,758</b>	<b>4,048,758</b>
<b>Transactions with owners of the Company</b>			
Write-back of statute barred dividend Note 24 (b)	-	63,028	63,028
<b>Total transactions with owners of the Company</b>	-	<b>63,028</b>	<b>63,028</b>
<b>Balance as at 31 December 2023</b>	<b>171,442</b>	<b>22,439,790</b>	<b>22,611,232</b>

	Share capital	Retained earnings	Total equity
	₦'000	₦'000	₦'000
<b>Balance as at 1 January 2024</b>	171,442	22,439,789	22,611,232
<b>Total comprehensive income:</b>			
Profit for the year	-	6,496,917	6,496,917
<b>Total comprehensive income</b>	-	<b>6,496,917</b>	<b>6,496,917</b>
<b>Transactions with owners of the Company</b>			
Duvidend declared		(809,208)	(809,208)
Write-back of statute barred dividend Note 24(b)	-	10,111	10,111
<b>Total transactions with owners of the Company</b>	-	<b>(799,097)</b>	<b>(799,097)</b>
<b>Balance as at 31 December 2024</b>	<b>171,442</b>	<b>28,137,610</b>	<b>28,309,052</b>

## Statement of Cash Flows for the year ended 31 December 2024

	Notes	31 Dec 2024	31 Dec 2023
		₦'000	₦'000
<b>Cash flows from operating activities:</b>			
Profit after tax		6,496,917	4,048,758
<b>Adjustments for:</b>			
Depreciation on PPE	15	1,135,072	700,597
Depreciation on Right of Use Assets	29(i)	322,630	135,940
Amortisation of intangible assets	16	83,128	49,633
Finance income	11	(266,432)	(122,493)
Finance costs	11	135,616	136,142
(Gain)/Loss on sale of property, plant and equipment	6,10	41,242	(22,761)
Loss on Reversal of Expired ROU Asset	-	6,179	42,580
Net foreign exchange loss	10	1,289,520	3,221,283
(Reversal of )/Provision for long service award	22(c)	(451)	(562)
Impairment/(Reversal) of Impairment loss on trade receivables	30(a)	2,052,257	527,189
Impairment of Petroleum Equalization Fund receivables	30(a)	8,888	19,370
(Reversal)/Impairment of Related party receivables	30(a)	13,392	(354,604)
(Reversal)/Impairment of impairment on Inventory	19(a)	7,855	(110,611)
Taxation	14	3,350,106	1,935,850
		<b>14,675,919</b>	<b>10,206,311</b>
Changes in:			
- Inventories		(18,110,352)	(4,218,812)
- Trade, other receivables		(8,322,292)	(3,571,959)
- Prepayments		(128,926)	(39,543)
Contract liability(Customer Advance received)		(565,312)	3,614,620
- Trade and other payables		43,164,024	2,154,678
<b>Cash generated from operations</b>		<b>30,713,062</b>	<b>8,145,295</b>
Income taxes paid	14(d)	(1,432,486)	(201,130)
<b>Net cash generated from operating activities</b>		<b>29,280,576</b>	<b>7,944,166</b>
<b>Cash flows from investing activities:</b>			
Proceeds from sale of property, plant and equipment		224,811	37,094
Purchase of property, plant and equipment	15	(15,305,971)	(5,157,813)
Additions to ROU assets	29(i)	(210,169)	(107,500)
Purchase of Intangible Assets	16	-	(277,429)
Interest received	11	266,432	122,493
<b>Net cash used for investing activities</b>		<b>(15,024,897)</b>	<b>(5,383,155)</b>
<b>Cash flows from financing activities:</b>			
Additional short term borrowings	26	-	235,548,091
Short term borrowing repayment	26	(1,411,105)	(235,548,091)
Lease terminated	29(iii)	(37,376)	-
Non cash addition to lease	29(iii)	13,483	-
Lease Payment	29(iii)	(11,400)	(40,500)
Dividends paid	24	(218,050)	(2,254)
Interest paid	11	(5,046)	(42,898)
<b>Net cash used in financing activities</b>		<b>(1,669,494)</b>	<b>(85,652)</b>
Net change in cash and cash equivalents		12,586,185	2,475,359
Cash and cash equivalents at 1 January		5,907,533	3,216,445
Effect of movements in exchange rates on cash held		(36,165)	215,730
<b>Cash and cash equivalents at 31 December 2024</b>	<b>20</b>	<b>18,457,553</b>	<b>5,907,533</b>

The accompanying notes on pages 15 to 61 form an integral part of these financial statements.

## Notes to the financial statements

### **1. Reporting entity**

The Company was incorporated as Texaco Nigeria Limited (a privately owned Company) on 12 August 1969 and was converted to a Public Limited Liability company quoted on the Nigerian Stock Exchange in 1978, as a result of the 1977 Nigerian Enterprises Promotions Decree. The Company is domiciled in Nigeria and its shares are listed on the Nigerian Stock Exchange (NSE). The Company's name was changed to Texaco Nigeria Plc. in 1990 and again on 1 September 2006 to Chevron Oil Nigeria Plc.

On 20 March 2009, there was an acquisition of Chevron Africa Holdings Limited, (a Bermudian Company) by Corlay Global SA of Moffson Building, East 54th Street, Panama, Republic of Panama. By virtue of this foreign transaction, Chevron Nigeria Holdings Limited, Bermuda changed its name to MRS Africa Holdings Limited, Bermuda.

The new management of the Company announced a change of name of the Company from Chevron Oil Nigeria Plc to MRS Oil Nigeria Plc ("MRS") effective 2 December 2009 following the ratification of the name change of the Company at the 40th Annual General Meeting of the Company on 29 September 2009.

The Company is domiciled in Nigeria and has its registered office address at:

2, Tincan Road Lagos

Nigeria

The Company is principally engaged in the business of marketing and distribution of refined petroleum products, blending and selling of lubricants and manufacturing and selling of greases.

### **2. Basis of preparation**

#### **a. Statement of compliance**

These financial statements have been prepared in accordance and in compliance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

#### **b. Basis of measurement**

The financial statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### **c. Composition of Financial statements**

The financial statements comprise:

- i. Statement of profit or loss and other comprehensive income
- ii. Statement of financial position
- iii. Statement of changes in equity
- iv. Statement of cash flows
- v. Notes to the financial statements

Notes to the financial statements

**d. Financial Period**

These financial statements cover the period from 1 January 2024 to 31 December 2024 with comparative figures for the financial year from 1 January 2023 to 31 December 2023.

**e. Functional and presentation currency**

These financial statements are presented in Nigerian Naira, which is the Company's functional currency. All financial information presented in Naira have been rounded to the nearest thousand unless stated otherwise.

**f. Significant changes in the current reporting year**

Some notable developments with significant impact on our industry took place during the year. Dangote refinery became operational producing refined petroleum products. Also, the Port Harcourt refinery resumed commercial production of petroleum products after years of waiting. In addition, the government finally implemented the full deregulation of PMS around the third quarter of the year. These developments brought a lot of changes into the downstream sector of the economy. While the commencement of operations at the Dangote refinery and the resumption of production at the Port Harcourt refinery enhanced product supply, putting an end to the incessant scarcity experienced in the past, the implementation of full deregulation caused a massive increase in the pump price of PMS and other petroleum products. The hike in PMS price following the full deregulation adversely impacted the sales volume performance. The inability of some independent marketers to cope with the required working capital to continue doing business in the industry affected our sales volume performance in the last quarter of the year. The industry witnessed a healthy competition as marketers have options between importing and buying locally. On the supply side, the industry witnessed significant reduction in importation of petroleum products since the commencement of Dangote refinery production. This trend would continue as the refinery gears towards reaching its full production capacity.

Given the positive developments in the industry with potential to make Nigeria self-sufficient in the energy production for local consumption and a net exporter of refined products, the company has focused its strategies on sustaining its recent successes and gaining more competitive advantage in the market.

**g. Going Concern**

The directors have evaluated all the events and conditions that may cast significant doubts on the ability of the company to continue as a going concern and also its operations in the foreseeable future and reached a conclusion that, the Company will continue in business without the existence of a material uncertainty about the company's ability to operate as a going concern.

**3. Critical accounting judgement and key sources of estimating uncertainty**

**Use of judgements and estimates**

In applying the Company's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make 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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the year in which the estimates are revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future year.

Notes to the financial statements

**Critical judgements in applying the Company's accounting policies.**

In the current year, the management have not made any significant or critical judgments in applying accounting policies that would have significant effects on the amounts recognized in these financial statements.

**Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may 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.

**i. Recoverability of financial assets-Account receivables**

The Company reviews all financial assets at least quarterly 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 Company has recognized 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. Note 30 explains more about the impairment of financial assets.

**ii. Impairment assessment of cash generating unit**

The Company assesses whether there are any possible indicators of 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, Company'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. At the end of the year, the Company's market capitalization exceeded its carrying amount of net assets by NGN41.2b which confirms that there is no indication for impairment. The Company has a single CGU, whose carrying amount is reflected in the net assets position.

An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is higher of its fair value less costs of disposal and value -in -use. The company performed a value in use computation, which required an estimation of future cash flows from the cash generating unit, the estimation of future growth rates, considering historical performance and external macroeconomic variables, the determination of an appropriate discount rate and other internal and market based assumption.

The directors applied significant judgments in determining the appropriate inputs used for the value in use computation. Changes in these inputs, could have a material impact on the recoverable amount of the CGU.



## Notes to the financial statements

Based on the above the directors have determined that the recoverable amount as at 31 December 2024 of the CGU is higher than the carrying amount, and accordingly no impairment of the CGU is required as at that date.

### **4. Accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except where otherwise indicated.

#### **A. Foreign currency transactions**

Transactions denominated in foreign currencies are translated and recorded in Nigerian Naira at the spot rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the rates of exchange prevailing at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate on the date of the transaction.

Foreign currency differences arising on translation are recognized in profit or loss within the administrative expenses.

#### **B. Financial instruments**

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

#### **Cash and cash equivalents**

In the statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

Bank balances for which use by the Company is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. During the reporting period, the Company does not have any Contractual restrictions affecting use of bank balances. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the statement of financial position.

Notes to the financial statements

**C. Recognition and initial measurement**

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

**Financial assets**

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

**Classification of financial assets**

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flow.
- 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.

**Amortized cost and effective interest method**

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (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) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

**Financial assets at FVTPL**

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically,

Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

## Notes to the financial statements

Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

### **Impairment of financial assets**

The Company recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, trade receivables and contract assets. 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 recognizes lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

#### **D. Financial liabilities – Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

#### **E. Derecognition**

##### **Financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

##### **Financial liabilities**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

#### **F. Offsetting**

Financial assets and financial liabilities are off-set and the net amount presented in the statement of financial position when, and only when the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Notes to the financial statements

**G. Property, plant and equipment**

**i. Recognition and measurement**

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period. Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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.

If significant 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 and 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 recognized net within other income in profit or loss.

**ii. Subsequent expenditure**

The cost of replacing a part of an item of property, plant and equipment is recognized 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 derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

**iii. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of 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, and capitalized at such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**iv. Depreciation**

Depreciation is calculated to write off the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the estimated useful lives for the current and comparative years are as follows:

Freehold Land	Not depreciated
Buildings	10 to 25 years
Plant and Machinery	10 to 20 years
Furniture and Fittings	5 years
Automotive equipment	4 to 10 years
Computer equipment	3 years
Office equipment	5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

## Notes to the financial statements

The Company has carried out a review of the residual values and useful lives of property, plant and equipment during the year and that has not highlighted any requirement for an adjustment to the residual lives and remaining useful lives of the assets for the current or future periods.

Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

### **v. Impairment of property, plant and equipment and intangible assets**

At each reporting date, the company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

## **H. Intangible assets**

### **i. Recognition and measurement**

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

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

### **ii. Subsequent expenditure**

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

### **iii. Amortization of intangible assets**

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual

## Notes to the financial statements

value. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The useful life for computer software is 3 years.

### Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized. Impairment of intangible assets is assessed at the end of each reporting period where there is an indication that the carrying amount is higher than its recoverable amount. Impairment assessment involves comparing the asset's carrying amount with the higher of its fair value less cost to sell and its value in use.

## I. Leases

The Company has applied IFRS 16 in reporting assets under lease in which case Right of Use assets and corresponding lease liabilities is recognized accordingly. The details of accounting policies under IFRS 16 are disclosed hereunder.

### i As a lessee

The Company assesses whether a contract is, or contains, a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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

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

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

## Notes to the financial statements

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' in the statement of financial position.

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

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

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

The right-of-use assets are presented as a separate line in the statement of financial position

### **J. Inventories**

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring the inventories, incurred in bringing them to their existing location and condition but excludes reimbursable costs or other costs subsequently recoverable by the Company. In the case of manufactured/ blended inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

The bases of costing inventories are as follows:

Product Type	Cost Basis
Refined petroleum products AGO, ATK, PMS, LPG, Lubricants and greases	Weighted average cost

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Inventory values are adjusted for obsolete, slow-moving or defective items.

## Notes to the financial statements

### K. Impairment

#### i. Non-derivative financial assets

Financial assets not classified at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets maybe impaired includes

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is measurable decrease in expected cash flows from a Company of financial assets

The Company considers evidence of impairment for these assets at both an individual asset and collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by Companying together assets with similar risk characteristics

In assessing collective impairment, the Company uses historical information on timing of recoveries and the amount of loss incurred, and makes adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

#### ii. Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest Company of assets that generates cash flows from continuing use that are largely independent of the cash flows of other assets or cash generating units (CGUs).

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. Value in use is based on the estimated future cash flows, 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 or CGU.



## Notes to the financial statements

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. 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 amortization, if no impairment loss had been recognized.

### **L. Employee benefits**

#### **i. Defined contribution plan**

A defined contribution plan is a post-employment benefit plan (pension fund) under which the Company pays fixed contributions into a separate entity. The Company 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 years.

In line with the provisions of the Pension Reform Act 2014, the Company has instituted a defined contribution pension scheme for its permanent staff. Employees contribute 8% each of their basic salary, transport and housing allowances to the Fund on a monthly basis. The Company's contribution is 10% of each employee's basic salary, transport and housing allowances. Staff contributions to the scheme are funded through payroll deductions while the Company's contribution is recognized in profit or loss as employee benefit expense in the years during which services are rendered by employees.

#### **ii. Other long-term employee benefits**

The Company's other long-term employee benefits represents a Long Service Award scheme instituted for all permanent employees. The Company's obligations in respect of this scheme is the amount of future benefits that employees have earned in return for their service in the current and prior years. The benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Federal Government of Nigeria issued bonds that have maturity dates approximating the term of the Company's obligation. The calculation is performed using the Projected Unit Credit method. Remeasurements are recognized in profit or loss in the year in which they arise. Although the scheme was not funded, the Company ensured that adequate arrangements were in place to meet its obligations under the scheme.

#### **iii. Terminal benefits**

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If the benefits are not expected to be settled wholly within 12 months of the end of the reporting year, then they are discounted.

#### **iv. Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonuses if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

### **M. Provisions, Contingent Liabilities and Assets**

#### **Provisions**

Provisions comprise liabilities for which the amount and timing are uncertain. They arise from litigation and other risks. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

## Notes to the financial statements

### **Restoration provisions**

Provisions for the costs to restore leased plant assets to their original condition, as required by the terms and conditions of the lease, are recognized when the obligation is incurred, either at the commencement date or as a consequence of having used the underlying asset during a particular period of the lease, at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognized as liabilities in the statement of financial position.

### **Contingent assets**

A contingent asset is a possible asset whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the company.

Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. However, the company is required to disclose a brief description of the nature of the contingent assets at the reporting date. When the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

### **N. Revenue**

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over its products to a customer.

Revenue recognition depends on whether the customer took delivery of the products directly from our depot using their own delivery vehicles or whether the Company delivered to the customer using the third party transporters. For the former, revenue is recognized when the customer picks up the products from the Company's depots and the latter, when delivery is made; the customer does the delivery confirmation on portal hence, revenue is recognized at that point in time.

If it is probable that discounts will be granted and the amount could be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

In respect of Lubricants, the recognition of revenue is done upon customers taking control of the product which is usually when the products are picked up from our various warehouses. The warehouse officers do the shipment, customer account is impacted and the revenue account is also credited.

Any payment received from customers for which the product has not been delivered is not recognized as revenue but contract liability pending when the product is delivered.

## Notes to the financial statements

### **O. Finance income and finance costs**

The Company's finance income and finance costs include:

- interest income;
- interest expense;
- interest on lease liabilities

Unwinding of the discount on provisions.

Interest income or expenses are recognized in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis. Finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the related assets. Finance costs that are directly attributable to the importation of Premium Motor Spirit (PMS) and other products are classified as part of the product landing cost.

Foreign currency gains and losses are reported on a net basis.

### **P. Income tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

The Company had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

#### **i. Current tax**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates statutorily enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The Company is subject to the Companies Income Tax Act (CITA), Tertiary Education Trust Fund (Establishment Act 2011). Tertiary education tax is assessed at 3% of assessable profit while Company income tax is assessed at 30% of taxable profit.

#### **ii. Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

## Notes to the financial statements

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans approved by the board of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

### **iii. Minimum tax**

The Company is subject to the Companies Income Tax Act (CITA). Total amount of tax payable under CITA is determined based on the higher of two components namely, Company Income Tax (based on taxable income (or loss) for the year); and Minimum tax (determined as 0.50% of the qualifying company's turnover less franked investment income).

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognized in the income tax expense line in the profit or loss.

### **Q. Withholding tax receivables**

Withholding taxes (WHT) are advance payments of income taxes deducted by the Company's customers at source upon payment. WHT receivables are measured at cost.

The Company utilizes WHT credits against current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognized amounts, and it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realized.

Tax asset written down are recognized in profit or loss as income tax expense.

### **R. Earnings per share (EPS)**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

### **S. Segment reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. All operating segments' results are reviewed regularly by the Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

## Notes to the financial statements

The company has identified three operating segments which are:

- i. **Retail/Commercial & Industrial**- this segment is responsible for the sale and distribution of refined products to retail and industrial customers.
- ii. **Aviation**- this segment involves in the sales of Aviation Turbine Kerosene (ATK).
- iii. **Lubricants** - this sells lubricants and greases.

### T. Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows have been eliminated for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Finance costs paid is also included in financing activities while finance income is included in investing activities.

### U. Joint arrangement

The Company's joint arrangement is in respect of its interests in joint aviation facilities held with other parties. These Financial Statements include the Company's share of assets, liabilities, revenue and expenses of the joint arrangement. The Company capitalizes, recognize as asset and depreciate accordingly its share of Capital budget of jointly owned facility. For operating expenses this is shared based on each partner's volume sold is recognized as profit or loss items.

### V. Share capital

The Company has only one class of shares, ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price is recorded in the share premium reserve. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects are recognized as a deduction from equity.

### W. Prepayments

Prepayments are payments made in advance for services to be enjoyed in future. The amount is initially capitalized in the reporting period in which the payment is made and subsequently amortized over the period in which the service is to be enjoyed

### X. Contract liabilities

Contract liabilities are company's obligations to transfer goods or services for which payments have been received in advance from the customers. Contract liabilities are deferred revenue recognized under current liabilities pending when the obligation to transfer goods or services to the customer is fulfilled; when the liabilities would be recognized as revenue.

### Y. Administrative expenses

Administrative expenses are recognized in respect of goods and services received incurred for running the company's operations other than its cost of sales. Accruals are made in respect of expenses that have been incurred in a particular period but yet to be paid for. Provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated. Administrative expenses are charged to profit or loss account in the period they are incurred under relevant expense heads.

### Z. Cost of Sales and other incomes

Cost of sales relate to all costs associated with generating revenue in a given period. The cost includes amount incurred for buying petroleum and lubricant products, freight charges, regulatory fees associated with product supply. The cost of sales also includes write-downs of inventories, where deemed necessary by the management.

Notes to the financial statements

**Other income**

Other income is income arising from the activities outside of the main business of the company. This includes income from rental, gain on asset disposal and income from storage services. Other income is recognized at fair value in the profit or loss when the right to receive income is established, using the accrual concept.

## Notes to the financial statements

### 4. New and amended IFRS standards

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

In the current year, the company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

**i. IAS 1 amendments to classification of liabilities with covenants as current or non-current are effective from 1 January 2024.**

The company has adopted the amendments to IAS 1 and the related amendments for the first time in the current year. The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The likely impacts of this amendment included:

- specifying that for a liability to be classed as non-current, the right to defer settlement must exist at the end of the reporting period;
- the classification as non-current is not affected by management intentions or expectations;
- clarifying the only covenants that an entity must comply with on or before the reporting period affects classification;
- additional disclosures regarding the conditionality of non-current liabilities; and
- clarifying requirements for classifying liabilities if the counterparty has the option to settle by issuing its own equity instruments.

The IAS 1 amendments clarify that only covenants an entity must comply with on or before the reporting period impact the classification of liabilities, even if covenant compliance is assessed after the reporting period.

**ii. Amendment to IAS 1 Classification of liabilities as current or non-current.**

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The board does not expect any significant impact on the financial statements.

**iii. Lease Liability in a Sale and Leaseback – Amendments to IFRS 16**

The International Accounting Standards Board (IASB) has issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.



## Notes to the financial statements

### iv. Amendments to IAS 7 and IFRS -Supplier Finance Arrangements

On May 25, 2023, the IASB issued the final amendments to IAS 7 and IFRS 7 which address the disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk.

Supplier finance arrangements are often referred to as supply chain finance, trade payables finance or reverse factoring arrangements.

### 4.2 New and revised IFRS Standards in issue but not yet effective

At the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS accounting standards that have been issued but are not yet effective:

New standards/Amendments	Description	Effective Date
Presentation and Disclosures in Financial Statements IFRS 18	Presentation and Disclosures in Financial Statements.	1 January 2027
Lack of Exchangeability (Amendments to IAS 21)	Assessment of whether a currency is exchangeable and how to determine a spot exchange rate if it is.	1 January 2025
IFRS 19- Subsidiaries without Public Accountability: Disclosures	IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements	1 January 2027

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statement of the company in the future periods.

## Notes to the Financial Statements

### 5 Revenue

	31 Dec. 2024	31 Dec 2023
	₦'000	₦'000
Premium Motor Spirit (PMS)	272,476,113	161,741,912
Automotive Gas Oil (AGO)	13,250,031	9,370,205
Aviation Turbine Kerosene (ATK)	17,304,435	6,443,180
Lubricants and Greases	8,361,197	4,497,626
Liquefied Petroleum Gas (LPG)	837,748	258,040
	<b>312,229,523</b>	<b>182,310,963</b>

Revenue is recognised at a point in time and sales are mostly made to customers in Nigeria. Information on analysis of revenue by category is shown in Note 32.

### 6 Other income

	31 Dec. 2024	31 Dec 2023
	₦'000	₦'000
Rental and lease income (Note 6(a))	-	5,558
Sundry income (Note 6(b))	99,900	109,510
Gain on sale of property, plant & equipment	-	22,761
Income on storage services	546,878	94,487
	<b>646,778</b>	<b>232,316</b>

- a) Rental and lease income relates to income earned on assets that are on lease arrangements to third parties. Assets on lease include filling stations and related equipment (generators and dispenser pumps).
- b) Sundry income represents earnings from insurance claims recoveries, non fuel revenues, recoveries from station uniform and other miscellaneous incomes.

### 7 Expenses by function

	31 Dec. 2024	31 Dec 2023
	₦'000	₦'000
Cost of sales (Note 8)	288,331,759	167,309,031
Selling and distribution expenses (Note 9)	1,736,831	716,854
Administrative expenses (Note 10)	9,727,448	5,105,899
	<b>299,796,038</b>	<b>173,131,785</b>

### 8 Cost of sales

	31 Dec. 2024	31 Dec 2023
	₦'000	₦'000
Premium Motor Spirit (PMS)	248,705,177	147,691,366
Automotive Gas Oil (AGO)	12,515,168	8,421,748
Aviation Turbine Kerosene (ATK)	16,774,399	6,086,420
Lubricants and greases	7,447,706	3,752,614
Liquefied Petroleum Gas (LPG)	815,485	239,205
Freight expense	2,073,824	1,117,678
	<b>288,331,759</b>	<b>167,309,031</b>

### 9 Selling and distribution expenses

	31 Dec. 2024	31 Dec 2023
	₦'000	₦'000
Rental of service stations, buildings and equipment	529,059	269,356
Advertising-Selling & Distribution	63,763	27,969
Station running expenses	61,325	50,628
Amortization expenses on Right of Use Assets (Note 29)	322,630	135,940
Other selling and Distribution expenses	177,150	232,962
Other selling and Distribution expenses- Own truck diesel use	582,904	-
	<b>1,736,831</b>	<b>716,854</b>

## Notes to the Financial Statements

### 10 (a) Administration expenses

	31 Dec. 2024	31 Dec 2023
	₦'000	₦'000
Depreciation (Note 15(a))	1,135,072	700,597
Amortization of intangible assets (Note 16)	83,128	49,633
Fuel expenses for Office Generators & other admin use	1,646,594	651,735
Rental Other than service stations, buildings and equipment	-	15,806
Consultancy expense	197,879	169,953
Maintenance expense	273,985	116,842
Advertising expenses(Newspaper & Publications)	7,391	5,431
Management fees (Note 31 (c))	1,582,786	612,970
Directors' remuneration (Note 12(b)(iv))	114,852	17,270
Employee benefit expense (Note 12 (b)(i))	787,306	602,306
Bank Charges	204,914	110,827
Auditor's remuneration (Note 10(a))	31,520	58,050
Loss on sale of Property, plant and equipment	41,242	-
Loss on disposal of ROU asset	6,179	-
Local and international travel	94,533	68,771
Office expenses and supplies	653,320	440,303
Communication and postage	683,675	315,065
Insurance premium	670,815	200,534
Contract labour	1,066,279	676,338
Sponsorships and donations	-	349
Licenses and Levies	157,842	100,093
Utilities	22,457	20,306
Subscriptions	46,322	61,129
Board meetings and AGM expenses	120,420	68,813
Security	98,937	42,778
	<b>9,727,448</b>	<b>5,105,899</b>

### (b) Non-audit services paid to the statutory auditors

The company did not engage statutory auditor for Non-audit services during the period.

### (c) Sponsorships and donations are analysed as follows:

	31 Dec. 2024	31 Dec 2023
	₦'000	₦'000
Donation towards Nigerian Navy ship Beecroft Officer Mess Tombola night.	-	349
	<b>-</b>	<b>349</b>

### 11 Finance income and finance costs

	31 Dec. 2024	31 Dec 2023
	₦'000	₦'000
<b>Finance income</b>		
Interest income on short-term bank deposits	266,432	122,493
<b>Total finance income</b>	<b>266,432</b>	<b>122,493</b>
<b>Finance cost arising from financial liabilities measured at amortised cost</b>		
Interest expense	5,046	42,898
<b>Finance costs - others</b>		
Unwind of discount on site restoration provision	27,433	39,564
Interest on lease liability ((Note 29(iii))	103,137	53,680
<b>Total finance costs</b>	<b>135,616</b>	<b>136,142</b>
<b>Net finance costs</b>	<b>(130,816)</b>	<b>13,649</b>

## Notes to the Financial Statements

### a) Reconciliation of finance cost to statement of cash flows

	31 Dec. 2024	31 Dec 2023
	₦'000	₦'000
Interest expense	5,046	42,898
Unwind of discount on site restoration provision	27,433	39,564
Interest on lease liability	103,137	53,680
Interest income on short-term bank deposits	(266,432)	(122,493)
<b>Amount shown on the statement of cash flows</b>	<b>(130,816)</b>	<b>13,649</b>

#### Analyzed as follows:

	31 Dec. 2024	31 Dec 2023
	₦'000	₦'000
Interest income included in finance income(Note 11)	(266,432)	(122,493)
Finance cost shown on the Statement of Cash flows	135,616	136,142
	<b>(130,816)</b>	<b>13,649</b>

## 12 Profit before Taxation

### a) Profit before taxation is stated after charging/(crediting):

	31 Dec. 2024	31 Dec 2023
	₦'000	₦'000
Depreciation (Note 15)	1,135,072	700,597
Amortisation of intangible assets (Note 16)	83,128	49,633
Management fees (Note 31(c))	1,582,786	612,970
Director's remuneration (Note 12(b)(iv))	114,852	17,270
Employee benefit expense (Note 12(b)(i))	787,306	602,306
Auditor's remuneration	31,520	58,050
Impairment of petroleum equalization fund receivables (Note 30(a))	8,888	19,370
(Reversal)/Impairment of related party receivables (Note 30)	13,392	(354,604)
Net movement of inventory write down	-	(110,611)
(Reversal)/ impairment of inventory	7,855	-
Impairment/(Reversal) of impairment on trade receivables (Note 30)	2,052,257	527,189
Net foreign exchange loss (Note 10)	1,289,520	3,221,283

#### Net foreign exchange loss is further broken down as follows:

	31 Dec. 2024	31 Dec 2023
	₦'000	₦'000
(Gain)/loss on cash and bank balances	36,165	(215,730)
Loss on vendor balances	1,462,957	3,507,068
(Gain)/loss on customer balances	(209,603)	(70,055)
	<b>1,289,520</b>	<b>3,221,283</b>

### b) Directors and employees

#### i) Employee costs during the year comprise:

	31 Dec. 2024	31 Dec 2023
	₦'000	₦'000
Salaries and wages	603,349	490,993
Other employee benefits	126,832	65,060
Employer's pension contribution	57,576	45,584
Other long term employee benefit charge	(451)	668
	<b>787,306</b>	<b>602,306</b>

The average number of full-time persons employed during the year (other than executive directors) was as follows:

### ii)

	Number	
	31 Dec. 2024	31 Dec 2023
Administration	29	32
Technical and production	8	5
Operations and distribution	24	25
Sales and marketing	14	18
	<b>75</b>	<b>80</b>

## Notes to the Financial Statements

Higher-paid employees of the Company and other than directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration in excess of ₦1,000,000 (excluding pension contributions) in the following ranges:

iii)

₦	Number	
	31 Dec. 2024	31 Dec 2023
	₦'000	₦'000
1,000,001 - 2,000,000	-	-
2,000,001 - 3,000,000	-	-
3,000,001 - 4,000,000	-	-
4,000,001 - 5,000,000	-	-
5,000,001 - 6,000,000	1	2
6,000,001 - 7,000,000	2	13
7,000,001 - 8,000,000	11	2
8,000,001 - 9,000,000	2	2
9,000,001 - 10,000,000	2	8
10,000,001 - Above	57	53
	<b>75</b>	<b>80</b>

Remuneration for directors of the Company charged to profit or loss account are as follows:

iv)

	31 Dec. 2024	31 Dec 2023
	₦'000	₦'000
Fees	5,500	5,500
Other emoluments	109,352	11,770
	<b>114,852</b>	<b>17,270</b>
The directors' remuneration shown above includes:		
Chairman	-	-
Highest paid director	<b>28,712</b>	<b>5,060</b>

Our directors received emoluments in the following ranges

	Number	
	31 Dec. 2024	31 Dec 2023
Nil	-	-
1,000,001 - 2,000,000	-	-
2,000,001 - 3,000,000	-	1
3,000,001 - 4,000,000	-	2
4,000,001 - 5,000,000	-	1
5,000,001 - 6,000,000	-	-
6,000,001 - 7,000,000	-	-
7,000,001 - above	7	3
	<b>7</b>	<b>7</b>

### 13 Earnings per share (EPS) and Dividend declared per share

#### a) Basic EPS

	31 Dec. 2024	31 Dec 2023
Earnings for the period attributable to shareholders (N'000)	6,496,917	4,048,758
Weighted average number of ordinary shares in issue (Unit'000)	342,885	342,885
Basic earnings per share	<b>18.95</b>	<b>11.81</b>

#### b) Diluted Earnings per share

The Company had no dilutive ordinary shares to be accounted for in these financial statements.

#### c) Dividend declared per share

No dividends were declared during the year (2023:#809,208m)on 342,884,706 ordinary shares of 50 kobo each, being the ordinary shares in issue at the the end of the period (2023: 342,884,706)

## Notes to the Financial Statements

### 14 Taxation

#### a) Applicability of the Finance Act, 2023

The Finance Act 2023 became effective on 28th May, 2023 and introduced significant changes to some sections of the Companies Income Tax Act (CITA). The Company has applied the CITA related provisions of the Finance Act in these financial statements.

- bi) The Company has applied the provisions of the Companies Income Tax Act that mandates a minimum tax assessment, where a qualifying taxpayer does not have a taxable profit which would generate an eventual tax liability when assessed to tax.
- ii) The tax charge for the period has been computed after adjusting for certain items of expenditure and income which are not deductible or chargeable for tax purposes, and comprises:

#### Amounts recognized in profit or loss

	31 Dec. 2024 ₦'000	31 Dec 2023 ₦'000
<b>Current tax expense:</b>		
Income tax	1,987,572	1,624,080
Tertiary education tax	417,622	229,713
NASENI	24,618	14,962
Nigeria Police Trust Fund	492	299
Changes in estimate related to prior periods	-	35,880
	<b>2,430,305</b>	<b>1,904,934</b>
<b>Deferred tax (credit)/expense:</b>		
Origination and reversal of temporary differences	919,801	30,916
<b>Income tax expense/(credit)</b>	<b>3,350,106</b>	<b>1,935,850</b>

#### c) Reconciliation of effective tax rates

The tax on the Company's profit before tax differs from the theoretical amount as follows:

	31 Dec. 2024 %	31 Dec 2023 %	31 Dec. 2024 ₦'000	31 Dec 2023 ₦'000
Profit before tax			9,847,023	5,984,608
Income tax using the statutory tax rate	30.00	30.00	2,954,107	1,795,382
Impact of tertiary education tax	3.00	3.00	295,411	179,538
Impact of (NASENI)	0.25	0.25	24,618	14,962
Impact of minimum tax	0.50	0.50	49,235	29,923
Impact of Police Trust Fund	0.01	0.01	492	299
Effect of tax incentives	(9.20)	(22.66)	(906,026)	(1,356,050)
Non deductible expenses	9.47	18.95	932,270	1,134,149
Difference in CIT rate and TET rate	-	0.50	-	29,923
Changes in estimates related to prior periods	-	1.80	-	107,723
Other differences	-		-	110
<b>Total income tax expense in income statement</b>	<b>34.02</b>	<b>32.35</b>	<b>3,350,106</b>	<b>1,935,849</b>

\*CIT- Company Income Tax, TET- Tertiary Education Tax, NASENI-National Agency for Science and Engineering Infrastructure

#### d) Movement in current tax liability

	31 Dec. 2024 ₦'000	31 Dec. 2023 ₦'000
Balance at beginning of the period	1,919,638	917,999
Payments during the period	(1,432,486)	(201,130)
Current tax	2,683,714	1,869,054
Withholding tax credit notes utilized (Note 18)	-	(702,165)
Changes in estimate related to prior periods	-	35,880
	<b>2,917,457</b>	<b>1,919,638</b>

## Notes to the Financial Statements

### e) Recognised deferred tax assets and liabilities

	Assets		Liabilities		Net	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Property, plant and equipment	-	-	3,180,595	1,633,409	3,180,595	1,633,409
Trade receivables	(1,508,478)	(884,862)	-	-	(1,508,478)	(884,862)
Inventories	(2,838)	(246)	-	-	(2,838)	(246)
Unrealized exchange loss	(90,893)	(172,820)	-	-	(90,893)	(172,820)
Intangible Asset	(137,384)	(16,379)	-	-	(137,384)	(16,379)
Provisions - ARO	(9,629)	(47,529)	-	-	(9,629)	(47,529)
Loss on ROU	-	-	-	-	-	-
	<b>(1,749,222)</b>	<b>(1,121,837)</b>	<b>3,180,595</b>	<b>1,633,409</b>	<b>1,431,373</b>	<b>511,572</b>

### f) Movement in temporary differences during the period

	1-Jan-23	Recognised in Profit or loss	31-Dec-23	Recognised in Profit or loss	31-Dec-24
	₦'000	₦'000	₦'000	₦'000	₦'000
Property, plant and equipment	1,449,372	184,037	1,633,409	1,547,187	3,180,595
Trade receivables	(918,124)	33,262	(884,862)	(623,616)	(1,508,478)
Inventories	-	(246)	(246)	(2,592)	(2,838)
Provisions - ARO	-	(47,529)	(47,529)	37,901	(9,629)
Unrealized exchange loss	(152,567)	(20,253)	(172,820)	81,927	(90,893)
Intangible Assets	-	(16,379)	(16,379)	(121,005)	(137,384)
Loss on Right of Use Assets	101,976	(101,976)	-	-	-
	<b>480,657</b>	<b>30,915</b>	<b>511,572</b>	<b>919,802</b>	<b>1,431,373</b>

## Notes to the Financial Statements

### 15 Property, Plant and Equipment

a) The movement on these accounts was as follows:

	Freehold Land	Building	Plant & Machinery	Automotive Equipment	Computer & Office Equipment	Furniture & Fittings	Capital Work in Progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
<b>Cost:</b>								
<b>Balance at 1st January 2023</b>	<b>7,827,120</b>	<b>6,498,986</b>	<b>10,470,695</b>	<b>1,439,018</b>	<b>991,020</b>	<b>245,722</b>	<b>939,442</b>	<b>28,412,002</b>
Additions	151,767	543,940	676,901	12,000	655,686	24,329	3,093,191	5,157,813
Disposals	-	-	(102,039)	(30,188)	(4,778)	(4,156)	-	(141,162)
<b>Balance as at 31st December 2023</b>	<b>7,978,887</b>	<b>7,042,926</b>	<b>11,045,557</b>	<b>1,420,830</b>	<b>1,641,927</b>	<b>265,894</b>	<b>4,032,633</b>	<b>33,428,654</b>
<b>Balance at 1st January 2024</b>	<b>7,978,887</b>	<b>7,042,925</b>	<b>11,045,557</b>	<b>1,420,830</b>	<b>1,641,927</b>	<b>265,894</b>	<b>4,032,633</b>	<b>33,428,654</b>
Additions	162,688	2,784,577	1,091,225	6,774,475	438,036	30,751	4,024,219	15,305,971
Disposals	(172,349)	(116,630)	(97,660)	-	-	-	-	(386,639)
<b>Balance as at 31 December 2024</b>	<b>7,969,226</b>	<b>9,710,872</b>	<b>12,039,122</b>	<b>8,195,305</b>	<b>2,079,963</b>	<b>296,645</b>	<b>8,056,852</b>	<b>48,347,986</b>
<b>Balance as at 1st January 2023</b>	-	<b>2,777,811</b>	<b>8,622,929</b>	<b>980,053</b>	<b>853,950</b>	<b>199,303</b>	-	<b>13,434,046</b>
Charge for the year	-	257,007	249,318	55,960	123,080	15,231	-	700,597
Disposal	-	-	(90,512)	(28,678)	(3,655)	(3,983)	-	(126,827)
<b>Balance as at 31st December 2023</b>	-	<b>3,034,818</b>	<b>8,781,735</b>	<b>1,007,335</b>	<b>973,376</b>	<b>210,551</b>	-	<b>14,007,815</b>
<b>Accumulated depreciation and impairment</b>								
<b>Balance at 1st January 2024</b>	-	<b>3,034,818</b>	<b>8,781,735</b>	<b>1,007,335</b>	<b>973,376</b>	<b>210,551</b>	-	<b>14,007,815</b>
Charge for the year	-	322,715	306,139	300,402	188,086	17,730	-	1,135,073
Disposal	-	(30,246)	(90,341)	-	-	-	-	(120,587)
<b>Balance as at 31 December 2024</b>	-	<b>3,327,287</b>	<b>8,997,533</b>	<b>1,307,737</b>	<b>1,161,462</b>	<b>228,281</b>	-	<b>15,022,301</b>
<b>Carrying amounts</b>								
<b>Balance as at 31 December 2024</b>	<b>7,969,225</b>	<b>6,383,584</b>	<b>3,041,588</b>	<b>6,887,567</b>	<b>918,501</b>	<b>68,364</b>	<b>8,056,852</b>	<b>33,325,681</b>
<b>Balance as at 31st December 2023</b>	<b>7,978,887</b>	<b>4,008,107</b>	<b>2,263,821</b>	<b>413,495</b>	<b>668,551</b>	<b>55,343</b>	<b>4,032,633</b>	<b>19,420,837</b>

### 15 (b) Capital work in progress:

The capital expenditure relates to funds committed to the improvement of our retail stations and other revenue generating unit, including solarization projects (i.e, deploymnt of solar power solutions to our retail station as alternative energy source) that is yet to be completed.

(d) Pledge as security. None of the company asset is pledged as security for loan or any facility.



## Notes to the Financial Statements

### 16 Intangible assets

Intangible assets relate to the Company's accounting software application package and license. The movement on these accounts during the year was as follows:

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
<b>Cost</b>		
Balance as at 1 January	560,989	283,560
Additions	-	277,429
Balance	560,989	560,989
<b>Accumulated amortisation</b>		
Balance as at 1 January	333,186	283,553
Charge for the year (Note 10)	83,128	49,633
Balance	416,314	333,186
<b>Carrying amount</b>	<b>144,675</b>	<b>227,803</b>

The amortization of accounting software is included in administrative expenses (Note 10)

### 17 Trade and other receivables

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Trade receivables (Note 17(a))	1,538,965	1,294,559
Bridging claims (Note 17(b))	6,407,215	7,379,050
DMO holdback (Note 17(c))	-	1,600,000
Receivables from related parties (Note 17(d))	18,470,181	1,041,701
Employee receivables	53,148	36,889
Due from joint arrangement partners (Note 17(g))	21	46,467
Receivables from Registrar (Note 17(e))	123,635	21,717
Sundry receivables	597,145	43,438
<b>Total financial assets</b>	<b>27,190,310</b>	<b>11,463,821</b>
<b>Non financial assets</b>		
Advances paid to suppliers (Note 17(f))	560	9,285,659
	<b>27,190,870</b>	<b>20,749,480</b>

#### a) Trade receivables

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Gross trade receivables	5,602,207	3,305,544
Impairment allowance(Note 30(a)(iv))	(4,063,242)	(2,010,985)
Net trade receivables	1,538,965	1,294,559

#### b) Bridging Claims

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Gross bridging claims	7,082,065	8,045,012
Impairment allowance (Note 30(a)(iv))	(674,850)	(665,962)
Net bridging claims	6,407,215	7,379,050

## Notes to the Financial Statements

Bridging claims relate to reimbursables from Nigeria Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) for the costs incurred on transportation of Petroleum Motor Spirit (PMS) from supply points to the retail stations.

### c) DMO Holdback

DMO holdback is comprised of:

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Amount set aside for liabilities owed to government agencies	-	-
Amount set aside for liabilities owed to financial institutions	-	1,600,000
	-	1,600,000

In the 2018 financial year, prior to the settlement of outstanding PSF receivables to the company, the Debt Management Office (DMO), held back the amounts owed to financial institutions by the Company for direct settlement of those liabilities. The amount held back in respect of financial institutions was based on court orders issued by the Federal High Court in Abuja requiring that the amount be withheld by the DMO for direct settlement to the affected financial institutions and agencies. These liabilities relate to financing provided by those financial institutions to the Company for product importation in previous years. This amount is receivable in 2024 consequent upon finalization and settlement of liability. The relevant liabilities in respect of government agencies and financial institutions are included in short term borrowings (See Note 26). The DMO holdback is reduced by actual settlements by the DMO to the respective institutions.

### d) Due from related parties

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Gross receivable from related parties (Note 31 (e))	18,488,025	1,046,154
Impairment	(17,845)	(4,453)
Balance	18,470,180	1,041,701

The Company's exposure to credit risk and currency risks related to trade and other receivables are disclosed in Note 30(a).

### e) Receivables from Registrar

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Balance at 1st January	21,717	23,971
Payments	101,918	(2,254)
Balance as 31 December	123,635	21,717

This relates to portion of unclaimed Dividend currently held by the Company Registrars

### f) Advances paid to suppliers

This relates to payments made to Nigeria National Petroleum Corporation Limited (NNPCL) for the supply of petroleum product as at the end of the year.

### g) Due from joint arrangement partners

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Balance at 1st January	46,467	18,252
Movement	(46,446)	28,215
Balance as 31 December	21	46,467

## Notes to the Financial Statements

### 18 Withholding tax receivables

The movement on the withholding tax receivable account was as follows:

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Balance at 1st January	40,960	11,239
Additions	15,968	731,887
Withholding tax credit note utilised (Note 14(d))	-	(702,165)
Balance	<b>56,928</b>	<b>40,960</b>

Payments made by customers of the Company are subject to a withholding tax in accordance with the Nigerian tax laws. The amount withheld is available to offset the actual tax liabilities. Based on the current tax laws, these withholding taxes do not expire.

### 19 Inventories

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Premium Motor Spirit (PMS)	18,848,066	4,110,800
Automotive Gas Oil (AGO)	1,719,694	1,554,730
Aviation Turbine Kerosene (ATK)	2,682,838	881,031
Lubricants and greases	2,313,319	1,051,692
Liquefied Petroleum Gas (LPG)	165,231	16,933
Low Pour Fuel Oil (LPFO)	-	4,119
Packaging materials and other sundry items	4,780	12,126
	<b>25,733,928</b>	<b>7,631,431</b>

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Gross inventory	25,742,528	7,632,176
Inventory write down (Note 19 (a))	(8,600)	(745)
Net inventory	<b>25,733,928</b>	<b>7,631,431</b>

(a) The movement in the allowance for write down in respect of inventories during the year was as follows:

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Balance at 1 January	(745)	(111,356)
Net movement of inventory write down	(7,855)	110,611
Balance as 31 December	<b>(8,600)</b>	<b>(745)</b>

### 20 Cash and cash equivalents

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Cash at bank and on hand	18,443,753	5,570,323
Short term deposits with banks	13,800	337,210
Cash and cash equivalents in the statement of financial position	<b>18,457,553</b>	<b>5,907,533</b>
Bank overdrafts used for cash management purposes (Note 26)	-	-
Cash and cash equivalents in the statement of cash flows	<b>18,457,553</b>	<b>5,907,533</b>

The Company's exposure to credit risk and currency risks are disclosed in Note 30 (a).

## Notes to the Financial Statements

### 21 Equity

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
<b>a) Issued and fully paid:</b>		
At 1 January, 304,786,406 ordinary shares of 50k each	171,442	171,442
<b>Issued and fully allotted:</b>	171,442	171,442

All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

### b) Retained earnings

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
<b>Balance at 1 January</b>	22,439,789	18,328,004
Profit for the year	6,496,917	4,048,758
Statute barred dividend written back	10,111	63,028
Dividend declared	(809,208)	-
<b>Balance as 31 December</b>	<b>28,137,610</b>	<b>22,439,789</b>

### 22 Employee benefit obligations

(a) The amounts outstanding at the end of the year with respect to employee benefit obligations is shown below:

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Other long term employee benefits	8,072	8,523
<b>Total employee benefit liabilities</b>	<b>8,072</b>	<b>8,523</b>

(b) Other long term employee benefits comprise long service awards and it is funded on a pay-as-you-go basis by the Company. The provision was based on an independent actuarial valuation performed by Wayne van Jaarsveld FRC/2021/PRO/DIR/003/00000024507, of Alexander Fobes FRC/2012/0000000000504 (2023: Henre Prinsloo FRC/2018/NAS/0000018473, of QED Actuaries Nigeria Limited FRC/2018/0000012293. The method of valuation used is the projected unit credit method and the last valuation was as at 31 December 2024.

(c) The movement on the provision for other long term employee benefits is as follows:

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
<b>Balance as at 1st January</b>	8,523	9,085
<i>Included in profit or loss:</i>		
Current service cost/Provision	1,545	2,171
Past service (income)/cost	-	(3,798)
Interest cost	1,490	1,542
Remeasurement Loss/(gains)	(3,486)	(477)
<i>Net charge to profit or loss</i>	<i>(451)</i>	<i>(562)</i>
Benefits paid by the employer	-	-
<b>Balance as 31 December</b>	<b>8,072</b>	<b>8,523</b>

## Notes to the Financial Statements

### (d) Actuarial Assumptions

Key actuarial assumptions relating to measurements of employee benefit obligations involves estimates and assumptions, but is not considered to have a risk of material adjustment for the year ending 31 December 2024 as the balance is not material to the financial statements

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	31 Dec. 2024	31 Dec. 2023
	%	%
Long-term average discount rate (p.a.)	14.8%	14.8%
Future average pay increase (p.a.)	12.0%	12.0%
Average Duration in years (Long Service Awards)	10	10

These assumptions depict management's estimate of the likely future experience of the Company.

Due to unavailability of published reliable demographic data in Nigeria, the demographic assumptions regarding future mortality are based on the rates published jointly by the Institute and Faculty of Actuaries in the UK. The data were rated down by one year to more accurately reflect mortality in Nigeria as follows:

	Rates	
Withdrawal from Service	31 Dec. 2024	31 Dec. 2023
Age Band	%	%
≤ 34	3	3
34-44	5	5
45-55	3	3
56-59	2	2
60	100	100

It is assumed that all the employees covered by the long service award scheme would retire at age 60 (2023: age 60).

### Sensitivity Analysis

Below is the sensitivity analysis of the principal actuarial assumptions adopted in determining the employee benefit liabilities:

Mortality in Service		Long Service Award
Sample age	%	₦'000
Discount rate	-1%	8,426
	+1%	7,746
Salary increase rate	-1%	7,692
	+1%	8,479
Mortality rate - Age rated down by 1 year	-1%	8,089
Age rated up by 1 year	+1%	8,054

## Notes to the Financial Statements

### 23 Contract Liabilities

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
At 1 January	5,835,729	2,221,109
Amount recognised as revenue during the year	(5,243,700)	(1,973,489)
Advance received from customers	4,678,388	5,588,109
Closing	5,270,417	5,835,729

- (a.) Revenue is recognised when control of goods are transferred to customer, being at the point the goods are delivered to the customers. When the customer initially makes payment for the purchase of goods, the transaction price received at that point is recognised as contract liabilities until the goods have been delivered to the customer.

The Company's exposure to liquidity risk and currency risks are disclosed in Note 30(b).

### 24 Dividends

#### (a) Declared dividends

The management has not yet proposed any dividends for the year (2023: N809,208 million)

#### (b) Dividend payable

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
At January	104,569	169,851
Declared dividend	809,208	-
Dividend payment	(218,049)	(2,254)
Unclaimed dividend written back to retained earnings (see 24(d))	(10,111)	(63,028)
At Closing	685,616	104,569

- (c) Included in the dividend payable balance at year end is an amount of NGN 123.6 million (2023: NGN21.72 million), which is held with the Company's registrar, First Registrars and Investor Services Limited. The dividend payable as at year end does not attract interest.
- (d) The dividend was invested in an interest bearing account and included in the short term deposit (Note 20) in line with law.

### 25 Trade and other payables

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Trade payables (Note 25(a))	31,527,346	4,842,421
Accrued expenses	718,726	660,909
Amounts due to joint arrangement partners (Note 25(b))	111,134	153,377
Bridging allowance (Note 25(c))	6,249,744	6,250,144
Amounts due to related parties (Note 31(e))	27,192,180	7,761,059
Total financial liabilities	65,799,130	19,667,910
Non financial liabilities		
Statutory deductions (Note 25(d))	113,563	176,664
Security deposits (Note 25(e))	442,716	1,885,598
	556,279	2,062,262
	66,355,409	21,730,172

- (a) Included in trade payables is an amount of NGN986.3million, due to one of the Company's vendors which bears interest on expiration of credit policy granted to the Company. There was no interest charged on this during the year (Note 11(a)).
- (b) Amount relates to cash received from other parties of the Joint Aviation Facility for the running of the facility by the Company.

## Notes to the Financial Statements

- (c) Bridging allowance represents amount due to the Petroleum Equalisation Fund Management Board now Nigeria Midstream and Downstream Petroleum Regulatory Authority as contribution to the Fund . It is charged on every litre of product lifted from Pipelines and Product Marketing Company. Effective 1st of June 2023, Federal government announced the discontinuation of fuel subsidy regime which has also stopped the accumulation of bridging allowance. However, there is unpaid balance in the book which is subject to reconciliation and offset against the bridging claims (Note 17b).
- (d) This represents statutory deductions which are mandated by law or statute. They include Value Added Tax (VAT), Withholding Tax (WHT) liabilities and Pay-As-You-Earn (PAYE) liabilities, which are to be remitted to the relevant tax authorities. The Company's exposure to liquidity risk and currency risks are disclosed in Note 31(b).
- (e) These are collateral deposits paid by dealers who maintain credit facilities with the Company. These amounts are set-off against trade receivables from these dealers on a yearly basis to cater for probable losses from sales to customers. See Notes 30(a,iv). These deposits do not bear interest and are refundable to the dealers at anytime they or the Company terminates the business arrangements in the event that the amount is in excess of the outstanding receivable.

### 26 Short term borrowings

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Bank borrowing (Import Finance and other short term facilities)	-	1,411,105
<b>Total Borrowings</b>	<b>-</b>	<b>1,411,105</b>

Movement of short term borrowings received to statement of cash flows is as follows:

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Balance as at 1 January	1,411,105	1,411,105
Additions		235,548,091
Repayments	(1,411,105)	(235,548,091)
Balance at 31 December (Note 17c)	<b>-</b>	<b>1,411,105</b>

- a) The interest expense incurred in the year relating to overdraft and short-term borrowing is Nil (2023:NGN22.9 million).  
The Company's exposure to liquidity risk and currency risks are disclosed in Note 30(b) and 30(c) respectively.

### 27 Prepayments

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Other Prepayments-Rent, Insurances & others	317,591	188,665
	<b>317,591</b>	<b>188,665</b>

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Non-current portion	-	-
Current portion	317,591	188,665
	<b>317,591</b>	<b>188,665</b>

#### Movement in prepayment

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Balance as at 1st January	188,665	149,123
Addition	1,042,082	440,071
Release to profit or loss	(893,821)	(400,529)
Balance at 31 December	<b>317,591</b>	<b>188,665</b>

## Notes to the Financial Statements

### 28 Provisions

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Balance at 1st January	144,028	224,179
Decommissioning provisions made during the year on existing leases	27,433	39,564
On newly onboard leases	1,744	8,553
Changes in estimate	-	(127,449)
Reversal on decommissioning provision on terminated leases	-	(819)
Balance at 31 December	173,206	144,028
Non-current-Asset Retirement Obligation	173,206	144,028
	173,206	144,028

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Asset Retirement Obligation	173,206	144,028
	173,206	144,028

Asset retirement obligation relates to the estimate of 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. The company occupies some retail stations under a lease agreement in which provision is made to take care of decommissioning cost at the expiration of those leases. The duration of the leases is ten years and some are with renewal clauses.

The relevant assumption used in determination of the asset retirement obligation has been disclosed in note 3(iii)

### 29 Lease Liabilities

The Company leases land and thereafter constructs its fuelling stations. The leases typically run for an average year of 10 years, with an option to renew the lease after that date. Lease payments are usually renegotiated close to the expiration of the lease term to reflect market rentals.

Information about leases for which the Company is a lessee is presented below:

#### i Right of use assets

Right of use assets related to leased land that do not meet the definition of investment property are presented as property, plant and equipment.

	Leasehold land	
	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
<b>Cost</b>		
Cost as at 1 January	1,157,018	1,220,333
Cash additions	194,942	107,500
Other Additions	15,227	30,921
Changes in estimate	-	(127,449)
Lease terminated	(38,742)	(74,287)
Closing	1,328,445	1,157,018
<b>Allowance for depreciation</b>		
Balance at 1st January	492,438	382,302
Charge for the year	322,630	135,940
Depreciation on lease cancelled	(32,564)	(25,803)
<b>Balance at 31 December</b>	<b>782,504</b>	<b>492,439</b>
<b>Carrying Amount as at the year end</b>	<b>545,941</b>	<b>664,579</b>



## Notes to the Financial Statements

- a. Amortization charge (as stated above) is included in selling and distribution expenses in the statement of profit or loss, because our retail stations are revenue generating unit.
- b. The Company has leases for some of its retail outlets, with the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset. The average lease term is ten years (2023: ten years).

### ii Amounts recognised in profit or loss

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Depreciation expense on right-of-use assets (Note 9)	322,630	135,940
Interest expense on lease liabilities (Note 11)	103,137	53,680

### iii Lease liability

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Balance at 1st January	554,721	524,257
Interest on lease liability	103,137	53,680
Additions to lease liability	13,483	43,868
Lease liability terminated	(37,376)	(26,584)
Interest Reversal on terminated leases	-	-
Lease Payments	(11,400)	(40,500)
Balance as at year end	622,565	554,721

The Company's exposure to liquidity risk is disclosed in Note 30

### The timing of the lease liabilities is as follows:

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Current	503,446	472,568
Non Current	119,119	82,153
	622,565	554,721

### Maturity Analysis of lease liabilities

	Amount	Amount
	₦'000	₦'000
year 1	503,446	472,568
year 2	1,817	67,877
year 3 and above	117,301	14,276
	622,565	554,721

### Extension options:

Some leases contain extension options exercisable by the Company at the expiration of the non- cancellable contract year. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

## 30 Financial Risk Management & Financial Instruments

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

### Risk management framework

## Notes to the Financial Statements

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the strategic and finance planning committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly by the strategic and finance planning committee to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Internal Audit undertakes both regular and ad hoc reviews of compliance with established controls and procedures, the results of which are reported to Senior Management of the Company and the audit committee.

## Notes to the Financial Statements

### (a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

Impairment losses on financial assets recognised in profit or loss were as follows:

	31 Dec. 2024	31 Dec. 2023
	N'000	N'000
Impairment loss/(Reversal) on trade receivables Note 30(a)(iv)	2,052,257	527,189
Impairment of Petroleum Equalization Fund receivables (Note 30(a)(iv))	8,888	19,370
(Reversal)/Impairment loss on related party receivables (Note 30(a)(iv))	13,392	(354,604)
	<b>2,074,537</b>	<b>191,955</b>

### (i) Maximum credit exposure

The maximum exposure to credit risk for trade and other receivables at the reporting date by type of counterparty was:

	31 Dec. 2024			31 Dec. 2023		
	Gross	Impairment	Net	Gross	Impairment	Net
	N'000	N'000	N'000	N'000	N'000	N'000
Trade receivables	5,602,207	(4,063,241)	1,538,966	3,305,544	(2,010,985)	1,294,559
Due from related parties	18,488,025	(17,845)	18,470,180	1,046,154	(4,453)	1,041,701
<b>Due from regulators (Government entities) :</b>						
Petroleum Equalisation Fund (PEF)	7,082,065	(674,850)	6,407,215	8,045,012	(665,962)	7,379,050
DMO holdback	-	-	-	1,600,000	-	1,600,000
Other receivables	773,949	-	773,949	148,511	-	148,511
Cash and cash equivalent	18,457,553	-	18,457,553	5,907,533	-	5,907,533
	<b>50,403,799</b>	<b>(4,755,936)</b>	<b>45,647,863</b>	<b>20,052,754</b>	<b>(2,681,400)</b>	<b>17,371,354</b>

### (ii) Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management has credit policies in place and the exposure to credit risk is monitored on an ongoing basis by an established credit committee headed by the Managing Director. Management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's credit assessment process includes collecting cash deposits from customers. These contract liabilities and security deposits are non interest bearing and refundable, net of any outstanding amounts (if any) upon termination of the business relationship and are classified as current liability (Notes 23 and 25). Credit limits are established for qualifying customers and these limits are reviewed regularly by the Credit Committee. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

The Credit Committee reviews each customer's credit limit in line with the customers' performance, feedback from sales team and perceived risk factor assigned to the customer. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment year of 30 to 45 days for retail and commercial customers respectively.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, which are: retail, aviation and commercial/industrial.

The Company is taking actions to limit its exposure to customers in general. In the current year, the Company made certain changes to its credit policy; reducing the credit exposure to aviation customers by dealing with them on a cash and carry basis as the Company's experience is that these customers have a higher risk of payment default than others.

The Company does not require collateral in respect of trade and other receivables. The Company does not have trade receivable for which no loss allowance is recognised because of collateral.

At 31 December 2024, the exposure to credit risk for trade receivables and contract assets by type of counterparty was as follows.

**Notes to the Financial Statements**

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Retail customers	1,067,835	1,395,374
Commercial and industrial	4,201,668	1,168,285
Aviation	620,601	741,884
	<b>5,890,104</b>	<b>3,305,544</b>

**(iii) Expected credit loss assessment as at 31 December 2024**

**Expected credit loss assessment for government and related party receivables at 31 December 2024**

The Company allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements and management accounts of customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions from agencies (Moody's and Standard and Poors)

Exposures within each credit risk grade are segmented by counterparty type (PEF, PPPRA and related parties) and an ECL rate is calculated for each segment based on the probability of default and a consideration of forward looking information.

**Expected credit loss assessment for trade receivables at 31 December 2024**

The Company uses an allowance matrix to measure the ECLs of trade receivables from customers, which comprise a large number of small to medium balances.

Loss rates are calculated using a 'single default' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Single default rates are calculated separately for exposures in different segments based on common credit risk characteristics - mainly customer type.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2024.

<b>Retail Customers*</b> <b>31 December 2024</b>	<b>Weighted average loss rate</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>	
In thousand of Naira	%	₦'000	₦'000	
*Not past due nor impaired	0.00%	523,820	-	
Current (not past due)	63.92%	208,076	133,006	
1-30 days past due	74.52%	53,786	40,079	
31-60 days past due	79.11%	-	-	
61-180 days past due	80.91%	-	-	
181-365 days past due	84.40%	-	-	
More than 365 days past due	100.00%	282,152	282,152	
		<b>1,067,835</b>	<b>455,238</b>	

\* This has been adjusted with Contract liabilities and security deposits. (See Note 23 & Note 25).

<b>Retail Customers*</b> <b>31 December 2023</b>	<b>Weighted average loss rate</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>	
In thousand of Naira	%	₦'000	₦'000	
*Not past due nor impaired	0.00%	1,008,406	-	
Current (not past due)	96.08%	17	16	
1-30 days past due	98.67%	66	65	
31-60 days past due	100.00%	-	-	
61-180 days past due	100.00%	3,575	3,575	
181-365 days past due	100.00%	24,918	24,918	
More than 365 days past due	100.00%	358,394	358,394	
		<b>1,395,374</b>	<b>386,967</b>	

<b>Commercial/Industries Customers</b> <b>31 December 2024</b>	<b>Weighted average loss rate</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>	
In thousand of Naira	%	₦'000	₦'000	
*Not past due nor impaired	0.00%	22,308	-	
Current (not past due)	58.56%	1,609,485	939,029	
1-30 days past due	67.17%	413,465	276,562	
31-60 days past due	75.62%	727,985	547,891	
61-180 days past due	70.68%	553,086	388,662	
181-365 days past due	82.25%	182,992	150,016	
More than 365 days past due	100.00%	692,348	692,348	
		<b>4,201,668</b>	<b>2,994,507</b>	

Notes to the Financial Statements

Commercial/Industries Customers 31 December 2023	Weighted average loss rate	Gross carrying amount	Loss allowance	
In thousand of Naira	%	₦'000	₦'000	
*Not past due nor impaired	0.00%	170,701	-	
Current (not past due)	0.00%	-	-	
1–30 days past due	90.48%	135,599	122,689	
31–60 days past due	97.18%	242,588	235,737	
61–180 days past due	99.69%	11,659	11,626	
181–365 days past due	99.69%	15,185	15,137	
More than 365 days past due	100.00%	592,554	592,554	
		<b>1,168,285</b>	<b>977,743</b>	
<b>Aviation customers 31 December 2024</b>	<b>Weighted average loss rate</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>	
In thousand of Naira	%	₦'000	₦'000	
Current (not past due)	86.52%	-	-	
1–30 days past due	88.67%	-	-	
31–60 days past due	88.72%	-	-	
61–180 days past due	88.72%	-	-	
181–365 days past due	88.92%	-	-	
More than 365 days past due	100.00%	620,601	620,601	
		<b>620,601</b>	<b>620,601</b>	
<b>Aviation customers 31 December 2023</b>	<b>Weighted average loss rate</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>	
In thousand of Naira	%	₦'000	₦'000	
*Not past due nor impaired	0.00%	95,573	-	
Current (not past due)	93.76%	1,763	1,728	
1–30 days past due	100.00%	-	-	
31–60 days past due	100.00%	-	-	
61–180 days past due	100.00%	-	-	
181–365 days past due	100.00%	-	-	
More than 365 days past due	100.00%	644,548	644,548	
		<b>741,884</b>	<b>646,276</b>	

\* Not past due nor impaired represent the receivables with security deposit or bank guaranty and therefore were not considered for impairment.

Loss rates are based on actual credit loss experience over the past two to three years. These rates are adjusted to reflect economic conditions for the year over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables (forward looking information). Forward looking information is re-evaluated at every reporting date.

For instance, the Company determined that the Gross Domestic Product (GDP) has the most significant impact on the ability of the counterparties to settle receivables. Therefore, if GDP growth rate is expected to significantly deteriorate, over the next year, which can result in increased default, the historical default rate is adjusted.

## Notes to the Financial Statements

### iv) *Movements in the allowance for impairment of financial assets*

The movement in the allowance for impairment in respect of financial assets during the year was as follow

	Balance 1-Jan-2023	Net remeasurement of loss allowance	Balance 31-Dec-2023	Recognised in profit or loss	Balance 31- Dec-2024
	₦'000	₦'000	₦'000	₦'000	₦'000
Trade receivables	1,483,796	527,189	2,010,985	2,052,257	4,063,242
PEF receivables	646,593	19,370	665,963	8,888	674,851
Related party receivables	359,057	(354,604)	4,453	13,392	17,845
<b>Total</b>	<b>2,489,447</b>	<b>191,955</b>	<b>2,681,401</b>	<b>2,074,537</b>	<b>4,755,938</b>

The Directors have applied judgement in the Company's assessment of the recoverability of its trade and other receivables which are past due but not impaired. The significant judgement involved estimation of future cash flows and the timing of those cash flows. Based on the assessment of the Directors, the unimpaired balances are recoverable and accordingly, no further impairment is therefore recorded.

### v) **Due from Government entities**

This relates to amounts receivable from PEF with respect to bridging claims.

Determination of amounts due are based on existing regulations/guidelines and impairment is only recognized when changes occur in the regulations that prohibit or limit recovery of previously recognized amounts. For bridging claims amounting to ₦7.1billion (Dec 2023: ₦8.1 billion) recognized as receivable (Note 17), possibilities exist depending on negotiations that settlement will occur via a set off to the extent of bridging allowances amounting to ₦6.25billion (Dec 2023: ₦6.25billion) recorded as a liability (Note 25). However, as the right of set off does not exist, the amounts have been presented gross in these financial statements.

### vi) **Due from related parties**

The Company has transactions with its parent and other related parties by virtue of being members of the MRS Group. Payment terms are usually not established for transactions within the Group companies and amounts receivable from members of the Group are contractually settled on a net basis. Related party receivable balances were assessed for impairment in accordance with IFRS 9. See Note 30(a)(iv)).

### vii) **Other receivables**

Other receivables includes employee receivables and other sundry receivables. The Company reviews the balances due from this category on a yearly basis taking into consideration functions such as continued business/employment relationship and ability to offset amounts against transactions due to these parties. Where such does not exist, the amounts are impaired. There were no impairment loss recognised in this category of receivables during the year. (Dec 2023: Nil).

### viii) **Cash and cash equivalents**

The Company held cash and cash equivalents of ₦18.5 billion as at 31 December 2024 (Dec 2023: ₦5.91 billion), which represents its maximum credit exposure on these assets. The credit risk on this is not significant as cash and cash equivalent reside with banks that have good credit ratings issued by reputable international rating agencies.

### (b) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a clear focus on ensuring sufficient access to capital to growth and to refinance maturing debt obligations. As part of the liquidity management process, the Company has various credit arrangement with some banks which can be utilised to meet its liquidity requirements.

## Notes to the Financial Statements

Typically, the credit terms with customers are more favourable compared to payment terms to its vendors in order to help provide sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disaster.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Notes	Carrying amount	Contractual cash flows	6 months or less
		₦'000	₦'000	₦'000
Non-derivative financial liabilities				
31 December 2024				
Dividend payable	24(b)	685,616	685,616	685,616
Trade and other payables	25	65,799,130	65,799,130	65,799,130
Lease Liability	29	622,565	622,565	622,565
		67,107,311	67,107,311	67,107,311
31 December 2023				
Overdraft and other short-term borrowings	26	1,411,105	1,411,105	1,411,105
Dividend payable	24(b)	104,569	104,569	104,569
Trade and other payables	25	19,667,910	19,667,910	19,667,910
Lease Liability	29	554,721	554,721	554,721
		21,738,305	21,738,305	21,738,305

### c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company manages market risks by keeping costs low through various cost optimization programs. Moreover, market developments are monitored and discussed regularly, and mitigating actions are taken where necessary.

### Currency risk

The Company is exposed to currency risk on trade and receivable balances, purchases and borrowings that are denominated in a currency other than the functional currency of the Company, primarily the Naira. The currency in which these foreign currency transactions primarily are denominated is US Dollars (USD). The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

In managing currency risk, the Company aims to reduce the impact of short-term fluctuations on earnings. The Company has no export sales, thus the exposure to currency risk in that regard is non-existent. The Company's significant exposure to currency risk relates to its importation of various products for resale or for use in production. Although the Company has various measures to mitigate exposure to foreign exchange rate movement, over the longer term, however, permanent changes in exchange rates would have an impact on profit. The Company monitors the movement in the currency rates on an ongoing basis.

## Notes to the Financial Statements

### Exposure to currency risk

The Company's transactional exposure to currency risk was based on notional amounts as follows:

	31 Dec. 2024	31 Dec. 2023
<i>In thousands</i>	<b>₦'000</b>	<b>₦'000</b>
<b>Financial assets</b>		
<i>Trade and other receivables</i>		
USD	258	238
<i>Cash and cash equivalents</i>		
USD	282	25
<b>Financial liabilities</b>		
<i>Trade and other payables</i>		
USD	(1,884)	(1,167)
<b>Net statement of financial position exposure</b>		
USD	(1,344)	(904)

### Sensitivity analysis

A strengthening of the Naira, as indicated below against the Dollar at 31 March would have increased profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting year and has no impact on equity.

31-Dec-23	Decrease in profit or loss
	<b>₦'000</b>
USD (10 percent strengthening)	(45,091)
31-Dec-22	
USD (10 percent strengthening)	(288,069)

The following significant exchange rates were applied during the year

	Average rate		Reporting date spot rate	
	31 December 2024	31 Dec. 2023	31 December 2024	31 Dec. 2023
	₦	₦	₦	₦
US Dollar	1,535.32	899.39	1,535.82	898.89

### Interest rate risk profile

In managing interest rate risk, the Company aims to reduce the impact of short-term fluctuations in earnings. Dividend pay-out practices seek a balance between giving good returns to shareholders on one hand and maintaining a solid debt/equity ratio on the other hand.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	31 Dec. 2024	31 Dec. 2023
	<b>₦'000</b>	<b>₦'000</b>
<b>Fixed rate instruments</b>		
Bank overdraft and borrowings	-	1,411,105
Trade payables*		1,287,717



## Notes to the Financial Statements

\*Included in trade payables is an amount of ₦986.3 million (Dec 2023: NGN990.5 million), due to one of the Company's vendors which bears interest on expiration of credit policy granted to the Company.

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the end of the reporting year would not affect profit or loss. The Company does not have variable rate instrument.

### d) Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors capital using a ratio of "adjusted net debt" to equity. For this purpose, adjusted net debt is defined as total borrowings less cash and cash equivalents.

The Company's adjusted net debt to equity ratio at the end of the reporting year was as follows:

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Total borrowings (Note 26)	-	1,411,105
Less: Cash and cash equivalents (Note 20)	(18,457,553)	(5,907,533)
<b>Adjusted net debt</b>	<b>(18,457,553)</b>	<b>(4,496,428)</b>
Total equity	28,309,052	22,611,232
Total capital employed	9,851,499	18,114,804
<b>Adjusted net debt to equity ratio</b>	<b>(0.652)</b>	<b>(0.199)</b>

There were no significant changes in the Company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements.

### e) Fair value disclosures

#### *Accounting classification and fair value*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value subsequent to initial recognition, because the carrying amounts are a reasonable approximation of their fair values.

The Company's financial instruments are categorised as follows:

	Carrying amount		
	Financial assets at amortised cost	Other financial liabilities	Total
	₦'000	₦'000	₦'000
<b>31 December 2024</b>			
<b>Financial assets not measured at fair value</b>			
Trade and other receivables (Note 17)	27,190,310	-	27,190,310
Cash and cash equivalents (Note 20)	18,457,553	-	18,457,553
	<b>45,647,863</b>	<b>-</b>	<b>45,647,863</b>
<b>Financial liabilities not measured at fair value</b>			
Trade and other payables (Note 25)	-	65,799,130	65,799,130
Dividend payable (Note 24)	-	685,616	685,616
	<b>-</b>	<b>66,484,746</b>	<b>66,484,746</b>

## Notes to the Financial Statements

### 31 December 2023

#### Financial assets not measured at fair value

Trade and other receivables (Note 17)  
Cash and cash equivalents (Note 20)

#### Financial liabilities not measured at fair value

Short term borrowings (Note 26)  
Trade and other payables (Note 25)  
Dividend payable (Note 26)

Carrying amount		
Financial assets at amortised cost	Other financial liabilities	Total
₦'000	₦'000	₦'000
11,463,821	-	11,463,821
5,907,533	-	5,907,533
<b>17,371,354</b>	<b>-</b>	<b>17,371,354</b>
-	1,411,105	1,411,105
-	19,667,910	19,667,910
-	104,569	104,569
<b>-</b>	<b>21,183,584</b>	<b>21,183,584</b>

Trade and other receivables, cash and cash equivalent, trade and other payables, dividend payable and other short term borrowings are the Company's short term financial instruments. Accordingly, management believes that their fair values are not expected to be materially different from their carrying values.

## Notes to the Financial Statements

### 31 Related party transactions

#### (i) Parent and ultimate controlling entity

As at the year ended 31 December 2024, MRS Africa Holdings Limited (incorporated in Bermuda) owned 60% of the issued share capital of MRS Oil Nigeria Plc. MRS Africa Holdings Limited is a subsidiary of Corlay Global SA. The ultimate holding company is Corlay Global SA incorporated in Panama.

The Company entered into the following transactions with the under-listed related parties during the year:

#### (a) MRS Oil and Gas Limited (MOG)

MOG is a wholly owned subsidiary of MRS Holdings Limited which is a shareholder in Corlay Global SA. Corlay Global SA

p is the ultimate holding company of MRS Oil Nigeria Plc. The following transactions occurred during the year:

Nature of transactions	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Sales of goods	3,941,000	1,080,000
Product purchase	(48,328,592)	(11,476,140)
AGO Internal Consumption	(338,732)	(342,064)

In current year, the value of product stored by MRS Oil and Gas Limited for the Company amounted to ₦1.5 billion (Dec 2023: ₦935,702 thousand). The total transactions with MOG during the year was ₦44.73 billion (Dec 2023: ₦10.7 billion). The net balance due to MOG is ₦2.65 billion (Dec 2023: ₦2.32 billion due to MOG)

#### (b) Petrowest SA (Petrowest)

MRS Africa Holdings Ltd which is a shareholder in Corlay Global S.A, the ultimate parent of MRS Oil Nigeria Plc; holds an indirect interest of 45% in Petrowest (through MOG). The net balance due to Petrowest was ₦3.6 billion (Dec 2023: ₦3.6 billion)

There was no transaction with Petrowest SA during the year.

#### (c) MRS Holdings Limited

MRS Holdings Limited owns 50% of the shares in Corlay Global SA, the parent company of MRS Africa Holdings Limited. MRS Africa Holdings Limited has a majority shareholding in MRS Oil Nigeria Plc.

Nature of transactions	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
Management fees	(1,582,786)	(612,970)
Sale of goods	5,812	5,812

Net balance due to MRS Holdings Limited was ₦2.5 billion (Dec 2023: ₦815 million)

#### (d) Net balances due to and from other related entities (Corlay entities) were as follows:

	31 Dec. 2024	31 Dec. 2023
	₦'000	₦'000
MRS Benin S. A.	231,939	135,751
Corlay Togo S. A.	55,084	24,944
Corlay Benin S. A	47,512	20,891
Corlay Cote D'Ivoire	(380,978)	(227,391)
Corlay Cameroun S. A.	54,899	32,132
	8,456	(13,674)

## Notes to the Financial Statements

		31 Dec. 2024	31 Dec. 2023
	Nature of transactions	₦'000	₦'000
Corlay Togo S. A.	Reimbursements for expenses	2,564	1,630
Corlay Benin S. A	Reimbursements for expenses	1,857	3,174
Corlay Cote D'Ivoire	Reimbursements for expenses	-	2,380

The Corlay entities are subsidiaries of Corlay Global SA incorporated in Panama, the parent company of MRS Africa Holdings Limited, and are thereby affiliates of MRS Oil Nigeria Plc.

All outstanding balances do not bear interest and exclude value of products stored by MRS Oil and Gas Limited for the Company which is included as part of inventories.

### (e) Summary of intercompany receivables and payables:

	31 Dec. 2024		31 Dec. 2023	
	₦'000	₦'000	₦'000	₦'000
	Receivables	Payables	Receivables	Payables
MRS Oil and Gas Limited (MOG)	18,092,778	(20,743,946)	826,624	(3,146,971)
MRS Africa Holdings Limited	5,812	(2,501,977)	5,812	(821,419)
Petrowest	-	(3,565,279)	-	(3,565,279)
MRS Benin S. A.	231,939	-	135,751	-
Corlay Togo S. A.	55,084	-	24,944	-
Corlay Benin S. A	47,512	-	20,891	-
Corlay Cote D'Ivoire	-	(380,978)	-	(227,391)
Corlay Cameroun S. A.	54,899	-	32,132	-
	<b>18,488,025</b>	<b>(27,192,180)</b>	<b>1,046,154</b>	<b>(7,761,059)</b>

All related parties balances are receivable/payable on demand

### (ii) Key management personnel compensation

The Company pays short term benefits to its directors as follows:

	31 December 2024	31 December 2023
	₦'000	₦'000
Short term employee benefits	114,852	15,730

### (iii) Related Party Transactions above 5% of total tangible assets

In line with NGX - Rules Governing Transactions with Related Parties or Interested Persons, the Company has disclosed transactions with related parties which are individually or in aggregate greater than 5% of the total tangible assets. The total tangible assets amounted to ₦33.3 billion and the 5% disclosure limit is ₦1.67billion. During the year, the Company had entered into transactions above the 5% disclosure limit with MRS Oil and Gas Limited.

## Notes to the Financial Statements

### 32 Segment reporting

In accordance with the provisions of IFRS 8 – Operating Segments; the operating segments used to present segment information were identified on the basis of internal reports used by the Company's Managing Director to allocate resources to the segments and assess their performance. The Managing Director is MRS Oil Nigeria Plc's "Chief operating decision maker" within the meaning of IFRS 8.

Segment information is provided on the basis of product segments as the Company manages its business through three product lines - Retail/Commercial & Industrial, Aviation, and Lubricants. The business segments presented reflect the management structure of the Company and the way in which the Company's management reviews business performance. The accounting policies of the reportable segments are the same as described in Note 3.

The Company has identified three operating segments:

- (i) **Retail/ Commercial & Industrial** - this segment is responsible for the sale and distribution of petroleum products (refined products) to retail customers and industrial customers.
- (ii) **Aviation** - this segment involves in the sales of Aviation Turbine Kerosene (ATK).
- (iii) **Lubricants** - this segment manufactures and sells lubricants and greases.

Segment assets and liabilities, expenses and other incomes are not disclosed as these are not regularly reported to the Chief Operating decision maker.

#### Segment revenues and cost of sales

Dec-24	Revenue		Cost of sales		Gross profit		Margin
	₦'000	% of Total	₦'000	% of Total	₦'000	% of Total	
Retail/C&I	286,563,892	92%	263,953,340	92%	22,610,552	94.6%	8%
Aviation	17,304,435	6%	16,928,274	6%	376,161	1.6%	2%
Lubes	8,361,197	3%	7,450,144	3%	911,053	3.8%	11%
<b>Total</b>	<b>312,229,524</b>	<b>100%</b>	<b>288,331,759</b>	<b>100%</b>	<b>23,897,765</b>	<b>100%</b>	

Dec-23	Revenue		Cost of sales		Gross profit		Margin
	₦'000	% of Total	₦'000	% of Total	₦'000	% of Total	
Retail/C&I	171,370,157	94%	157,374,158	94%	13,995,999	93%	8%
Aviation	6,443,180	4%	6,076,365	4%	366,815	2%	6%
Lubes	4,497,626	2%	3,858,508	2%	639,118	4%	14%
<b>Total</b>	<b>182,310,963</b>	<b>100%</b>	<b>167,309,031</b>	<b>100%</b>	<b>15,001,932</b>	<b>100%</b>	

### 33 Subsequent events

There are no significant subsequent events that could have had a material effect on the financial position of the Company as 31 December 2024 and on the profit for the year ended on that date that have not been taken into account in these financial statements.

### 34 Contingencies

#### (a) Pending litigations

There are certain lawsuits pending against the Company in various courts of law. The total contingent liabilities in respect of pending litigations as at 31 December 2024 is N7.3billion. Per the assessment of the Company's legal team, the estimated liability is about ₦453.6 million (Dec 2023: ₦453.6million). The actions are being contested and the directors are of the opinion that no significant liability will arise from these legal cases. Also, the sum of ₦ 388.7 million ( Dec 2023: ₦388.7)represents the value of law cases instituted by the company as the end of the reporting year.

#### (b) Financial commitments

The Directors are of the opinion that all known liabilities and commitments, which are relevant in assessing the state of affairs of the Company, have been taken into consideration in the preparation of these financial statements.

### 35 Comparative figures

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

Reclassified from	Reclassified to	Naira N'000
Administrative Expenses- Maintenance *	Selling and distribution expenses	232,962

\*The reclassified expenses relate to repair of equipment engaged at aviation selling terminals.

35 The Financial Statements of the Company for the year ended 31 December 2024 were approved by Directors on March 27, 2025

## **Other National Disclosures**

## Other National Disclosures

### Statement of Value Added

	31 Dec 2024		31 Dec 2023	
	₦'000	%	₦'000	%
Revenue	312,229,523		182,310,963	
Other income	646,778		232,316	
Finance income	266,432		122,493	
	<b>313,142,733</b>		<b>182,665,773</b>	
Bought in materials and services				
- Local	(301,154,588)		(175,192,487)	
<b>Value added by operating activities</b>	<b>11,988,145</b>	<b>100</b>	<b>7,473,286</b>	<b>100</b>
<b>Distribution of Value Added</b>				
To Employees:				
Salaries, wages, fringe and end of service benefits	787,306	7	602,306	8
To Government as:				
Taxation	2,430,305	20	1,904,934	25
To Providers of Finance:				
- Finance cost	135,616	1	136,142	2
Retained in the Business				
To maintain and replace:				
- Property, plant and equipment	1,135,072	9	700,597	9
- Intangible assets	83,128	-	49,633	1
- Deferred Taxes	919,801	8	30,916	-
To augment retained earnings	6,496,917	55	4,048,758	54
<b>Value added</b>	<b>11,988,145</b>	<b>100</b>	<b>7,473,286</b>	<b>100</b>

**Other National Disclosures**

**Five-Year Financial Summary**

**Statement of financial position**

	2024	2023	2022	2021	2020
	₦'000	₦'000	₦'000	₦'000	₦'000
Revenue	312,229,523	182,310,963	100,779,880	71,976,255	41,981,439
Results from operating activities	9,716,207	5,998,257	2,501,081	668,080	(2,113,846)
Profit/(loss) before taxation	9,847,023	5,984,608	2,420,346	325,025	(2,307,673)
Profit/(loss)for the year	6,496,917	4,048,758	1,316,102	339,873	(2,264,145)
<b>Comprehensive income/(loss) for the year</b>	<b>6,496,917</b>	<b>4,048,758</b>	<b>1,316,102</b>	<b>339,873</b>	<b>(2,264,145)</b>

**Ratios**

Earnings/(loss) per share (Kobo)	1,895	1,181	384	112	(743)
<b>Net assets per share (kobo)</b>	<b>8,256</b>	<b>6,594</b>	<b>5,395</b>	<b>5,638</b>	<b>5,526</b>

**Statement of financial position**

	2024	2023	2022	2021	2020
	₦'000	₦'000	₦'000	₦'000	₦'000
<b>Employment of Funds :</b>					
Non current assets	34,016,297	20,313,220	15,815,991	15,544,912	15,834,068
Net current assets	(3,975,475)	3,044,289	3,500,957	2,206,742	1,952,699
Non current liabilities	(1,731,770)	(746,276)	(817,502)	(568,310)	(943,296)
<b>Net assets</b>	<b>28,309,052</b>	<b>22,611,233</b>	<b>18,499,446</b>	<b>17,183,344</b>	<b>16,843,471</b>
<b>Funds Employed</b>					
Share capital	171,442	171,442	171,442	152,393	152,393
Retained earnings	28,137,610	22,439,790	18,328,004	17,030,951	16,691,078
	<b>28,309,052</b>	<b>22,611,232</b>	<b>18,499,446</b>	<b>17,183,344</b>	<b>16,843,471</b>



## **STATEMENT OF COMPLIANCE**

The company has a Securities Trading Policy in place, which guides its Directors, Executive Management, Officers and Employees on insider trading as well as trading of the company's shares. The company continues to carry out its operations in line with procedures consistent with excellence through partnership and transparency.

MRS Oil Nigeria Plc has established a Complaints Management Policy which stipulates guidelines, on responses to feedback from investors, clients and other stakeholders. The Policy provides an impartial, fair objective process of handling stakeholders' complaints as well as an established monitoring and implementation procedure.

The Company efficiently and effectively responds to feedback, to improve and exceed customers' expectations, client experience, as well as to deliver excellence service to its stakeholders.

Based on the recommendations of the Securities and Exchange Commission (SEC), the Nigerian Exchange Limited Listing Rules (as Amended), as well as other international best practices, the company has complied with corporate governance requirements and best practices. MRS Oil Nigeria Plc is committed to the continued sustenance of the principles of sound corporate governance.

The company has made specific enquiry of all directors as to whether they have complied with required standard set out in the listing rules and the company's trading policy and the company is not aware of any non-compliance.

## **WHISTLE BLOWING:**

The Company with all laws in Nigeria that are relevant to its operations. In line with provisions of the Securities and Exchange Commission's Code of Corporate Governance, a whistle Blowing policy exists, for the reporting of serious, actual and suspected concerns of integrity and unethical behavior. An extract of this Policy can be found on the company's website.

## Free Float Computation

### Shareholding Structure/Free Float Status

	31 Dec. 2024		31 December 2023	
Description	Unit	%	Unit	%
Issued Share Capital	342,884,706	100.00	342,884,706	100.00
<b>Substantial Shareholdings (5% and above)</b>				
MRS Africa Holdings Limited	205,730,806	60.0%	205,730,806	60%
First Pen Cust/Asset Management Corporation of Nigeria	35,909,818	10.47%	35,909,818	10.47%
<b>Total Substantial Shareholdings</b>	<b>241,640,624</b>	<b>70.47%</b>	<b>241,640,624</b>	<b>70.47%</b>
<b>Directors' Shareholdings (direct and indirect), excluding directors with substantial interests</b>				
Ms. Amina Maina	37,278	0.01%	37,278	0.01%
Sir Sunday N. Nwosu	5,914	0.00%	5,914	0.00%
Mr Mathew Akinlade	642	0.00%	642	0.00%
<b>Total Directors' Shareholdings</b>	<b>43,834</b>	<b>0.01%</b>	<b>43,834</b>	<b>0.01%</b>
<b>Free Float in Units and Percentage</b>	<b>101,200,248</b>	<b>29.51%</b>	<b>101,200,248</b>	<b>29.51%</b>
<b>Free Float in Value</b>	<b>22,041,413,987.18</b>		<b>10,626,026,026.88</b>	

### Declaration:

(A) MRS Oil Nigeria Plc with a free float percentage of 29.51% as at 31 December 2024, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

(B) MRS Oil Nigeria Plc with a free float value of ₦22 billion as at 31 December 2024, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

**CERTIFICATION PURSUANT TO SECTION 60(2) OF INVESTMENT AND SECURITIES ACT  
NO. 29 OF 2007**

We the undersigned hereby certify the following with regards to our financial report for the period ended 31 Decemebr 2024 that:

- (a) We have reviewed the Report;
- (b) To the best of our knowledge, the Report does not contain:
  - (i) Any untrue statement of a material fact, or
  - (ii) Omit to state a material fact, which would make the statements, misleading in the light of the circumstances under which such statements were made;
- ( c ) To the best of our knowledge, the Financial Statement and other financial information included in the Report fairly present in all material respects the financial condition and results of operation of the company as of and for periods presented in the Report.
- (d) We:
  - (i) Are responsible for establishing and maintaining internal controls.
  - (ii) Have designed such internal controls to ensure that material information relating to the Company, particularly during the period in which the periodic reports are being prepared;
- ( e ) We have disclosed to the Auditors of the Company and the Audit Committee;  
Any fraud, whether or not material, that involves management or other employees who have significant roles in the Company's internal controls.



**Mr. Marco Storari**  
**(Managing Director)**  
**FRC/2020/003/00000022083**



**Mr. Salami Muideen**  
**(Chief Finance Officer)**  
**FRC/2024/PRO/ICAN/001/099517**



**Chief Amobi D. Nwokafor**  
**(Director)**  
**FRC/2013/ICAN/00000002770**

**27 March 2025**