2022

Annual Report & Accounts

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www.mrsoilnigplc.net

MRS Oil Nigeria Plc

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"... 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."

OUR VISION

To be the leading integrated African Energy Company recognized for its people, excellence and values.

OUR MISSION

To be the preferred fuel marketer in the hearts and minds of the customers, mostly recognized because of the reliability, quality, cleanliness, and safety of the product and services offered.

OUR VALUES

1. Performing our job with the highest integrity and ethics.
2. Respect the laws of the countries we operate in.
3. Training our people to become the best professionals.
4. Being fair and honest towards the stakeholders we deal with.
5. Applying our standards and procedures consistently across the corporation.
6. Creating an attractive and competitive total Shareholders' return for our stakeholders.

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 outlets and kiosks acquired from the said multinational retail Company, on lease terms. It also entered into the aviation business.

On the 12th 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 1st 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 20th of March 2009, there was an acquisition of Chevron Holdings Limited, (a Bermudian Company) by Corlay Global S.A. 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.

Currently, 342,884,706 shares are held by about 24,955 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 relate products in Nigeria.

With about 91 active Company owned outlets and 95 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.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty–Fourth Annual General Meeting of MRS Oil Nigeria Plc will hold at the Federal Palace Hotel,Ahmadu Bello Way, Victoria Island, Lagos, Nigeria, on August 3rd, 2023 at 11:00 a.m. to transact the following business:-

ORDINARY BUSINESS:

1. To lay the Audited Financial Statements for the year ended 31 December 2022 and the Report of the Directors together with the Audit Committee and Auditors Report thereon.
2. To re-elect/elect Directors under Articles 90/91 of the Company's Articles of Association.
3. To authorize the Directors to fix the remuneration of the Auditors.
4. To elect the Members of the Audit Committee.
5. To disclose the remuneration of the Managers of the Company.

SPECIAL BUSINESS:

To consider and if thought fit, pass the following resolutions as Ordinary Resolutions:

6. "To fix the remuneration of the Directors".
7. "To renew the general mandate for Related Party Transactions".

VOTING BY INTERESTED PERSONS:

In line with the provisions of Rule 20.8(h) Rules Governing Related Party Transactions of Nigerian Exchange Limited, interested persons have undertaken to ensure that their proxies, representatives, or associates shall abstain from voting on the Special Business in item 7 above.

To consider and if thought fit, pass the following resolutions as Special Resolutions:

8. That the Articles of Association of the Company be and are hereby altered by deleting the present Article 46 and subsisting same with the following new Article:

   Article 46 ''The allotment of new shares in the Company shall be issued to existing and non-existing Members directly or at the discretion of the Directors and as circumstance(s) may require from time to time''.

9. That the Articles of Association of the Company be and are hereby altered by deleting the present Article 49 and subsisting same with the following new Article:

   Article 49 ''The Company shall in each calendar year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year and shall specify the meeting as such in the notice calling it and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The General meeting of the Company may, at the discretion of the Board hold either physically or hybrid as circumstances may require".

10. That the Articles of Association of the Company be and are hereby altered by deleting the present Article 64 and subsisting same with the following new Article:

    Article 64 "Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands or electronically every member present in person, by proxy and/or virtually shall have one vote and on a poll, every member shall have one vote for each share of which he is the holder''.

11. That the Articles of Association of the Company be and are hereby altered by deleting the present Article 131 and subsisting same with the following new Article:

    Article 131 "A notice of Annual General Meeting and other Meetings may be given by the Company to any member either personally or by electronic means via the registered electronic mail address".

NOTES:

i. Proxy:

A Member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy in his/her stead. A proxy need not be a member of the Company. All instruments of proxy should be duly stamped by the Commissioner of Stamp Duties and deposited at the Registrar's Office, First Registrars & Investor Services, Plot 2, Abebe Village Road, Iganmu, Lagos, not later than 48 hours before the time for holding the Meeting. A corporate body being a member of the Company is required to execute a proxy under seal. A blank proxy form is attached to the Annual Report and Accounts and may also be downloaded from the Company's website at **(http://mrsoilnigplc.net/investor/index.html).**

ii. Shareholders Right to Ask Questions:
Prior to the Meeting, Members have a right to ask questions regarding concerns or observations that may arise from the 2022 Annual Report and Accounts, in writing and during the Annual General Meeting. Provided, that the questions in writing shall be submitted to the Company, not later than July 13 2023. The 2022 Annual Report and Accounts of the Company is available on the Company's website at www.mrsoilnigplc.net.

iii. Register of Members and Transfer Books:
The Register of Members and Transfer Books of the Company will be closed from July 3, 2023 through July 7, 2023 (both dates inclusive) to enable the preparation of an up to date Register and Bonus Issue.

iv. Nomination for the Audit Committee:
In accordance with section 404 (6) of the Companies and Allied Matters Act, 2020, any member may nominate a Shareholder as a member of the Audit Committee, by notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

v. Unclaimed Dividends:
Several dividends remain unclaimed and are yet to be presented for payment. We therefore urge all Shareholders who are yet to update their contact details to kindly contact the Company's Registrar or the Company Secretary.

vi. E-Dividend/Bonus Mandate:
Notice is hereby given to all Shareholders to open a bank account, stockbroking account, and CSCS account for the purpose of payment of dividend/bonus issue. A detachable e-dividend/e-bonus mandate form, can be detached from the Annual Report for your convenience. The aforementioned form can also be downloaded from the Company's website at www.mrsoilnigplc.net or www.firstregistrarsnigeria.com/download-forms. Kindly fill out the form and submit it to the Company's Registrar.

Duly completed forms should be returned to First Registrars and Investor Services Limited, Plot 2, Abebe Village Road, Iganmu, Lagos or via email at info@firstregistrarsnigeria.com.

vii. E-Report:
The electronic version of the 2022 Annual Report and Accounts is available online for viewing and downloading via the Company's website.

viii. The Securities and Exchange Commission (SEC) Rule on Complaints Management Framework:
Please note that SEC Rule No. 10(a) enjoins Shareholders who have complaints to register same on the website of the Company at www.mrsoilnigplc.net. This will ensure complaints from Shareholders are handled in a timely, effective, fair and consistent manner.

ix. Closure of Dividend 37:
In accordance with Section 432(2) of the Companies and Allied Matters Act, 2020 regarding dividends that are unclaimed for over twelve years, the Board at its meeting on March 29, 2023 approved the recall of Dividend 37 into the Company's account effective July 27, 2023. No further dividend will be paid to Shareholders from this dividend.

x. Biographical Details of Directors for Re-election/Election:
The biographical details of Directors standing for re-election/election are provided in the 2022 Annual Report and Accounts of the Company on page 30 to 31.

xi. Website:
A copy of this Notice, a list of unclaimed dividends for the year ended 31 December, 2022 and other information relating to the AGM can be found on the Company's website – www.mrsoilnigplc.net

(BY ORDER OF THE BOARD)

O.M. Jafojo (Mrs.) FCIS
Company Secretary
FRC NO: 2013/NBA/00000002311

Registered Office
2, Tincan Island Port Road,
Apapa, Lagos,
Nigeria.

Dated: March 29, 2023

RESULTS AT A GLANCE

YEAR ENDED 31 DECEMBER 2022

YEAR ENDED 31 DECEMBER	2022 NGN'000	2021 NGN'000
Revenue	100,779,880	71,976,255
Cost of Sales	(92,204,953)	(68,148,850)
Tax (charge)/credit	(1,104,244)	14,848
Profit for the Year	1,316,102	339,872
Proposed Dividend for the Year		
Bonus Issue Reserve		
Net Assets per 50k Share	53.95	56.38
Earnings per 50k Share (Naira)	3.84	1.12

CORPORATE INFORMATION:

RC 6442

BOARD OF DIRECTORS	
Mr. Patrice Alberti	Chairman
Mr. Marco Storari	Managing Director
Ms. Amina Maina	Non-Executive Director
Mr. Matthew Akinlade	Independent Director
Sir. Sunday Nnamdi Nwosu	Non-Executive Director
Dr. Amobi Daniel Nwokafor	Non-Executive Director
Mrs. Priscilla Ogwemoh	Non-Executive Director
REGISTERED OFFICE	2, TinCan Island Port Road Apapa Lagos
COMPANY SECRETARY	Mrs. O. M. Jafojo 2, TinCan Island Port Road Apapa Lagos
REGISTRAR	First Registrars and Investor Services Limited Plot 2, Abebe Village Road, Iganmu Lagos PMB 12692 Marina Lagos
AUDITOR	Deloitte & Touche Civic Towers Ozumba Mbadiwe Avenue, Victoria Island, Lagos
PRINCIPAL BANKERS	Access Bank Plc Coronation Merchant Bank Limited Fidelity Bank Plc First Bank of Nigeria Limited First City Monument Bank Limited Globus Bank Limited Polaris Bank Plc Stanbic IBTC Bank Plc Standard Chartered Bank Nigeria Limited Sterling Bank Plc Union Bank of Nigeria Plc Unity Bank Wema Bank Plc Zenith Bank Plc

LEADERSHIP TEAM

Marco Storari
Managing Director

Samson Adejonwo
Chief Finance Officer

Muideen Salami
Account Manager

Abraham S. Unubi
Quality Assurance Quality
Control Manager

Dhikrullah Ameen-Ikoyi
Treasury Manager

Nkem Fasanmi
Supply Manager

Abdulrazaq Suleiman
Engineering and Project Manager

Oluwakemi M. Jafojo
Company Secretary

Sunday Oyekale
Chief Internal Auditor

Mahmud Mohammed
Logistics Manager

Col. Adebisi Adesanya
Chief Security Officer

Olawale Badru
Chief Legal Counsel

Oluwatoyin Olufunso-Godson
Brand and Customer Service Manager

Donald Oghuma
Sales and Marketing Manager

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 2022 and the results of its operations, cash flows and changes in the equity for the year ended, in compliance with the International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matter Act, 2020 and the Financial Reporting Council of Nigeria Act, 2011.

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

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; 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 2022 were approved by Directors on March 29, 2023.

On behalf of the Directors of the Company

Mr. Marco Storari
Managing Director
FRC/2021/003/00000022038

Chief Dr. Amobi D. Nwokafor
Director
FRC/2013/ICAN/00000002770

2023 CHAIRMAN'S STATEMENT

MRS OIL NIGERIA PLC

INTRODUCTION

Ladies and Gentlemen, it is with immense pleasure that I welcome our esteemed investors, Board members, the Press, committed and dedicated employees and customers to the 54th Annual General Meeting of MRS Oil Nigeria Plc.

The unwavering support of our internal and external stakeholders towards the continuous growth of the business is recognized and deeply appreciated. Despite the challenges of 2021, your confidence in MRS is demonstrated by your continued investments in the Organization as a brand of first-choice in the Nigerian Downstream Sector. It is indeed my desire to present the Annual Report and Accounts for the financial year ended 31st December 2022.

2022 was marked by notable accomplishments and hurdles and I am pleased to announce that MRS emerged stronger and more resilient. Despite unparalleled global events, the MRS team demonstrated remarkable determination and adaptability, to navigate uncertain times and deliver solid results.

This year's report highlights the Company's progress towards the achievement of strategic objectives and insights into the future. I thank you for your continued support and invite you to join me in reflecting on these accomplishments as we look forward to what lies ahead. This report shall address the Company's reporting precedence, with a detailed look at key factors across several local, national and global situations, that influenced the operations and performance within the year under review.

THE 2022 OPERATING ENVIRONMENT:

2022 will be etched in the memories of countless households, businesses, policymakers and economic experts in Nigeria. It was a year that presented a mixture of economic obstacles including the repercussions of the COVID-19 fiscal stimulus, the aftermath of Russia's invasion of Ukraine that curtailed output growth not only in Nigeria but globally. With no credible basis in place to track the ease of doing business in Nigeria due to the discontinuance of the World Bank 'Ease of Doing Business' report, reference can only be made to the series of events that impacted the operating sphere in 2022; this is in the view to decipher whether or not the business environment was supportive. The following economic disruptors were identified in 2022:

Insecurity: This has always been a major disruptor of economic activities in Nigeria and in 2022, it was indeed evident that significant reforms were imperative to ensure the safety and security of all Nigerian citizens. The pervasive insecurity affected every region of the country, with varying degrees of violence and instability, preceding the general elections. Nigeria's security challenges have become exceedingly complex and a comprehensive response is necessary to overcome the situation. Insurgency, banditry, organized kidnapping and other forms of criminality have fueled the illicit trade in small arms and light weapons, exacerbating insecurity in the country.

The security situation in 2022 escalated to the point where the United States of America in October 2022 issued a security alert over the risk of terror attacks in Nigeria – with particular emphasis to the Federal Capital Territory. In addition, rising violence, insecurity and other challenges has reportedly cost Nigeria 11% of its GDP, with NGN119 billion lost and projects worth NGN12 trillion have been abandoned across the country. In the eastern states, businesses continue to suffer from the weekly sit-at-home measures. It is evident that Nigeria's security concerns are multifaceted and require urgent attention to restore peace and stability to the Nation.

Nigeria experienced a rise in inflation rate for the 10th consecutive month in November 2022 according to the National Bureau of Statistics (NBS). The Consumer Price Index, which measures the prices of goods and services, showed an increase of 21.47% in November 2022 compared to the same period in 2021. This is the highest rate of inflation ever recorded since 2005. The report attributed the increase in inflation rate to high demand during the festive season, currency depreciation and increase in energy costs.

Furthermore, Nigeria's lingering fuel scarcity from February 2022, worsened towards the end of the year, leading to a rise in transportation costs and significant impacts on the prices of goods and commodities. In November, the year-on-year food inflation rate was recorded at 24.13%, marking a 6.92% increase from the rate recorded in November 2021 (17.21%).

According to the National Bureau of Statistics, the prices of gas, liquid fuel, passenger air transport, vehicle spare parts and solid fuel experienced the highest increases in 2022, thereby impacting the cost of business operations. To combat inflation, the Central Bank of Nigeria (CBN) implemented measures to tighten the monetary policy, including raising interest rates from 11% in January to 14% in July. Despite these efforts, the World Bank reported in March that approximately 40% of Nigerians live below the national poverty line.

In 2022, the Naira experienced a decline in both the official and black-market exchange rates due to persistent forex scarcity in the local economy. At the official market, the Naira ended the year at NGN465.50, indicating a 6.1 percent depreciation from the beginning of the year when it traded at NGN435.00 per dollar. Similarly, the parallel market witnessed a further plunge in the local currency against the dollar, with the exchange rate falling to almost NGN1000 per dollar in the fourth quarter of 2022 from a range of NGN561.00 to NGN570.00 per dollar at the beginning of the year. The scarcity of dollars was mainly caused by a decline in foreign reserves and a surge in the demand for foreign currency to pay for import bills, school fees and other demands.

The Naira also depreciated as a result of the CBN's decision to withdraw higher Naira notes from the economy, to tackle fraud, inflation, and insecurity, which caused the black-market exchange rate to fall by 2.64 per cent to NGN775.00 per dollar. Despite the Naira's later appreciation to NGN735 and NGN745 per dollar, the spread between the official and parallel market exchange rates remained significant; the most in six years. The persistent Naira depreciation led to mounting pressure on domestic prices of goods and services, especially food prices and ultimately led to the exit of hundreds of businesses from Nigeria.

The latest data on Nigeria's power sector reveals a drop in available generation capacity from 6,336.52MW in 2021 to 5,346.82MW in 2022. In 2021, the average quantum of electricity utilized was 4,118.98MW, which dropped to 3,940.54MW in 2022. Since the sector was privatized in 2013, the average available generation capacity has fluctuated between 4,000MW and 7,700MW. In 2022, Nigeria experienced several total or partial grid failures, which have been attributed to transmission infrastructure failures. There are now increased calls for the privatization of the Transmission Company of Nigeria (TCN) to address these issues.

The TCN claims a total transmission capacity of 7,500MW, which falls short of the available generation capacity of 12,522MW. While significant focus has been given to Distribution Companies (Discos), which are closer to end-users, there are significant improvements required from a transmission standpoint to improve energy access and efficiency in the country. Another area of focus for the Nigerian government was alternative energy. Subsequently, the Nigerian Government commenced talks with India to enhance its solar energy capacity and infrastructure.

This proposed collaboration aims to enhance not only solar energy, but also finance technology (Fintech) and artificial intelligence. It is worthy of note that, India has one of the highest installed capacities of solar energy worldwide, accounting for roughly 6.5% of the global cumulative capacity. Therefore, it is praiseworthy that the Federal Government of Nigeria is focused on exploring other options to boost power in the country; as this has impacted on the cost of business operations.

In 2022, Nigeria's debt profile remained an existing cause for concern. According to a recent statement by the Debt Management Office (DMO), Nigeria's debt profile continued to rise and increased by over NGN1 trillion within June and September 2022. By September 2022, Nigeria's total debt stock was NGN44.06 trillion, compared to NGN42.84 trillion recorded on June 30, 2022. The proposed plan to borrow an additional NGN11 trillion to finance the 2023 budget deficit could leave President Muhammadu Buhari with a debt profile which exceeds NGN55 trillion when he leaves office. In the first quarter of 2022, Nigeria spent an average of NGN9.94 billion solely on debt servicing. This is quite worrisome as experts have cautioned that Nigeria's debt servicing to revenue ratio is considerably high compared to other countries with a similar debt to GDP ratio.

On Foreign Direct Investment, Nigeria recorded a win. Between January and May 2022, Nigeria received $223.3 million in Foreign Direct Investments (FDI), indicating a 3.7% increase from the $215.3 million received in the same period the previous year.

However, in comparison to the corresponding period of 2020, FDI decreased by 7.5% from $241.5 million as reported by the Central Bank of Nigeria (CBN). Despite the recorded increase, the economy still suffered a setback as the inability of foreign investors to withdraw their funds from the Nigerian economy had a negative impact on Foreign Direct Investment inflows into the country. The International Air Transport Association (IATA) reported that Nigeria is withholding approximately $450 million in revenue belonging to foreign airlines due to forex shortages. Last year, in a bid to recover its revenue, Emirates Airlines suspended its flight operations to Nigeria, but resumed passenger scheduled flights in December 2022.

Similarly, British Airways (BA) removed inventory on Nigeria from the Global Distribution System (GDS), which prevented local travel agencies from making bookings from their portals. Following several meetings to resolve the impasse, the Central Bank of Nigeria (CBN) released $265 million to foreign airlines operating in the country to settle outstanding ticket sales. However, the problem has not been entirely resolved. This issue has discouraged foreign investors from bringing their money into the economy, further exacerbating the shortage of foreign exchange and leading to a decline in the value of the local currency.

According to IATA, the growing accumulation of blocked funds belonging to international airlines in Nigeria sends a negative message to potential foreign direct investors. Investors have continued to observe the situation and may be discouraged from further investments in Nigeria, particularly as the country plans to attract investments for the concession of its major airports and boost its e-commerce industry whose businesses rely on global supply chains which depends on the aviation industry to succeed. Air cargo also plays a crucial role in connecting suppliers, manufacturers and distributors across international borders as well as facilitating the smooth movement of goods.

This situation may, in turn affect other downstream sectors of the aviation industry, such as travel agencies, freight forwarders and ground handling companies which could lead to job losses. Furthermore, its adverse impact could also extend to the downstream sector of the Oil and Gas industry which rely on the patronage of the airlines.

The threat of climate change is a global issue that presents itself in various forms across different regions. In 2022, Nigeria saw firsthand the impact of climate change with its experience of unprecedented levels of flooding resulting in significant damage. From June through October 2022, the National Emergency Management Agency (NEMA) recorded numerous incidents of flooding across 15 states, which submerged thousands of hectares of farmland, left hundreds dead and displaced 1.3 million people. This triggered varied experiences of fuel shortage as Nigeria hauls over 98 percent of Premium Motor Spirit by road and due to the flood, distribution of petroleum products to affected states came to a halt thereby impacting the activities of the downstream sector.

Furthermore, the flooding had a detrimental impact on agricultural productivity and resulted in the loss of arable land and disrupted farming cycles. Considering the food insecurity challenges in Nigeria, mostly due to conflict and inadequate infrastructure, the United Nations Food and Agriculture Organization (FAO) estimated that between June and August 2022, 19.4 million Nigerians experienced food insecurity. The inflation rate in Nigeria was at a 15-year high of 20.8% in September 2022 and lower agricultural production only worsened an already bad situation.

Ten of the affected states were crucial producers of major food crops, with rice production facing the most significant risk. OLAM, the leading rice producer in Nigeria, responsible for 25% of domestic production and 18% of total consumption, disclosed that its Nasarawa farm was entirely submerged in water. The agriculture sector accounts for a quarter of the GDP and the situation led to a considerable slowdown in the national economy. With food and energy prices being significant drivers of inflation trends, it is vital for the Nigerian Government to intensify its efforts to mitigate future occurrences.

The academic environment was also impacted in 2022. The Academic Staff Union of Students (ASUU) embarked on a strike action that lasted for 8months. This action by Nigerian Universities, by all 49 federal universities and some state universities, had significant impact on the country's economy. It was estimated that economic activities in Nigerian universities declined by 80% to 60%, leading to a number of SMEs becoming impoverished. The closure of Universities also resulted in the loss of primary customers, such as students and lecturers, for businesses operating in and around university communities. This put the livelihood of many business owners at risk which in turn affected their employees and families.

Despite the gloomy nature of the operating environment in 2022, we remain optimistic. According to the World Bank, research has shown that previous periods of economic reform and growth in the 2000s demonstrate that Nigeria's economy can quickly turn around and its considerable economic potential could be realized if reforms are implemented to stabilize macro-fiscal policies and support investment. Such reforms would benefit not only 80 (eighty) million poor Nigerians, but also Nigeria as a whole and Africa.

It is therefore imperative that the Nigerian government makes reform choices, including the restoration of macroeconomic stability through measures that reduce domestic and external imbalances, boosting private sector development and competitiveness by eliminating productivity constraints; and the expansion of social protection to safeguard the poor and most vulnerable. Specific policies that could be implemented through the adoption of a single market-responsive exchange rate, the removal of the petrol subsidy and the increase of oil and non-oil revenues.

THE ECONOMIC ENVIRONMENT
THE GLOBAL ECONOMIC ENVIRONMENT

Despite an uptick in economic activity following a decrease in COVID-19 cases worldwide, global growth decelerated from 6.0% in 2021 to 3.2% in 2022, marking the weakest growth rate since 2001, with the exception of the global financial crisis and the acute phase of the COVID-19 pandemic. A key factor that contributed to the sluggish global growth is the general tightening of the monetary policy, due to the overshooting of inflation targets.

Additionally, China's strict lockdown, associated with its zero COVID-19 policy, also had a detrimental impact on the world economy. Shutdowns and weakness in the property market caused a decline in China's growth to 3.2% in 2022. To restore price stability, monetary policy should continue its current course, while fiscal policy should aim to ease the cost-of-living and maintain an alignment with the monetary policy. Structural reforms can also support the fight against inflation by improving productivity and alleviating supply constraints. Another reason for the decline in global economic growth is Russia's war against Ukraine. This has significantly impacted economic growth and put pressure on prices, especially for food and energy.

Global GDP stagnated in the second quarter of 2022 and output decreased in G20 economies. High inflation persisted for longer than expected, with inflation levels reaching their highest in many economies since the 1980s. The war in Ukraine has led to a global rise in food prices despite the agreement on Black Sea grain exports. Inflation worldwide rose in 2022 due to a further increase in energy and food prices, as the war caused a broadening of inflationary pressures. Countries with diets heavy in wheat and corn, those more dependent on food imports and those whose diets contain a significant proportion of foods with high pass-throughs from global to local prices have suffered the most. The impact has been particularly severe for low-income countries whose citizens were already experiencing acute malnutrition and excess mortality before the war, with sub-Saharan Africa being the hardest hit, as food accounts for approximately 40 percent of the region's consumption basket.

Furthermore, this conflict also impacted gas supply all over the world. The decreasing supply of gas to Europe intensified the existing tensions in global commodity markets, leading to a surge in natural gas prices. The impact of the gas supply cuts, particularly affected European economies including Germany. The uncertainty around energy supplies caused slower real economic activity in Europe, particularly in the manufacturing sector, affecting consumer and business confidence. The war in Ukraine has resulted in the displacement of millions of people, the loss of human life, and damage to physical infrastructure.

In addition to sanctions aimed at pressuring Russia to end hostilities, the European Union imposed embargoes on coal imports and is taking steps to ban seaborne oil imports and maritime insurance in 2022. The decline in exports from Russia, particularly of gas, has severely affected fossil fuel trade, with Russian pipeline gas flow to Europe down to about 20% of its level in 2021. The economic repercussions of the war are still being felt in Europe, with higher energy prices, weaker consumer confidence and slower momentum in manufacturing, resulting to persistent supply chain disruptions and rising input costs.

The World Bank forecasts that global inflation will rise from 4.7% in 2021 to 8.8% in 2022 but will then decrease to 6.5% in 2023 and 4.1% by 2024. In comparison to the Organization for Economic Co-operation and Development (OECD's) December 2021 projections, global GDP in 2023 is now anticipated to be at least USD 2.8 trillion less, due to Russia's aggression towards Ukraine. This gives a sense of the economic cost of the conflict worldwide.

THE DOMESTIC ECONOMIC ENVIRONMENT

Although Nigeria experienced GDP growth above 3% in the first half of 2022, growth decelerated in the third quarter of the year. The services sector continued to be the driver of Nigeria's growth, led by improved performance in trade and ICT. Other services sub-sectors such as transport and storage, finance and insurance posted strong growth in the third quarter. Deceleration of growth in the third quarter of 2022 points to the impact of inflation on aggregate demand. It was recorded that the inflationary situation in Nigeria was the worst in recent history. Nigeria's agricultural sector posted weak output growth owing to rising food prices and low productivity. The National Bureau of Statistics (NBS) reported that the performance of the agriculture and industry sectors reduced in 2022 relative to 2021, while the performance of the services sector improved in 2022.

Although the agriculture sector grew by 2.05 per cent in the period under review, its performance was significantly hampered by severe incidences of flood experienced across the country, accounting for lesser growth relative to the fourth quarter of 2021 which was 3.58 per cent. The industry sector was also impacted, recording a -0.94 percent growth and contributing less to the aggregate GDP relative to Q3 of 2022 and the Q4 of 2021. Agriculture and industry have been impacted by insecurity and the quantitative effect of the floods that occurred towards the end of Q3. These sectors lost a lot in terms of farm produce, especially for agro-allied industries. The situation was complicated by the heavy floods, persistent foreign exchange challenges and infrastructure deficit, all of which constrained growth of these two sectors in subsequent quarters.

The NBS reported that the Gross Domestic Product (GDP) growth of the country declined from 3.4 per cent in 2021 to 3.1 per cent in 2022. Although the 3.1 per cent is a marginal slowdown, it is considered a good performance. While international bodies like the World Bank and International Monetary Fund revised their 2022 growth projection downwards, the economy managed to pull 3.1 per cent. Despite the recorded challenges, the Nigerian economy demonstrated remarkable resilience in 2022. However, there are still concerns about the devastating effects of these challenges on citizens and small and medium-sized enterprises (SMEs). The World Bank reported that 5 million Nigerians fell into poverty in 2022 due to a 35 percent decrease in purchasing power caused by surging inflation. Furthermore, the NBS reported in the Multidimensional Poverty Index (MPI) that 133 million Nigerians lived in poverty out of a population of over 200 million. The report revealed the dire impact of poverty on children's health, education and nutrition, with 67.5 percent of children under 18 and 70.1 percent of children under 5, living in poverty.

It is worthy of mention that some sectors, such as Oil and Gas, manufacturing and the food and beverage sectors experienced contractions in the third quarter of 2022. Overall, the Nigerian economy faces numerous fiscal and monetary policy shocks and it remains to be seen how it will perform in the coming years.

Another key event that occurred in the Nigerian economic space in 2022 was the Finance Act which became effective on January 1, 2022. In December 31, 2021, Nigeria's President Muhammadu Buhari signed the Finance Bill 2021, also known as the Finance Act. The Act made more than 40 changes to Nigeria's existing tax and regulatory laws, including the Capital Gains Tax Act, Companies Income Tax Act, Personal Income Tax Act and Value Added Tax Act, among others. The main objective of these amendments was to clarify certain provisions in the existing laws that are relevant to business activities in Nigeria. This notification outlines the essential changes to the tax laws and regulatory legislation (including sector-specific considerations) as stipulated in the Act and their impact.

THE POLITICAL ENVIRONMENT

In 2022, political activities took center stage as politicians, political parties and Nigerian citizens prepared for the 2023 general elections. Despite facing series of internal challenges, all the major political parties held primaries to select candidates for various positions. The 2022 electoral campaign in Nigeria could be considered as the most social media-driven campaign in the country's history, with millions of young citizens actively advocating for their political interests online. The democratization of the public space lent a voice to those who were previously unheard, allowing them to express their political views and opinions on social media.

One key event in the political space in 2022 was President Muhammadu Buhari finally signing the Electoral Amendment Bill into law in February 2022 after the series of rejection due to reasons ranging from the cost of elections, insecurity, drafting errors and proximity to the election date. This law allows INEC to review results made under duress or financial inducement, extend the campaign period from 90 to 150 days and permit the use of technology to determine the mode of voting and transmission of results. However, instead of reducing the role of money in politics, the law has increased the campaign finance limit of presidential candidates from N1 billion to N5 billion and the limit for other elected positions has also been increased. Nevertheless, there has been no efforts made to improve the scrutiny of compliance limits, the probability is that they will be exceeded. Despite the identified downside to the Act, political experts believe that this law could address situations where inaccurate results are reported, expand the opportunity for politicians to visit remote areas and improve the process of aggregating results.

Despite the efforts made by this administration to ensure a free and fair election, there were records of violent attacks on the election commission offices which raised concerns about insecurity and political instability in the country ahead of the elections. It must be taken into consideration that one major barrier to economic progress in Nigeria is political instability. This view is based on the notion that it obstructs the development of long-term policies and thus, policymakers are restricted to short-term macroeconomic policies which negatively impacts the performance of different economic sectors.

THE OIL AND GAS INDUSTRY 2022 A GLOBAL PERSPECTIVE

The global Oil and Gas industry in 2021 was characterized by significant unpredictability and susceptibility to volatility, owing to fluctuations in consumer demand, price fluctuations and geopolitical tensions that disrupted supplies. Russia's invasion of Ukraine in 2022 and its negotiations regarding a new nuclear agreement with Iran, further complicated the energy landscape. The consequences of the COVID-19 pandemic persisted, with supply chain challenges and vaccination mandates, as well as China's stringent health regulations impacting the growth of energy demand.

Despite the current situation of tight oil supply and disruptions pushing prices to nearly an all-time high, there was a forecast of an excess supply scenario occurring later in the year or early 2023, if OPEC reverses its supply cuts and the expected growth of U.S. unconventional production materializes. If this happens, it could lead to an oversupply situation, coupled with the likelihood of a new nuclear agreement with Iran, which could add to the volume of new oil entering the market. This situation implies that volatility in the industry is expected to persist in the foreseeable future. As the world confronted the most severe global energy crisis in history, the industry faced disruptive market forces in 2022.

The decision of the OPEC+ group to drastically reduce oil supplies to the market disrupted the oil supply growth trajectory for 2022 and beyond. This led to higher prices, exacerbating market volatility and raising energy security concerns. In September, benchmark crude oil prices surged by about $14/bbl, with Brent approaching triple digits. In September, global oil supply increased by 300 kb/d, reaching 101.2 mb/d, with OPEC+ accounting for over 85% of the gains. While there was a significant 2.1 mb/d increase in oil supply from Q2 2022 to Q3 2022, the growth was projected to slow down considerably to 170 kb/d from Q3 2022 to Q4 2022. This was due to the OPEC+ group's decision to reduce official production targets by 2mb/d from November onwards, resulting in a 1mb/d cut to actual output as the group has underperformed vis-à-vis quotas.

The refining industry globally adjusted to reduced demand and smaller profit margins, leading to a lower than anticipated activity level in the third quarter. Consequently, forecasts for the fourth quarter of 2022 and 2023 have been reduced by 340 kb/d and 720 kb/d, respectively, due to OPEC+ production cuts and a decrease in demand. In 2022, there was an expectation to increase by 2.2

mb/d, followed by a 1.2 mb/d increase in 2023.

In September 2022, Russian oil exports experienced a decline of 230 kb/d, falling to 7.5 mb/d. This figure indicates a drop of 560 kb/d from pre-war levels. There was a month-on-month decrease of 390 kb/d in shipments to the EU. Despite a ban on Russian crude oil imports, EU countries are yet to diversify more than half of their pre-war import levels away from Russia. Consequently, this situation has resulted in a $3.2 billion reduction in the country's export revenues, which now stands at $15.3 bn.

Another event worthy of mention is the activity of OPEC. The OPEC alliance, led by Saudi Arabia and comprising of 13 nations and 10 other countries including Russia, have incited the ire of the US by deciding to decrease production by two million barrels per day in November 2022, thereby adding more upward pressure on crude oil prices. President Joe Biden's administration swiftly condemned the move as they hoped for a decline in prices ahead of the November midterm elections. Moreover, the decision was also criticized for Saudi Arabia's alleged support to Russia's war in Ukraine. Each member of the OPEC+ group prioritizes their country and the industry's interests, which depends on a balance between supply and demand. Despite the perception of the West, the UAE still maintains its commitment to stabilizing the oil market and its readiness to support any necessary actions to achieve that objective.

Moreover, the sector has experienced mounting scrutiny from environmental and social advocates who challenge its "social permission" to function, raising worries about pollution and the effects of climate change. Despite this pressure having persisted for many years, it has heightened considerably with the escalating menace of global warming.

A DOMESTIC PERSPECTIVE

During 2022, the Nigerian oil sector encountered a number of challenges, with one of the most prominent being, the fuel scarcity crises that impacted different regions of the country and disrupted businesses. The country's oil revenues saw a significant decline in the first half of the year due to decreased production caused by crude oil theft and pipeline vandalism. This situation, made worse by the escalating crude oil theft, hampered Nigeria's developmental goals as the country heavily depends on oil revenues to meet its needs. This year, Nigeria's inability to refine oil domestically resulted in a considerable portion of its oil revenues being spent on importing petroleum products and providing subsidies. Additionally, the high cost of oil due to the Russia-Ukraine war also increased the landing cost of petrol, resulting in higher subsidy payments.

In February 2022, there was the importation and distribution of petroleum products, that were below standard, also known as off-specification products. The government discovered that the products had a high level of methanol content, which is quite harmful. The substandard products were supplied to the country, due to the failure in the quality detectors to identify the high methanol content on arrival. The government made efforts to replace the substandard products nationwide and this inadvertently led to fuel scarcity in the country. With several allegations leveled against certain marketers by the authorities, MRS maintained its commitment to the distribution of products as availed by the Nigerian National Petroleum Company (Limited); the entity responsible for importation of fuel.

Vandalism of oil and gas infrastructure was on the increase in 2022. In a report by the Nigerian National Petroleum Corporation Limited, it was revealed that as at April 2022, the country had already lost $1.5 billion due to increased vandalism. In September, NNPC reported that the country had lost 470,000 barrels of crude oil, amounting to $700 million, to oil theft alone. Additionally, in October, NNPC discovered an illegal oil connection from Forcados Terminal that had been operating for nine years. It was also disclosed that 395 illegal refineries were shut down. On November 16, the Nigerian Navy seized a foreign ship and detained 27 foreigners who were charged with illegally operating in Nigerian waters and attempting to export crude oil without clearance. Experts estimate that Nigeria loses about 470,000 barrels of crude oil per day, to chronic theft and pipeline vandalism. Security forces are hereby urged to intensify their crackdown on perpetrators and apply the requisite intelligence to uncover these illegal activities, in order for Nigeria to maximize its resources.

The conversion of the Nigerian National Petroleum Company Ltd (NNPC) into a company regulated by the Companies and Allied Matters Act (CAMA) was a significant industry reform. This was done to facilitate private investment in the state-owned company, which would not only support its projects but also larger national initiatives. By transforming into a limited liability company, the NNPC would be able to pursue new partnerships, obtain funding from financial institutions and address funding shortages in joint ventures. In compliance with the provisions of the Petroleum Industry Act (PIA) 2021, the Corporate Affairs Commission completed the incorporation of NNPC Ltd on September 2022.

Referencing the PIA, it is imperative to focus on one critical aspect of its implementation – fuel subsidy removal which is considered as one of the most divisive public discussions in Nigeria in 2022.

For many years, the Nigerian government has subsidized fuel and set the prices of petroleum products. However in 2022, there were persistent issues related to managing petrol subsidies, or the lack thereof, which caused significant problems. As a result, a whooping NGN4 trillion, which is equivalent to about 25 percent of Nigeria's budget, was spent on a single product. The PIA mandates the elimination of fuel subsidies, but this aspect of the law has been delayed until June 2023 when the Muhammadu Buhari administration will have completed its term and handed over power to the next government. The current administration has estimated that maintaining the current form of petrol subsidy will result in a cost of nearly NGN7 trillion for Nigeria in 2023, further increasing the deficit. The World Bank has recommended that Nigeria gradually eliminate the petrol subsidy and allocate fiscal resources towards improving infrastructure, education, and healthcare services.

In 2022 August, it was reported that some of the International Oil Companies (IOCs) were divesting assets worth over N20.8 trillion, as revealed in several reports since 2021. The divestment plans of the four major IOCs - Shell, Eni, Exxon Mobil and Total is still a cause for concern as these companies currently control over 45 percent of Nigeria's oil production assets. However, NNPC prevented the sale of ExxonMobil Nigeria unit shares to Seplat Petroleum Development Company, while Shell's divestment plans were halted by a court case in Port-Harcourt. With the IOCs planning to divest, the Federal Government conducted marginal oil field bid rounds in order to raise production levels.

However, due to delayed payments of fees and bonuses by the winners, licenses for the fields have not been issued, resulting in low investments in the upstream sector and contributing to Nigeria's low crude oil production. Industry experts have emphasized that if licenses were earlier issued, it would have enabled the winners to commence work and increase the country's oil and gas production. The Nigerian government is therefore advised to deepen its engagement with the authority, streamline processes and ensure that operators do not encounter problems. We are optimistic that the marginal field operators would finance the development of the fields and act swiftly to improve the country's crude oil production within 12-18 months.

Focused on improving production levels, the Nigerian National Petroleum Company Limited (NNPC) announced that the 60,000 barrels per day component of the Port Harcourt Refinery was initially set to start operating in December 2022, but due to practical challenges, it was expected to commence operations before the end of the first quarter of 2023. This is in alignment with the Federal Government's plan to halt the importation of petroleum products into the country in 2023. The Minister of State for Petroleum Resources, Timipre Sylva, mentioned that the Dangote refinery, with a capacity of 650,000 barrels per day, as well as modular refineries across the country, would contribute to achieving this goal. He further highlighted that modular refineries such as the Waltersmith modular refinery, in which the NNPC has a 30% stake and the Duport modular refinery, in which NNPC also has a 30% stake, are also set to commence operations in 2023. With the foregoing plans being implemented, we are confident that this would lead to significant reduction in the importation of petroleum products.

Another area worthy of note in 2022, is the rise of gas. Following a relatively successful "Year of Gas" as announced by the Federal Government in 2020, advertised by the program the 'Decade of Gas', to position the country as a major producer and exporter of Gas. In order to maximize the use of its gas resources, the Federal Government declared 2021 to 2030 as Nigeria's 'Decade of Gas'. In an announcement that coincided with the Final Investment Decision (FID) on the Train 7 project by the NLNG (Nigeria Liquefied Natural Gas Ltd). This ambitious plan was to have the Nigerian economy entirely powered by gas by the year 2030 and its intent was to reduce waste and promote the monetization of natural gas.

According to the Nigerian Liquefied Natural Gas Limited (NLNG), there has been a 37.5 percent gas delivery gap year-to-date, resulting in a shortfall of approximately 1.3 billion cubic feet (bcf). This deficit has had a negative impact on the company's revenue generation and its ability to meet both its export and domestic gas delivery commitments. NLNG was only able to fulfill 62.5 percent of the 3.5bcf gas requirement and this was attributed to a number of missed opportunities not within their control. They acknowledged that gas and gas-related issues have been given priority in the last two decades and the awareness commenced with the Nigeria Master Plan and the current Decade of Gas agenda. Consequently, there appears to be a virtual consensus among all stakeholders on the potential for gas to unlock economic development resulting in the implementation of many enabling policies in the oil and gas industry, including the Petroleum Industry Act (PIA).

However, the industry faces continued security challenges that must be addressed through the cooperation of all stakeholders, including the Nigerian National Petroleum Company Limited (NNPC) and the Federal Government. In order for the country to achieve its gas target and attract foreign investment. It is therefore imperative for all industry stakeholders to get fully involved; the incentivization of gas development and Environmental, Social and Governance (ESG) standards should be adopted, while decarbonization should be embraced. This is a call to the Nigerian Government to create an enabling environment for gas-based investments and businesses in order to achieve its goal. Overall, 2023 is set to be an eventful year for the Oil and Gas industry considering all the activities of2022.

THE COMPANY

Ladies and gentlemen, MRS Oil Nigeria Plc (MRS) is a completely integrated and competent downstream player, with various leading positions in the Nigerian Oil industry. As a major player in the indigenous petroleum product marketing industry as well as a first-choice manufacturer of superior lubricating oils and greases, the distribution channels dedicated specifically to the sale of petroleum products are efficiently spread across indigenous retail outlets within the Nigerian market. MRS boasts of a brand that serves as the foundation of all engagements; both now and in the future. We believe in operational excellence targeted at resource optimization for the sake of guaranteeing the highest quality energy products and related services on which the MRS clientele; locally and across the globe, can sustainably rely upon.

Health Safety and Environment (HSE)

The success of MRS's corporate business depends on its ability to continually improve the quality of its services and products, while protecting its people and the environment. MRS is intentional and places emphasis on human health, operational safety, environmental protection, quality enhancement and community goodwill. This commitment is in the best interests of the customers, employees, contractors, stakeholders and the communities in which we live and work.

In 2022, this great Company was committed to the delivery of the following HSE milestones:

- Improved safety culture and employees' engagement, through effective training programs, induction and structured orientation programs.
- Harnessing technology and automation systems to minimize employees' exposure to risks associated with business operations and daily interface with machine and equipment(s), while maintaining focus on the strategic objectives to increase the standard levels and quality of MRS products and services.
- Improved safety climate through on-going upgrades of the retail outlets nationwide to ensure that the environment and the associated health and safety of its employees, customers, suppliers and the public are protected.
- ISO 9001: 2015 implementation and certification to enhance the quality of MRS products and services and the maintenance of safety and customer care excellence.

  The continuous achievement of business success in all fronts of MRS's operations is a journey, not a destination. Therefore in 2023, the HSE plans were consciously developed to enhance this journey:
- ISO 45001: 2018 implementation and certification for MON PLC.
- Safety and Quality improvement programs at the Retail Outlets thereby enhancing direct engagement and participation of all our customers
- Design and develop framework for a transition from HSE Management System to ESG (Environment, Social Governance) in line with global drive that focused on health and safety issues, pollution abatement and cooperate philanthropy.

FINANCIAL RESULTS

In the first quarter of 2022, the Company's performance declined and it was the weakest quarter of the year so far. This is typically expected at the start of a new year, however the following two quarters were encouraging, with revenues of NGN 17.90 million, NGN 24.81 million, and NGN 26.49 billion recorded for Q1, Q2 and Q3 respectively. The revenue performance of the Company year-to-date (September), was NGN 69.15 billion, which is 4% higher than the budgeted revenue of NGN 66.62 billion for 2022 and 30% higher than the actual revenue of NGN 53.23 billion for 2021.

For 2023, there was an ambitious business plan prepared, to achieve a target revenue of NGN 127.87 billion, with an estimated gross profit of NGN 7.03 billion and total expenditures of NGN 5.56 billion, resulting in a net PBT of NGN 1.47 billion. The strategy to achieve this involves positioning the Company to capitalize on opportunities, the retention of existing customers and the acquisition of additional outlets through the RORO model. The improved product sourcing strategies have significantly enhanced the volume performance and MRS continued to improve on these strategies to stay competitive in the market.

The removal of fuel subsidy, as emphasized by the Government in the 2023 budget recently submitted, is expected to transform the oil and gas industry and make history in the country. Stakeholders are optimistic that it will be beneficial to the Nigerian populace. However, despite these positive developments, the increased insecurity and continuous rise in the exchange rates will continue to adversely impact on the business operations, as we look ahead to the upcoming financial year.

NON-PAYMENT OF DIVIDENDS IN 2022

MRS is committed to shareholders' wealth maximization and the efficient conduct of its activities. Consequently, despite the profit recorded in 2022, the Board did not approve the payment of dividends to shareholders as a result of the following :

- To fund identified growth opportunities associated with the Federal Government of Nigeria's decision on fuel subsidy removal. This proactive financial planning will in the long run strengthen the Balance Sheet of the Company and engender shareholders' with the requisite wealth maximization.
- In view of some strategic initiatives which require significant capital investment; the Board has advised that the retained earnings will substantially augment the required funds for the strategic moves aimed at creating long-term value for shareholders; this may outweigh the immediate benefit of dividend distribution.
- Going from the unstable economic and political scene in 2022, it is important to anticipate challenging times ahead despite the recorded profit in 2022. At MRS, we believe that through the maintenance of a strong cash position, the company can navigate uncertainties, such as market volatility or industry-specific risks. This approach is aimed at protecting shareholder value and ensuring the company's sustainability.
- The need to fuel growth and expansion has necessitated the call for reinvesting the recorded 2022 profit back into the business. By retaining these earnings, MRS can allocate funds towards research and development, acquisitions, capital expenditures and strategic initiatives. The reinvestment strategy is aimed at enhancing the company's long-term prospects and would invariably increase shareholders' value.

2023 OUTLOOK IN THE GLOBAL MARKET

In the latest World Economic Outlook report, the IMF has marginally decreased its global growth forecast for 2024 to 3.1%, down from the 3.2% projected in October 2022. This is contrary to its earlier report in 2022 where the International Monetary Fund (IMF) raised its projection for global growth in 2023 slightly, attributing it to the resilience in the demand from the United States of America and Europe, as well as China's reopening following the abandoning its strict COVID-19 restrictions and the reduction in energy costs. However, the IMF continued to anticipate that the pace of global growth will decrease in 2023 compared to 2022, but to a lesser extent than previously predicted in October, 2022.

According to a World Economic Outlook report, the International Monetary Fund (IMF) has released figures warning that the global economy could fall into recession in 2023 as central banks may continue tightening monetary policy to tackle inflation. The report states that there are concerns that this restrictive approach may lead to a recession in major advanced economies. The IMF has revised its prediction for US GDP growth to

1.4% for 2023, up from the 1.0% forecast in October 2022, following robust labour market conditions, strong consumer balance sheets, stronger-than-anticipated consumption and investment in the third quarter of 2022, after the country witnessed 2.0% growth in 2022. The IMF has also upgraded the Eurozone outlook to 0.7%, compared to 0.5% in October 2022, due to Europe's quicker-than-expected adaptation to higher energy costs, despite the region's growth falling from 3.5% in 2022.

The International Monetary Fund (IMF) has significantly increased China's growth projection to 5.2% from the 4.4% forecast of October 2022. In 2022, China's zero-COVID policies resulted in a growth rate of 3.0%, below the global average for the first time in more than four decades. India's outlook remains robust, with unchanged forecasts that predict a dip in 2023 growth to 6.1%, followed by a rebound to 6.8% in 2024, matching the country's performance in 2022.

According to the IMF, the United Kingdom is the only major economy expected to experience a decline in GDP this year, with a projected 0.6% contraction. Households in the UK are struggling with increasing living expenses, such as energy and mortgages.

THE IMPACT OF RUSSIA UKRAINE WAR ON THE OIL AND GAS INDUSTRY

The human, economic and business impacts of Russia's invasion of Ukraine have been significant, with disruption to people's lives, livelihoods, supply chain, industries and economies. The energy sector, like all other sectors, is faced with challenges from current uncertainty. Prior to the escalation of the war, global crude oil prices were on the rise. However, when Russia attacked Ukraine, the price of crude oil in the global market surged from about \$76 per barrel in early January 2022 to over \$110 per barrel by March 4, 2022. The price of crude oil had already increased due to a combination of high demand from the global economic recovery from the COVID-19 pandemic and low investments in the oil and gas industry.

In March 2022, it was predicted that the expansion of the balance between supply and demand would reach 2% as the demand continued to recuperate after the easing of pandemic restrictions. Russia, a significant producer of oil and natural gas, had an average daily production of 10.5 million barrels of liquid fuel products in 2020. The energy markets worldwide were greatly affected by the invasion of Ukraine, especially in Europe, which relies heavily on Russian oil and gas due to the scarcity of these resources in European countries. Hence, Europe plays a vital role in generating revenue for Russia, and the European Union recognizes its reliance on the Russian hydrocarbon industry.

In February 2022, Russia invaded Ukraine, prompting President Biden's administration to issue an executive order on March 8, 2022, which prohibited the importation of Russian oil, natural gas, and coal. Following suit, the United Kingdom declared its intention to ban hydrocarbon products from Russia, while the European Union stated that it would reduce its Russian oil imports by two-thirds. As a result of the conflict, oil and gas prices rose sharply, prompting various measures to be taken to address the impact on the global markets.

To this end, members of the Organization for Economic Cooperation and Development (OECD) released 60 million barrels of oil, equivalent to 12 days of Russian exports, from their strategic reserves into the global market, according to a World Economic Forum (WEF) report. In addition, the United States is tapping into its strategic reserves to address rising gasoline costs and oil and gas producers have been encouraged to increase their output to meet global demand.

Countries that heavily depend on Russian hydrocarbon imports are exploring alternative sources to fulfill their energy needs. This circumstance has also prompted them to reassess their energy security policies and energy mixes. Moving forward, countries need to seek ways to reduce the reliance on Russian energy while mitigating the economic impact of such actions.

IN NIGERIA

Nigeria's oil and gas industry experienced major crises in 2022 due to crude thefts and pipeline vandalism, which significantly impacted output. However, industry experts predict that the industry will fare better in 2023 with strategic steps implemented such as the conversion of NNPC to a Limited Liability Company, the introduction of new players through the marginal oil field bids and the commencement of production at the local refineries, amongst others.

Ladies and Gentlemen, the prediction for 2023 is quite positive, however the way forward necessitates the following strict reforms:

1. Address the long-debated deregulation and fuel subsidy removal proposal. Although the removal of the subsidy would generally trigger an increase in Nigeria's GDP, it could also have a detrimental impact on the household income and in particular on poor households. This subject matter is highly contentious; while the burden of fuel subsidy has continued to put a strain on the national economy. It is therefore imperative that Government continues to engage industry experts, labor unions, civil society organizations and other relevant stakeholders and ensure that all interests are duly represented prior to decision making.
2. Coordinate efforts to improve the policy environment and address issues of insecurity, to boost domestic investment and attract foreign direct investments.
3. Explore avenues to diversify export revenue sources away from crude oil, which currently accounts for more than 80% of the total foreign exchange receipt.
4. Ensure that the private and modular refineries commence as scheduled to boost hydrocarbon production.
5. Design policies that create an enabling environment for human capital development. Brain drain should not be an issue in 2023 if Government makes the required investment in the educational sector. In revamping the educational sector, special attention must be paid to the creation of a favorable environment for the small and medium scale enterprises.

2023 ECONOMIC INDICATORS AND RISKS IN NIGERIA

The upcoming year 2023, being an election year, poses some risks for investors in the real sector and financial markets, who are likely to adopt a cautious approach to major investments. Economic experts have predicted that the economy will grow by 2.5% in 2023. This growth may be attributed to the slow pace of economic activities in 2023 due to activities leading up to the 2023 general elections, but may likely to improve in 2024.

With respect to Nigeria's oil and gas industry, the output rose to 1.4 billion barrels per day (bpd) in December 2022 from below one bpd in August 2022. It however, remains significantly lower than it was a decade ago (above two million bpd). Furthermore, oil theft and ongoing repairs at the key oil terminal -Forcados, are expected to continue until September 2023, resulting in Nigeria's crude oil underproduction in 2023.

In 2022, the agriculture, industry, and services sectors contributed 23.6%, 32.2% and 44.2%, respectively, to the gross value added (GVA). These sectors are expected to grow by 12.2%, 14% and 12.2% in 2023, compared to 13%, 14.9% and 12.9% in 2022. In October 2022, the country earmarked a budget of NGN20.5 trillion ($51.5 billion) for the 2023 fiscal year, of which over 60% will be used to finance debt repayments, limiting expenditure on other developmental sectors.

According to the United Nations (UN) report on the 2023 World Economic Situation and Prospects published on its website, the Nigerian economy is expected to grow by 3% in 2023. However, the report also mentioned that high inflation and power supply issues continue to negatively impact growth in Nigeria. Despite these prevailing conditions, the economy will reportedly benefit from strong commodity trading and a thriving consumer goods and services market. The UN report also stated that Africa's aggregate output is projected to remain low due to a volatile global environment and domestic challenges, resulting in a decline in economic growth from 4.1% in 2022 to 3.8% in 2023, caused by decreased investments and export volumes. MRS is however geared to navigate the identified challenges and leverage the positive indicators for 2023 such as the anticipated commencement of the operations of modular refineries.

CONCLUSION

In conclusion, the year under review remains challenging especially because of the various macroeconomic factors that eluded the business control. MRS however achieved many milestones in all areas of its business.

On this note, I would like to thank the Board for their support, all the employees for their passion and commitment; the customers for their loyalty and the Shareholders for their on-going support and confidence in MRS Oil Nigeria Plc.
Once more, thank you all and I wish you all fruitful deliberations in the course of this meeting.

MR. PATRICE ALBERTI
Chairman

MANAGING DIRECTOR'S STATEMENT

MRS OIL NIGERIA PLC

INTRODUCTION

Distinguished Shareholders, I am delighted to welcome you to the 54th Annual General Meeting of our great Company and to present to you the Annual Report and Accounts for the financial year ended 31st December, 2022.

Before I proceed, I want to express my deep appreciation to the Chairman of the Board of Directors Mr. Patrice Alberti, the Board Members, Shareholders, Management Staff and Employees, for their unwavering commitment, diligence and much needed support in 2022; this no doubt, contributed immensely to the outstanding performance in the year under review.

The state of preparedness of the Company was strengthened, in readiness for the anticipated recovery of global economies, through the designing of a strategic roadmap that would accomplish a 21.31% growth over the 2021 forecast. We remain confident in MRS's ability to deliver based on its decisions to leverage on key strategic alliances for better and enhanced competitive advantage.

First and foremost, we continued to ensure a safe environment for all stakeholders; a tactical review of the operational risks were considered, which resulted in the strategic deployment of the requisite infrastructure and systems to forestall potential incidents. Consequently, the operating risk capabilities were upgraded to include the following:

- An improved safety culture and employees' involvement, through effective training programs, induction and structured orientations.
- Leveraging on technology and automation systems to minimize employees' exposure to risks associated with business operations and daily interface with machine and equipments.
- An improved safety climate through an ongoing upgrade of most retail outlets nationwide.
- ISO 9001: 2015 implementation and certification of the Company, thereby enhancing the quality of MRS products and services, while maintaining safety and customer care excellence assessment exercises. These include rigorous efforts, which provide clarity of the risk exposures across sites and the improvement of the execution process through the effective allocation of resources to high-risk areas.

Consequently, in order to create and strengthen the MRS safety culture, there were laudable plans initiated and designed to guide safety activities in 2022. MRS is committed to sustaining the Health and Safety successes of 2022 and beyond through the continuous improvement of the Company's Health and Safety standards; and ensuring an incident-free operation in all the business entities of the Company. The safety culture program of MRS is set up to progressively improve the following:

- ISO 45001: 2018 implementation and certification for MON PLC.
- Safety and Quality improvement programs at the Retail Outlets to enhance direct engagement and participation of all customers
- The design and development of a framework for the transition from HSE Management System to ESG (Environment, Social Governance) in line with a global drive that focused on Health and Safety issues, pollution abatement and corporate philanthropy.

While intensifying the safety efforts, the role of technology cannot be overlooked. At MRS, there is a commitment to the provision of stable and up-to-date information technology infrastructure, designed to drive and improve the quality of work delivery, increased productivity as well as provide adequate security measures for its head office and field locations. The Information Technology achievements in the year under review include, but are not limited to the following:

1. The adoption of Microsoft Teams for online meetings: This minimized the time spent on physical meetings and also reduce physical contact amongst employees, thereby creating more opportunities for remote work without compromising productivity.
2. The migration of an Internet service provider from Netcom to MainOne: This has resulted in improved internet service delivery to the Main office and remote offices leading to an increase in productivity and the seamless

access (internally and externally via VPN) to business applications needed by employees, to carry out official tasks.

3. The upgrade of ESET Endpoint security from version 8.1 to 9.2: The new Host-based Intrusion Prevention System (HIPS) program module includes Deep Behavioural Inspection, which analyses the behaviour of all programs running on the computer and prompts the user on whether or not the process is malicious.
4. The implementation of Microsoft Hyper-V virtualization on production environment: This has allowed for flexibility, redundancy, scalability and reduced cost of operations, through the reduction of the number of physical servers needed.

OUR COMPANY

The slogan 'Strength of the Stallion' is an embodiment of 'who we are' and 'what we do'. In 2022, the Company's commitment to agility, flexibility and adaptability in the face of uncertainties was reinforced. As part of the forward-looking statement for 2022 MRS set a target of 556.87m litres sales volume, with a Profit After Tax of N383.05m (21.31% increase over 2021 forecast). We are pleased to announce the Company's achievement of a Profit After Tax of N1.32b for 2022 representing 287% over the performance of 2021 N339.87m.

Who Are We

MRS Oil Nigeria Plc - a fully integrated and efficient downstream player with leading positions in the Nigeria Oil and Gas Industry. The supplier of choice to its esteemed customers, thus strengthening the commitment of product reliability and excellence in service offerings.

The organization focuses on the improvement of its operating efficiencies in the downstream sector and boasts of its excellent record of accomplishment and in-depth knowledge of the Nigeria downstream sector.

What We Do

We are one of the largest and leading marketers of refined products, including quality gasoline, marine and aviation fuels in the downstream industry in Nigeria. The Company's proprietary blending formula and its research and development facilities, give room to the supply of premium quality products, to customers nation-wide.

2022 FISCAL YEAR REVIEW
THE MARKETING OPERATIONS REVIEW

As part of the Company's strategic program to maximize the wealth of Shareholders in 2022, MRS made capital investments to acquire, upgrade and maintain its physical assets. The capital expenditure for the year under review totaled at NGN1.473 billion; NGN376.6 million was spent on plant and machinery; NGN66.5 million was spent on the acquisition of computer equipment; NGN28.3 million was spent on furniture and fittings and NGN467.9 million was spent on other capital work in progress.

SALES REVIEW

In 2022, the sales performance saw a significant growth in most of the product lines when compared with the 2021 sales results. This growth is attributed to Management's dexterity in reclaiming its market share particularly with the gradual re-opening of the economy, following the massive loss occasioned by COVID-19 in 2020.

SALES ANALYSIS BY-PRODUCTS

YEAR

Product	2022 NGN'0000	2021 NGN'0000	Absolute Variance	% Variance
Premium Motor Spirit (PMS)	85,840,317	60,202,519	25,637,800	43
Aviation Turbine Kerosine (ATK)	6,855,383	3,009,964	3,845,419	128
Automotive Gas Oil (AGO)	4,001,527	4,990,710	-989,183	(20)
Lubricants and Greases	3,853,069	3,625,831	227,238	6
Liquefied Petroleum Gas (LPG)	229,584	147,231	82,353	56
Total	**100,779,880**	**71,976,255**	**28,803,627**	

Premium Motor Spirit (PMS)
PMS recorded a revenue of NGN85.8 billion from sales in 2022, in contrast to NGN60.2 billion in 2021. This accounted for a sharp increase of 43% estimated at NGN25.6 billion. This is an indicator that MRS trends positively in revenue growth.

Aviation Turbine Kerosene (ATK)
Revenue from business sales in ATK significantly increased to NGN6.8 billion in 2022, from NGN3 billion in 2021. This reflected a 128% growth.

Automotive Gas Oil (AGO)
There was a recorded decrease in revenue from the AGO business by approximately NGN989.1 million, which translates to 20%, as against the performance of 2021.

Lubricant and Greases
The 2022 revenue from Lubricant and Greases recorded a marginal increase of 6% or NGN227.2 million (at conversion) when contrasted with the 2021 revenue benchmark.

FINANCIAL REVIEW
ANALYSIS OF PRODUCT REVENUE TO TOTAL REVENUE

	REVENUE		RATIOS (%)	
Product	**2022 NGN'0000**	**2021 NGN'0000**	**2022**	**2021**
Premium Motor Spirit (PMS)	85,840,317	60,202,519	85.18	83.64
Aviation Turbine Kerosine (ATK)	6,855,383	3,009,964	6.80	4.18
Automotive Gas Oil (AGO)	4,001,527	4,990,710	3.97	6.93
Lubricants and Greases	3,853,069	3,625,831	3.82	5.04
Liquefied Petroleum Gas (LPG)	229,584	147,231	0.23	0.20
Total	**100,779,880**	**71,976,255**		

GROSS PROFIT RATIO ANALYSIS

Product	2022 NGN'0000	2021 NGN'0000	Absolute Variance	% Variance
REVENUE	100,779,880	71,976,255	28,803,627	40
COST OF SALES	92,204,953	68,148,850	24,056,103	35
GROSS PROFIT	8,574,927	3,827,405	4,747,524	124
GROSS PROFIT RATIO	**8.51**	**5.32**		

The middle line (gross profit) has indeed reflected the quality of the top-line (revenue) of the Company, unequivocally demonstrating intentional operational activities to deliver high return to shareholders. Reviewing the gross margin, both in absolute terms and in percentage terms, it is indicative that the overall revenue streams produced profitable business results. The gross profit ratio reflects Management's determination to achieve its annual revenue by the delivery of large volumes of each unit of product to the customers, at an optimal cost of sales.

In other words, the table reflects the gross profit per every naira of sale. From the analysis above, the Company made approximately 5.3kobo gross profit per naira sale in 2021 as against 8.51kobo in 2022, showing a significant increase. The increase was occasioned by the significant increase recorded in the sales of most of the product lines.

OPERATING PROFIT/(LOSS) ANALYSIS

Product	2022 NGN'0000	2021 NGN'0000	Absolute Variance	% Variance
Gross Profit	8,574,927	3,827,405	4,747,524	124
Other Income	254,883	1,379,496	(1,124,613)	(82)
Administrative Expenses	(5,528,215)	(4,454,190)	(1,074,025)	(24)
Selling and Distribution Expenses	(489,517)	(408,211)	(81,306)	(20)
Impairment (Loss)/Reversal on Financial Assets	(310,996)	323,580	(634,576)	(196)
Operating Profit	**2,501,082**	**668,080**	**1,833,004**	**274**

There was a sharp increase in the Company's operating profit in 2022. This rebound was significant as a profit of NGN2.5 billion made in 2022 was recorded against NGN668 million in 2021, which accounted for a 274% positive variance. The major factors responsible for the increase in operating profit are:

i. The Company reinforced its commitment to efficiency, agility and cost reduction methods.
ii. The sustained production of the current quality product lines through the year (Premier, Stallion, Grease and other Transmission & Marine oil).
iii. The introduction of a new product - CRYSTAL GREASE 3 (0.8 KG X 24) Carton.
iv. The rollout of strategic campaigns that led to the introduction of 28 new Retail Owned and Retail Operated/Independent (RORO) outlets into the MRS network and major renovation projects, which also included the solarization of some of the existing retail outlets across Nigeria.
v. The closure of non-performing retail outlets across Nigeria.
vi. Actively exploring NFR opportunities using the Quickmart solution.
vii. The market share expansion through the on-boarding of major distributors with the drive, financial requirement and market spread.
viii. Revamping of dormant warehouses and the introduction of new ones (Port-Harcourt, Ilorin, Calabar & Makurdi presently ongoing).
ix. Product awareness and advertisement. (Social Media platforms, Lubricant Catalogues or Manual, Product flyers, POS Materials and Advertisement.
x. Continued market penetration at mechanic villages and spare part markets.
xi. Credit and Discount Support – The offering of credit to trustworthy customers and price incentives.
xii. The continuous training and motivation of a competent workforce.

PROFIT/(LOSS) ANALYSIS

Product	2022 NGN'0000	2021 NGN'0000	Absolute Variance	% Variance
Operating Profit	2,501,082	668,080	1,833,004	274
Finance Income	24,950	33,278	-8,328	(25)
Finance Cost	(105,685)	(376,333)	270,648	(72)
Income Tax Credit/ (Expense)	(1,104,244)	14,848	(1,119,092)	(7,537)
Profit/(Loss) for the Year	**1,316,102**	**339,873**	**976,230**	**287**

The ultimate measurement of financial success in every business undertaking is hinged on whether or not the business generates profit at the bottom line in the form of Profit After Tax (PAT). Despite the challenges in 2022, it is my utmost pleasure to announce to you that MRS, recorded a profit of N1.32b for the year pointedly showing a 287% increase on 2021 results. Economic analysts predicted a positive turn in the economy, which heightened the Company's motivation to regain the market share and boost revenue. However, in Nigeria, there are ongoing challenges of exchange rate depreciation, foreign direct investment lags, the lingering battle with inflation, macro-economic instability, policy inconsistency the delayed approval for subsidy removal till June 2023 and insecurity, are some critical issues that occasioned the harsh business environment for Nigerian businesses.

Notwithstanding the myriad of issues, the following accounted for MRS's success:

i. Commitment to retail outlets renovations and optimization.
ii. Customer Service excellence, pump integrity, quality and competitive products to remain key selling points.
iii. Competitive pricing of MRS products.
iv. Aggressive collection of receivables to improve cash flow.
v. Continuous training and employee motivation.
vi. Optimal and timely allocation of resources to business opportunities.
vii. ISO/SON certification.
viii. Brand Visibility.

It is noteworthy to state that these performances are a stepping-stone geared to improve the business performance in 2022.

FORWARD LOOKING STATEMENT

Ladies and Gentlemen, with the conversion of the Nigerian National Petroleum Company (NNPC) to a limited liability company and the commitment of the government to ensure that modular refineries commence operations next year, there are huge expectations for 2023. The Corporate strategic focus is to achieve 651m litres sales volume, with a Profit After Tax of N1.01b (164% increase over 2022 forecast). Furthermore, there is an ambitious Business Plan to achieve a target revenue of NGN127.87 billion, with an estimated gross profit of NGN7.03 billion and aggregate expenditures of NGN6.18 billion leaving us with a Net Profit Before Tax (PBT) of NGN 1.47 billion.

The Company is strategically positioned to achieve the above Plan, by positioning MRS to take advantage of opportunities as they come. Also, we shall continue to retain our esteemed customers and acquire more outlets through the Retail Owned Retail Operated (RORO) model. Additionally, the product sourcing strategies have improved MRS volume performance considerably. We shall continue to improve on these strategies to stay competitive in the market.

The removal of fuel subsidy, as reiterated by the government in the 2023 budget submitted recently, is set to make a shift in the oil and gas industry and at the same time make history in the country at large. Stakeholders are hopeful that the removal will improve the fortunes of the Nigerian citizenry. In spite of the foregoing, rising insecurity and continuous rise in exchange rate, this will continue to have a negative impact on business activities, even as we look ahead to the coming financial year.

Despite these identified challenges, I believe that exciting growth opportunities abound in 2023. This implies that MRS must continue to leverage on its established strengths, such as the widespread presence across the nation, technological capability, competent and a committed workforce, in the bid to improve on the value proposition; maintain downward pressure on costs and adapt quickly to both local and international dynamics in the market.

CONCLUSION

2022 was the year that tested the mettle of businesses globally, yet MRS delivered solid results. This is a clear demonstration of the Company's resilience and unflinching dedication in the face of significant uncertainty. In 2023, Management will strive to improve on this performance and earnestly increase its focus on identifying additional business opportunities. This requires a swift disposition to identify and explore the markets within the existing products portfolio.

As a Company, MRS will by this strategy ensure low risk exposure prompted by minimal capital investment. Although considerable resources will be allocated to marketing activities which in return, will enhance the wealth-producing capacity of the product lines. I can say without a doubt that MRS possesses the technical knowledge, marketing skills and expertise required to optimize available opportunities.

Once again, I extend my heartfelt appreciation to our employees, customers, shareholders, and the Board who have all played a critical role in ensuring that MRS remained in business, despite obvious difficulties, the Company was faced with. Your unrelenting display of commitment and the passion in advancing the cause of the Company has been a source of strength and encouragement. I Appreciate your time and audience and wish you fruitful deliberations in the course of this meeting.

MR. MARCO STORARI
Managing Director

PROFILE OF BOARD OF DIRECTORS

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

MR. PATRICE ALBERTI

Chairman

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.

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.

On 12th of July, 2017, Mr. Alberti was appointed as the Chairman of MRS Oil Nigeria Plc.

MR. MARCO STORARI

Managing Director

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.

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. On the 3rd of August, 2021, the Shareholders ratified the appointment of Mr. Marco Storari as Director and Managing Director of the Company.

MS. AMINA MAINA

Director

Ms. Maina holds a degree in Business Administration. She is currently the Group Executive Director (Supply & Trading) of MRS Holdings Limited, Executive Director of MRS Oil & Gas Company Limited.

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.

She was appointed on the Board of the Company on November 6, 2013.

SIR SUNDAY NNAMDI NWOSU (KSS)

Director

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.

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.

Sir Nwosu (KSS) was appointed to the Board on April 27, 2017.

MR. MATTHEW AKINLADE
Independent Director

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.

He has served on the Board of a number of listed companies such as Nampak Nigeria Plc, NCR Nigeria Plc, amongst others. 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.

Mr. Akinlade (FCA) was appointed on April 27, 2017 and was re-designated to the Board as Independent Director on October 26, 2017.

DR. AMOBI DANIEL NWOKAFOR Ph.D.
Director

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.

He is the managing partner of Amobi Nwokafor & 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 (ACIArb), to mention a few.

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

Dr. Nwokafor (FCA) was appointed to the Board on April 27, 2017.

MRS. PRISCILLA OGWEMOH
Director

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.

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.

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.

Mrs. Ogwemoh was appointed to the Board on February 28, 2019.

DIRECTORS' REPORT

For The Year Ended 31 December 2022

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 2022.

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).

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

On the 12th 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 Nigerian 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 Texaco 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 1st 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 20th of March 2009, there was an acquisition of Chevron Africa Holdings Limited, (a Bermudian Company) by Corlay Global S.A. 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 December 2, 2009 following the ratification of the name change of the Company at the 40th Annual General Meeting of the Company on 29 September 2009.

Currently, 342,884,706 shares are held by about 24,955 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 91 active Company owned operating outlets and about 95 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.

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:

Year ended 31 December	2022 NGN'000	2021 NGN'000
Revenue	100,779,880	71,976,255
Cost of sales	(92,204,953)	(68,148,850)
Tax (charge)/credit	(1,104,244)	14,848
Profit for the year	1,316,102	339,872
Proposed Dividend for the Year		
Bonus Issue Reserve		
Net Assets per 50k Share	53.95	56.38
Earning per 50k Share (Naira)	**3.84**	**1.12**

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, Mr. Mathew Akinlade and Ms. Amina Maina 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 2022:

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

Name	2022	2021
Mr. Patrice Alberti (indirect holdings)	205,730,806.	182,991,206
Ms. Amina Maina	37,278	33,136
Sir Sunday Nnamdi Nwosu	7,088	6,301
Mr. Matthew Akinlade	642	571

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 2022, the following Shareholders of the Company hold more than 5% of the issued ordinary share capital of the Company:

	2022		2021	
Name	**Unit**	**Percentage %**	**Unit**	**Percentage %**
MRS Africa Holdings Limited	205,730,806	60%	182,871,828	60%
First Pen Cust/Asset Management Corporation of Nigeria MAI	35,909,817	10.47%	31,919,838	10.47%

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

Analysis of Shareholding:

According to the Register of Members at 31 December 2022, the spread of shareholding in the Company is presented below:

Number of holding			Number of shareholders	Number of shares held	Percentage of shareholding
1		1,000	12,348	4,316,071	49.48
1,001		5,000	8,544	19,011,376	34.24
5,001		1,0000	2,540	15,620,511	10.18
10,001		50,000	1,304	24,409,413	5.23
50,001		100,000	122	8,154,498	0.49
100,001		500,000	82	15,670,525	0.33
500,001		1,000,000	9	6,094,525	0.04
1,000,001		5,000,000	5	7,967,052	0.02
5,000,001		50,000,000	1	35,909,817	0.00
50,000,001		342,884,706	1	205,730,806	0.00
Total			**24,956**	**342,884,706**	**100.00**

	No of Shareholders	Number of shares held	Percentage of share-holding
Local shareholders	24,955	159,893,500	40%
Foreign shareholder	1	182,991,206	60%
	24,956	342,884,706	100%

Acquisition of its Own Shares:

The Company did not acquire its own shares during the year. (2022: 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 has an Employment Policy that creates and adopts a diverse performing workforce through a fair and transparent employment process; this facilitates the engagement of qualified and competent employees.

Equality, Diversity, and Collaborative Team:

The Company remains committed to the provision of equal employment opportunities and the building of a diverse team. The employment policy and practices of the Company, support diversity and fosters an inclusive environment where employees feel a sense of belonging. The Company maintains the right balance between its recruitment policy and social responsibility needs. It pays close attention to candidates' profiles and it aligns each candidate's values with the Company's values against certain considerations of culture-fit, professionalism, leadership and people-relation skills.

The recruitment, selection and placement of employees are guided by the following principles:

i. An objective and merit-based assessment process for competence, relevant experience and/or potential, as well as general medical, physical behavioral and mental fitness to perform the resourced role.
ii. Zero tolerance of discrimination allowed, between applicants for employment based on age, race, gender, ethnic, origin, nationality, or religion,
iii. Adherence to all applicable laws regarding the employment of labour as well as international best practice.
iv. Prioritizes internal recruitment over external recruitment.

Employee Wellness and Wellbeing:

Caring for the well-being of the employees is critical to the success of the Company. Working competitively in the evolving energy system requires healthy and capable employees working together across the Company. MRS Oil Nigeria Plc organizes initiatives and interventions to improve the health and well-being of its employees, to boost productivity and overall output. Employees are encouraged to engage in programs focused on improving a healthy lifestyle with positive impact on their mental, emotional, physical and social well-being.

Mental Health Awareness:

Incidents of mental health disorders are not visible, an employee can appear healthy while concealing suffering. The Company collaborated with various Health Maintenance Organizations (HMOs) to organize mental health sessions and employees were trained to recognize mental distress in others and themselves and hopefully inspire more people to seek help.

Human Capital Report:

Some other wellness initiatives implemented during the year include but limited to; Leave benefits, including paid maternity and paternity leave, on-site physical health checks, health talks on medical advisory, mental health, healthy living, and work-life balance; health insurance coverage for the employees through HMOs; compulsory annual health checks for all employees; regular advisory and health talks during health awareness sessions, continuous provision of resources that create a conducive workplace and hazard free environment; promotion of work-life balance through the implementation of a hybrid work policy, to mention a few.

Employee Involvement and Engagement:

Monthly town hall meetings, strategy sessions, onboarding feedback, buddy programme; employee involvement in the decision making process. 360 feedback sessions, provide valuable input to the decision making process.

Employee Learning and Development:

As part of the corporate values to continually train employees to become the best professionals, the Company deployed various trainings in different categories which included: Consumer Protection and Competition, Mediation Advocacy Skills, Power BI Training, External Relations; Reputation Management, Data Privacy Awareness, Customer Service and Customer Retention, Basic Depot operations, Joint Inspection Group Aviation Fuel Supply Standards & Terminal Operations Management and Sustainability and the Petroleum Industry Act (PIA) – An overview of PIA and downstream services.

The training combined technical and people development training objectives which aligned with employees' needs. The post-training feedback indicated a positive Return on Investment (ROI) based on the feedback shared by employees. In addition, knowledge-sharing sessions were organized to ensure that teams take good advantage of the learnings.

In-House Training:

The primary aim of this training is to empower employees through knowledge sharing on Company products and refresher training on the customized Enterprise Resource Planning (ERP) portals. The Company also organized trainings on quality management system ISO 45001:2018 OHS_MS to sensitize employees on evolving procedures required for the company's certification. The training assessment and its impact on the job indicate improved processes and procedures, increased efficiency in processes (sales), increased capacity to adapt to new technologies and methods (Lubes).

Professional Membership:
In line with the Company's drive to promote professional development in career roles, professional membership subscriptions were processed for qualified employees. The Mandatory Continuing Professional Education (MCPE) was implemented as part of the requirements for member employees of professional bodies such as: The Nigeria Bar Association (NBA), Chartered Institute of Personnel Management (CIPM), Council of Registered Engineers of Nigeria (COREN), amongst others.

Internship Management:
The internship program is an oriented initiative, designed to develop and create a talent pool. It seeks to provide learning opportunities and practical work experience for career development in young undergraduates through an industrial attachment program called the Students Industrial Work Experience Scheme (SIWES). The program provides young undergraduates the opportunity to work with inspiring and experienced professionals.

The program is designed to build work-related skills required for the business environment through constructive feedback and supervision, provide an opportunity for the learning of additional skills such as communication, ethics, teamwork and leadership, build valuable network and contacts for professional development and provide an enabling environment to put theories and concepts into practice.

Workforce Management:
As of 31 December 2022, the Company's workforce was 88 (2021:91), which represents a 3.3% reduction in the workforce of the Company.

Health, Safety and Environment (HSE) Performances in 2022:
In 2022, the Company achieved a full year without any Lost Time Fatality (LTF). This achievement spanned across all the Company's business locations including the Head-Office, FOT Apapa, Aviation Ikeja, Aviation Abuja and all warehouses across the nation.

The overall trend for total recordable injury rates has been on the decrease over the last 4 years due to Management's commitment to health and safety matters in the organization. MRS achieved HSE key performance indicators in 2022 with major constructions in some locations and terminals especially retail outlet upgrades across the nation.

The aim is to ensure that general business activities and ongoing projects are completed in record time without any lost time injuries. In addition, terminal operations ranging from vessel reception, inter-tank product transfers, tank maintenance and trucking or loading out of product involve a lot of risks, which the Company has successfully managed and maintained within tolerance levels, thereby preventing environmental damage from product spillage, fire and explosion.

2022/23 Key Health and Safety Milestones:
Health and Safety concerns are extremely pivotal to the entire business activities of the Company, its pursuit of operational excellence and the commencement of the ISO 45001: 2018 (Occupational Health and Safety Management System Implementation & Certification). In addition, as part of the ISO implementation strategies, we have been able to achieve zero Lost Time Incidence (LTI) in terminal operations, conducted audits, inspections and organized training programs to enhance human capacity building."

Information Technology Upgrades:
The Company is committed to the provision of regular information technology infrastructure upgrades for its head office and field locations. Information Technology achievements in the year under review include the adoption of Microsoft Teams for online meetings to minimize the time spent on physical meetings and the creation of opportunities for remote work without compromising productivity. The migration of the internet service provider from Netcom to Main One, resulted in the use of improved internet service delivery to the Main office and remote offices, for increase in productivity and seamless access internally and externally via Virtual Private Networks (VPN) to business applications.

The upgrade of the ESET Endpoint security from version 8.1 to 9.2, the New Host-based Intrusion Prevention System (HIPS) program module includes deep behavioral inspection to analyze the behavior of all programs running on the computer and creates a prompter on malicious processes. The implementation of a Microsoft Hyper-V virtualization in a production environment for flexibility, redundancy, scalability resulted in reduced cost of operations and a reduction of the number of physical servers required for business operations.

Internal Audit Function and Internal Controls:
The Board Committee responsible for audit, provides assurance that the risk management and controls, operate efficiently. The Company has a statutory Audit Committee that is responsible for audit; the Committee meets every quarter to consider the internal audit report on the adequacy and effectiveness of management, governance, risk and the control environment.

The Board ensured that the internal audit function is sufficiently skilled and resourced; headed by the Chief Internal Auditor (CIA) who is a seasoned Chartered Accountant with over 12 years of post-qualification experience in internal audit, compliance, risk and governance.

The CIA provides assurance to the Committee through the conduct of periodic reviews and evaluations of the effectiveness and efficiency of the internal control systems to determine their adequacy, effectiveness and efficiency. Regular reports are presented to the Audit Committee of the Company and an annual risk-based internal audit plan is developed and approved by the Committee.

The Company has a structured risk management framework to guide the risk assessment of all aspects of the business. The risk assessment aims to capture areas of business risks and also put in place mitigating factors to address the risks.

The framework also ensures the management of risks and that an effective internal control system is available for the achievement of the strategic objectives of the Company.

The Directors are responsible for the risk management process and for the assertions on the effectiveness of the process. The risk management process is integrated into the Company's daily activities and it seeks to identify the key risks such as operational, financial, compliance and strategic risks.

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.

By Order of the Board

O. M. Jafojo (Mrs.) FCIS
Company Secretary
FRC NO: 2013/NBA/00000002311

March 29, 2023

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, Four (4) 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 four (4) 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 – 2022 Board Meetings:

DIRECTORS	Designation	29 Mar '22	29 April '22	28 July '22	2 Aug '22	27 Oct '22
Mr. Patrice Alberti	Chairman	√	√	√	√	√
Mr. Marco Storari	Managing Director	√	√	√	√	√
Ms. Amina Maina	Member	√	√	√	√	√
Mr. Matthew Akinlade	Member	√	√	√	√	√
Sir. Sunday N. Nwosu	Member	√	√	√	x	x
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 took an external evaluation of its performance in the year under review. A follow-up process exists for all matters of concern or potential improvement which may arise, when an evaluation process is carried out. The annual performance appraisal for the year under review, commenced in May 2022.

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:

Audit Committee Members	Designation	28 Mar '22	Apr 27 '22	27 Jul '22	26 Oct '22
Mr. Emmanuel N. Okafor	Chairman	√	√	√	√
Ms. Amina Maina	Member	√	√	√	√
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 review 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 four (4) times.

The Board Nominations and Corporate Governance Committee:

Board Nominations and Corporate Governance Committee Members	Designation	21 Oct '22
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 (BNCGC) 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 BNCGC 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 once.

The Risk, Strategic and Finance Planning Committee:

Risk, Strategic Planning and Finance Planning Committee Members	Designation	Oct 24 '22	Nov 3 '22
Ms. Amina Maina	Chairman	√	√
Mr. Marco Storari	Member	√	√
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 two (2) times.

The Human Resources Committee:

Human Resources Committee Members	Designation	28 May '22
Mr. Matthew Akinlade	Chairman	√
Mr. Marco Storari	Member	√
Ms. Amina Maina	Member	√
Sir Sunday N. Nwosu	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 once.

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. Jafojo (Mrs.) FCIS
Company Secretary
FRC NO: 2013/NBA/00000002311

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER, 2022

29 March, 2023

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, 2022 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 departmental 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 2022.

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/2013/002/00000022583

March 29, 2023

Deloitte.

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of MRS Oil Nigeria Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MRS Oil Nigeria Plc set out on pages 46 to 104, which comprise the statement of financial position as at 31 December 2022, and the statements of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, the 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 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and Financial Reporting Council Act, 2011.

Basis for Opinion

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

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

Key Audit Matter

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

Other Information

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

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

In connection with our audit of the 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement 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.

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

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

From the matters communicated with those charged with governance, we determine the matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. We describe this matter 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 benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

Abraham Udenani
FCA - FRC/2013/ICAN/00000000853
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
30 March 2023

Statement of profit or loss and other comprehensive income for the year ended 31 December

	Notes	31 Dec. 2022	31 Dec. 2021
		N000	N'000
Revenues	5	100,779,880	71,976,255
Cost of sales	8	(92,204,953)	(68,148,850)
Gross profit		**8,574,927**	**3,827,405**
Other income	6	254,883	1,379,496
Administrative expenses	10	(5,528,215)	(4,454,190)
Selling and distribution expenses	9	(489,517)	(408,211)
Impairment (loss)/reversal on financial assets	32a	(310,996)	323,580
Operating profit		**2,501,082**	**668,079**
Finance income	11	24,950	33,278
Finance costs	11	(105,685)	(376,333)
Net finance costs		**(80,735)**	**(343,055)**
Profit before taxation	12	**2,420,346**	**325,025**
Taxation	14	(1,104,244)	14,848
Profit after tax for the period		**1,316,102**	**339,872**
Other Comprehensive Income, net of income tax		-	-
Total comprehensive income for the year		**1,316,102**	**339,872**
Earnings per share			
Basic and diluted earnings per share (Naira)	13	3.84	1.12

The accompanying notes on pages 52 to 100 form an integral part of these financial statements.

Statement of financial position for the year ended 31 December

Assets	Notes	31 Dec. 2022 N'000	31 Dec. 2021 N'000
Non-current assets			
Property, plant and equipment	15	14,977,953	14,742,550
Right of use assets	31(i)	838,031	802,333
Intangible assets	16	7	29
Total non-current assets		15,815,991	15,544,912
Current Assets			
Inventories	21	3,302,008	3,295,802
Withholding tax receivables	20	11,239	9,747
Prepayments	29	149,124	56,415
Trade and other receivables	18	18,031,307	15,499,644
Cash and cash equivalents	22	3,216,445	2,798,795
Total current assets		24,710,123	21,660,403
Total assets		**40,526,114**	**37,205,315**
Equity			
Share capital	23(a)	171,442	152,393
Retained earnings	23(b)	18,328,004	17,030,951
Total equity		18,499,446	17,183,344
Liabilities			
Non-current liabilities			
Employee benefit obligation	24	9,085	6,632
Provisions	30	224,179	52,291
Lease liabilities	31	103,581	100,643
Deferred tax liabilities	14(e)	480,657	-
Total non-current liabilities		817,502	159,566
Current liabilities			
Contract liabilities	25	2,221,109	310,771
Dividend payable	26	169,851	169,851
Trade and other payables	27	16,068,426	17,152,278
Short term borrowings	28	1,411,105	1,411,105
Provisions	30	-	46,139
Lease liabilities	31(iii)	420,676	408,744
Tax payable	14(d)	917,999	363,517
Total current liabilities		21,209,166	19,862,405
Total liabilities		**22,026,668**	**20,021,971**
Total equity and liabilities		**40,526,114**	**37,205,315**

Approved by the Board of Directors on 29 March 2023 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. Samson Adejonwo
(Chief Finance Officer)
FRC/2020/001/00000021998

The accompanying notes on pages 52 to 100 form an integral part of these financial statements.

Statement of changes in equity for the year ended 31 December

	Share capital ₦'000	Retained earnings ₦'000	Total equity ₦'000
Balance as at 1 January 2021	152,393	16,691,079	16,843,472
Total comprehensive income:			
Profit for the year	-	339,872	339,872
Total comprehensive income for the year	-	339,872	339,872
Balance as at 31 December 2021	**152,393**	**17,030,951**	**17,183,344**

	Share capital ₦'000	Retained earnings ₦'000	Total equity ₦'000
Balance as at 1 January 2022	152,393	17,030,951	17,183,344
Total comprehensive income:			
Profit for the year	-	1,316,102	1,316,102
Total comprehensive income for the year	-	1,316,102	1,316,102
Transactions with owners of the Company			
Value of bonus shares issue	19,049	(19,049)	-
Total transactions with owners of the Company	19,049	(19,049)	**-**
Balance as at 31 December 2022	**171,442**	**18,328,004**	**18,499,446**

Statement of cash flows for the year ended 31 December

	Notes	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Cash flows from operating activities:			
Profit after tax		1,316,102	339,872
Adjustments for:			
Depreciation on PPE	15	608,771	508,698
Depreciation on Right of Use Assets	31(i)	98,604	111,551
Amortization of intangible assets	16	22	272
Finance income	11	(24,950)	(33,278)
Finance costs	11	105,685	376,333
Loss on sale of property, plant and equipment	10	520,706	491,229
Loss/(gain) on Reversal of Expired ROU Asset	6,10	1,064	(56,665)
Write off on Other Receivable-Dividend Receivable from Registrar	18(e)	-	884
Write off on Sundry Receivable	18(f)	159	300
Write off on Joint Receivable balance	18(g)	-	1,778
Net foreign exchange loss	10	659,647	210,145
Withholding tax credit notes utilized	14(d)	-	(60,717)
Provision for/(reversal of)long service award	24(c)	3,215	(6,369)
Reversal of Impairment loss on trade receivables	32(a)	(503,708)	(337,858)
Impairment of Petroleum Equalization Fund receivables	32(a)	500,000	2,651
Impairment of Related party receivables	32(a)	314,704	11,628
Bad debt written off	10	4,403	-
Impairment on Inventories	21(a)	17,299	14,679
Taxation	14	1,104,244	(14,848)
		4,725,967	**1,560,286**
Changes in:			
- Inventories		(23,505)	520,833
- Trade, other receivables and prepayments		(2,912,508)	(495,816)
- Prepayments		(92,709)	54,670
- Contract liability (Customer Advance received)		1,910,338	-
- Trade and other payables		(1,519,176)	(2,279,400)
Cash generated from operations		**2,088,407**	**(639,427)**
Income taxes paid	14(d)	(69,106)	(44,236)
Long service award paid	24(c)	(762)	(2,934)
Net cash generated from operating activities		**2,018,539**	**(686,597)**

Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment		108,784	125,400
Purchase of property, plant and equipment	15	(1,473,664)	(1,105,592)
Proceeds from ROU terminated		5,358	-
Interest received	11	24,950	33,278
Net cash used for investing activities		**(1,334,572)**	**(946,914)**
Cash flows from financing activities:			
Additional short-term borrowings	28	34,533,787	-
Short-term borrowing repayment	28	(34,533,787)	-
Lease Payment	31(iii)	(11,000)	-
Interest paid	11	(44,465)	-
Net cash used in financing activities		**(55,465)**	**-**
Net change in cash and cash equivalents		628,502	(1,633,511)
Cash and cash equivalents at 1 January		2,798,795	4,462,166
Effect of movements in exchange rates on cash held		(210,852)	(29,860)
Cash and cash equivalents at 31 December 2022	**22**	**3,216,445**	**2,798,795**

The accompanying notes on pages 52 to 100 form an integral part of these financial statements.

INDEX TO NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022

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 Apapa 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 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 Act, 2011.

b. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments measured at fair value.

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

Other national disclosures

- i Statement of Value Added
- ii Five-year financial summary

d. Financial Period

These financial statements cover the period from 1 January 2022 to 31 December 2022 with comparative figures for the financial year from 1 January 2021 to 31 December 2021.

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

In 2022, the shock from Russia's invasion of Ukraine has cast doubt on a strong global economic recovery from the COVID-19. Considerable uncertainty remains for global economic and financial conditions, as well as geopolitical situations. This has contributed to substantial increases in commodity prices and input costs. Subsequently, increasing inflation pressures prompted a number of central banks to begin to unwind their asset purchasing programmes and increase their policy rates. These have affected the availability and supply of oil products since Russia is one of the major suppliers of refine petroleum products in the world.

These recent events will continue to have an impact on oil price volatility. The Company will continue to monitor the oil prices and take adequate steps to manage its business and any financial impact of same. However, the Company's operations are not affected by seasonality or cyclic situation.

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.

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 annually and when there is any indication that the asset might be impaired. Loss allowance for trade receivables is measured at an amount equal to twelve months ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The 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 32 explains more about the impairment of financial assets.

ii. Provision for site decommissioning

The Company reviews the provision on asset retirement obligation based on the current inflation rate of 21.34% and interest rate of 16.5% as at the end of the reporting period. In estimating the provision, the directors have made assumptions regarding the estimated costs of restoring the site based on currently available information about the likely extent of decommissioning liability. This has resulted to change in estimate and gave rise to additional right of use asset as well as asset retirement obligation amounting to NGN 170.7 million Note 31 & 30)

4. Significant 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.

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 (see (iii) above

. 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 FVTP

Impairment of financial asset
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.

c. 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.

iii. 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, cancelled or expired. 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.

iv. Offsetting
Financial assets and financial liabilities are offset 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.

(d) Property, plant and equipment
i Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated deprecia-

tion 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 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 future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative years are as follows:

Land and Buildings:

-	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

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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.

iv Derecognition

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.

(e) 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 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.

(f) 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.

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 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 lease 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.

(g) 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
a) Refined petroleum products AGO, ATK, PMS, LPG, LUBES b) Packaging materials, 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.

(h) 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 group 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.

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.

(i) 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 are 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.

(j) 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.

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.

(k) 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.

(l) 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.

(m) 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 2.5% 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

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 company's gross 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.

(n) 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.

(o) 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, adjusted for own shares held. 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.

(p) 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.

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.

(q) 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.

(r) 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.

4 New and amended IFRSs

4.1 New and amended IFRSs that are effective for the current year

In the current year, the Company has adopted a number of amendments to IFRS Accounting standards that are mandatorily effective for an accounting period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

i Amendments to IFRS 3 Reference to the Conceptual Framework

The Company has adopted the amendments to IFRS 3 Business Combinations for the first time in the current year. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

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

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

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

iii Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract

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

iv Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle

The Company has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle for the first time in the current year. The Annual Improvements include amendments to four standards.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement

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

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
IFRS 17 (including the June 2020 and December 2021 amendments to IFRS 17)	Insurance Contracts	1 January 2023
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2023
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in the next financial year.

5	Revenue	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
	Premium Motor Spirit (PMS)	85,840,317	60,202,519
	Automotive Gas Oil (AGO)	4,001,527	4,990,710
	Aviation Turbine Kerosene (ATK)	6,855,383	3,009,964
	Lubricants and Greases	3,853,069	3,625,831
	Liquified Petroleum Gas (LPG)	229,584	147,231
		100,779,880	**71,976,255**

Revenue is recognized 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 34.

6	Other income	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
	Rental and lease income (Note 6(a))	29,829	69,759
	Sundry income (Note 6(b))	159,512	619,103
	Income on storage services	65,542	227,489
	Reversal of over-accrual of NNPC charges	-	394,967
	Reversal of interest on lease liability	-	11,513
	Surplus on Expired ROU Assets	-	56,665
		254,883	**1,379,496**

Rental and lease income relates to income earned on assets that are on operating lease arrangements to third parties. Assets on lease include filling stations and related equipment (generators and dispenser pumps).

Sundry income represents earnings from insurance claims recoveries, non-fuel revenues, recoveries from station uniform and other miscellaneous incomes for the current year. Included in the prior year figure was a reversal of N349.6 million over-accrual of PEF charges as a result of reconciliation performed in that year.

7 Expenses by function

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Cost of sales (Note 8)	92,204,953	68,148,850
Selling and distribution expenses (Note 9)	489,517	408,211
Administrative expenses (Note 10)	5,528,215	4,454,190
	98,222,686	**73,011,252**

8 Cost of sales

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Premium Motor Spirit (PMS)	77,531,097	56,705,459
Automotive Gas Oil (AGO)	3,702,993	4,681,085
Aviation Turbine Kerosene (ATK)	6,139,809	2,705,430
Lubricants and greases	3,474,811	2,610,526
Liquified Petroleum Gas (LPG)	210,034	129,153
Freight expense	1,146,209	1,317,197
	92,204,953	**68,148,850**

9 Selling and distribution expenses

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Rental of service outlets, buildings and equipment	217,358	203,654
Advertising-Selling & Distribution	48,211	2,281
Station running expenses	125,344	90,725
Amortization expenses on Right of use Assets (Note 31)	98,604	111,551
	489,517	**408,211**

10 Administration expenses

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Depreciation (Note 15(a))	608,771	508,698
Amortization of intangible assets (Note 16)	22	272
Fuel expenses for Office Generators & other admin use	451,736	253,074
Rental Other than service outlets, buildings and equipment	-	318
Consultancy expense	197,978	137,312
Maintenance expense	609,076	600,680
Advertising expenses (Newspaper & Publications)	9,875	5,927
Management fees (Note 33 (c))	431,983	440,398

Directors' remuneration (Note 12(b)(iv))	15,730	18,995
Employee benefit expense (Note 12 (b)(i))	447,947	386,305
Bank Charges	137,124	59,455
Auditor's remuneration (Note 10(a))	35,000	30,000
Bad debt written off	4,403	-
Loss on sale of Property, plant and equipment	520,706	491,228
Loss on disposal of ROU asset	1,064	-
Local and international travel	26,697	36,482
Office expenses and supplies	289,054	255,268
Communication and postage	199,696	230,196
Insurance premium	117,918	105,796
Contract labour	554,097	439,298
Sponsorships and donations	244	36,485
Licenses and Levies	56,972	91,920
Utilities	21,533	25,938
Subscriptions	61,337	43,378
Board meetings and AGM expenses	37,054	7,598
Security	32,551	39,024
Net foreign exchange loss	659,647	210,145
	5,528,215	**4,454,190**

(a) Non-audit services paid to the statutory auditors
The company did not engage the statutory auditors for any non-audit services during the year

11 Finance income and finance costs

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Finance income		
Interest income on short-term bank deposits	24,950	33,278
Total finance income	**24,950**	**33,278**
Finance cost arising from financial liabilities measured at amortized cost		
Interest expense	44,465	300,516
Finance costs - others		
Unwind of discount on site restoration provision	5,371	5,899
Interest on lease liability ((Note 31(iii))	55,849	69,918
Total finance costs	**(105,685)**	**(376,333)**
Net finance costs	**(80,735)**	**(343,055)**

a)	**Reconciliation of finance cost to statement of cash flows**	**31 Dec. 2022**	**31 Dec. 2021**
		₦'000	**₦'000**
	Interest expense	44,465	300,516
	Unwind of discount on site restoration provision	5,371	5,899
	Interest on lease liability	55,849	69,918
	Interest income on short-term bank deposits	(24,950)	(33,278)
	Amount shown on the statement of cash flows	**80,735**	**343,055**

Analyzed as follows:

	31 Dec. 2022	**31 Dec. 2021**
	₦'000	**₦'000**
Interest income included in finance income (Note 8(a)	(24,950)	(33,278)
Finance cost shown on the Statement of Cash flows	105,685	376,333
	80,735	**343,055**

12 Profit before income tax

		31 Dec. 2022	**31 Dec. 2021**
a)	**Profit before income tax is stated after charging/ (crediting):**	**₦'000**	**₦'000**
	Depreciation (Note 15)	608,771	508,698
	amortization of intangible assets (Note 16)	22	272
	Management fees (Note 33(c))	431,983	440,398
	Director's remuneration (Note 12(b)(iv))	15,730	18,995
	Employee benefit expense (Note 12(b)(i))	447,947	386,305
	Auditor's remuneration	35,000	30,000
	Loss on sale of property, plant & equipment (Note 10)	520,706	491,228
	Impairment of petroleum equalization fund receivables (Note 32(a))	500,000	2,651
	Impairment of related party receivables (Note 32)	314,704	11,628
	Impairment of inventory (Note 21a)	17,299	14,679
	Reversal of impairment on trade receivables (Note 32)	(503,708)	(337,858)
	Net foreign exchange loss (Note 11)	659,647	210,145

	31 Dec. 2022	**31 Dec. 2021**
Net foreign exchange loss is further broken down as follow:	**₦'000**	**₦'000**
Loss on cash and bank balances	210,852	29,860

Vendor	384,998	(2,272,497)
Customers	63,796	2,452,782
	659,647	**210,145**

b) Directors and employees

i) **Employee costs during the period comprise:**	**31 Dec. 2022 ₦'000**	**31 Dec. 2021 ₦'000**
Salaries and wages	347,729	303,418
Other employee benefits	62,794	52,032
Employer's pension contribution	34,209	29,373
	447,947	**386,305**

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

ii)		**Number**
	31 Dec. 2022	**31 Dec. 2021**
Administration	31	43
Technical and production	11	2
Operations and distribution	27	38
Sales and marketing	19	19
	88	**102**

Higher-paid employees of the Company and other than directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration in excess of N1,000,000 (excluding pension contributions) in the following ranges:

iii)	**Number**	
	31 Dec. 2022	**31 Dec. 2021**
₦	**₦'000**	**₦'000**
1,000,001 - 2,000,000	0	3
2,000,001 - 3,000,000	0	11
3,000,001 - 4,000,000	6	8
4,000,001 - 5,000,000	11	41
5,000,001 - 6,000,000	12	19
6,000,001 - 7,000,000	21	2
7,000,001 - 8,000,000	13	2
8,000,001 - 9,000,000	6	2
9,000,001 - 10,000,000	8	1
10,000,001 - Above	11	2
	88	**91**

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

iv)	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Fees	5,500	5,500
Other emoluments	10,230	13,495
	15,730	**18,995**

The directors' remuneration shown above includes:

Chairman	-	-
Highest paid director	**2,420**	**4,645**

The remunerations of three directors are paid at the group level

Other directors received emoluments in the following ranges:

	Number	
	31 Dec. 2022	**31 Dec. 2021**
₦		
Nil	-	-
1,000,001 - 2,000,000	2	-
2,000,001 - 3,000,000	2	1
3,000,001 - 4,000,000	-	3
4,000,001 - 5,000,000	-	-
5,000,001 - 6,000,000	-	-
6,000,001 - 7,000,000	-	-
7,000,001 - 8,000,000	3	-
	7	**4**

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

a) **Basic EPS**	**31 Dec. 2022**	**31 Dec. 2021**
Earnings for the year attributable to shareholders (N'000)	1,316,102	339,872
Weighted average number of ordinary shares in issue (Unit'000)	342,885	304,786
Basic earnings per share	**3.84**	**1.12**

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 dividend was declared during the Period (2021: Nil) on 342,884,707 ordinary shares of 50 kobo each, being the ordinary shares in issue during the year (2021: 304,786,406)

14 Taxation

a) Applicability of the Finance Act, 2021

The Finance Act 2021 became effective on 1st January 2022 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) Minimum tax

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 or where the tax liability assessed on taxable profit is lower than the minimum tax assessed

ii) The tax charge for the year 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. 2022 ₦'000**	**31 Dec. 2021 ₦'000**
Current tax expense:		
Income tax	505,174	183,425
Tertiary education tax	112,242	21,973
NASENI	6,051	802
Nigeria Police Trust Fund	120	-
	623,587	206,200
Deferred tax (credit)/expense:		
Origination and reversal of temporary differences	480,657	(221,048)
Income tax expense/(credit)	**1,104,244**	**(14,848)**

c) Reconciliation of effective tax rates

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

	31 Dec. 2022 %	**31 Dec. 2021 %**	**31 Dec. 2022 ₦'000**	**31 Dec. 2021 ₦'000**
Profit before tax			2,420,346	325,025
Income tax using the statutory tax rate	30.00	30.00	726,104	97,507
Impact of tertiary education tax	2.50	2.50	60,509	8,126
Impact of (NASENI)	0.25	0.09	6,051	293

Impact of minimum tax	0.50	63.44	12,102	206,200
Impact of Police Trust Fund	0.01	-	121	-
Effect of tax incentives	(27.80)	(150.17)	(672,808)	(488,084)
Non-deductible expenses	40.17	52.16	972,165	169,520
Difference in CIT rate and TET rate	-	(2.59)	-	(8,409)
Total income tax expense in income statement	**45.63**	**(4.57)**	**1,104,244**	**(14,848)**

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

d) Movement in current tax liability

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Balance at beginning of the year	363,517	262,270
Payments during the year	(69,106)	(44,236)
Current tax	623,588	206,200
Withholding tax credit notes utilized (Note 20)	-	(60,717)
	917,999	**363,517**

e) Recognized deferred tax assets and liabilities

	Assets		Liabilities		Net	
	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Property, plant and equipment	-	-	1,449,372	-	1,449,372	-
Trade receivables	(918,124)	-		-	(918,124)	-
Unrealized exchange loss	(152,567)				(152,567)	
Loss on ROU	-		101,976		101,976	
	(1,070,691)	**-**	**1,551,348**	**-**	**480,657**	**-**

f) Movement in temporary differences during the period

	1-Jan-21 ₦'000	Recognized in Profit or loss ₦'000	31-Dec-21 ₦'000	Recognized in Profit or loss ₦'000	31-Dec-22 ₦'000
Property, plant and equipment	(1,361,153)	1,361,153	-	1,449,372	1,449,372
Employee benefits	6,484	(6,484)	-	-	-
Trade receivables	724,512	(724,512)	-	(918,124)	(918,124)
Truck loan receivables	(19,705)	19,705	-	-	-
Other receivables	37,274	(37,274)	-	-	-
Inventories	1,800	(1,800)	-	-	-
PPPRA receivables	(17,337)	17,337	-	-	-
PEF receivables	18,832	(18,832)	-	-	-
Related party receivable	(46,506)	46,506	-	-	-
Net unrealized exchange differences	(627,053)	627,053	-	-	-
Finance Leases	57,503	(57,503)	-	-	-
Provisions - ARO	4,879	(4,879)	-	-	-
Unrealized exchange loss	-	-	-	(152,567)	(152,567)
Loss on Right of Use Assets	36,192	(36,192)	-	101,976	101,976
Unrelieved Losses	963,230	(963,230)	-	-	-
	(221,048)	**221,048**	**-**	**480,657**	**480,657**

15 Property, Plant and Equipment

a) The movement on these accounts was as follows:

	Freehold Land ₦'000	Building ₦'000	Plant & Machinery ₦'000	Automotive Equipment ₦'000	Computer & Office Equipment ₦'000	Furniture & Fittings ₦'000	Capital Work in Progress ₦'000	Total ₦'000
Cost								
Balance at 1st January 2021	8,368,952	6,787,410	10,848,540	1,303,838	963,451	216,642	361,519	28,850,353
Additions	32,300	284,030	564,043	64,482	27,937	7,997	124,803	1,105,592
Reclassification		5,617				3,191	(8,808)	-
Disposals	(312,417)	(384,560)	(1,071,201)	(98,091)	(52,226)	(9,102)	-	(1,927,597)
Balance as at 31st December 2021	**8,088,835**	**6,692,497**	**10,341,382**	**1,270,229**	**939,161**	**218,729**	**477,514**	**28,028,348**
Cost								
Balance at 1st January 2022	8,088,835	6,692,497	10,341,382	1,270,229	939,161	218,729	477,514	28,028,348
Additions	9,905	259,038	376,680	265,145	66,568	28,384	467,944	1,473,664
Reclassification	-	6,017	-			-	(6,017)	-
Disposals	(271,620)	(458,566)	(247,367)	(96,356)	(14,710)	(1,391)		(1,090,009)
Balance as at 31 December 2022	**7,827,120**	**6,498,985**	**10,470,695**	**1,439,018**	**991,020**	**245,722**	**939,442**	**28,412,002**
Accumulated depreciation and impairment								
Balance as at 1st January 2021	-	2,622,509	9,328,409	1,084,821	858,873	193,456	-	14,088,068
Charge for the year	-	259,663	177,752	38,341	27,261	5,680	-	508,698
Disposal	-	(175,838)	(983,808)	(94,655)	(49,616)	(7,054)	-	(1,310,971)
Balance as at 31st December 2021	-	**2,706,334**	**8,522,353**	**1,028,507**	**836,518**	**192,082**	**-**	**13,285,795**
Accumulated depreciation and impairment								
Balance as at 1st January 2022	-	2,706,334	8,522,353	1,028,507	836,518	192,082	-	13,285,795
Charge for the period	-	250,341	275,670	43,084	31,124	8,553	-	608,772
Disposal	-	(178,864)	(175,094)	(91,538)	(13,692)	(1,332)	-	(460,520)
Balance as at 31 December 2022		**2,777,811**	**8,622,929**	**980,053**	**853,950**	**199,303**	**-**	**13,434,047**
Carrying amounts								
Balance as at 31 December 2022	**7,827,120**	**3,721,173**	**1,847,765**	**458,965**	**137,069**	**46,418**	**939,442**	**14,977,953**
Balance as at 31 December 2021	**8,088,835**	**3,986,162**	**1,819,028**	**241,722**	**102,643**	**26,643**	**477,517**	**14,742,550**

(b) Capital work in progress:
The capital expenditure relates to funds committed to the improvement of our retail outlets and other revenue generating unit, including solarization projects that is yet to be completed.

(c) Impairment assessment
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. This triggered an impairment test which resulted in the Company performing a valuation to determine the recoverable amount of its cash generating unit (CGU). 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 has made an assessment of the amount that the Company could obtain at the end of the reporting period from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting cost of disposal. This is based on report of an independent asset valuation performed by Oyegoke O. Oyeleke FRC/2013/NIESV/00000001085 of Flo Partnership Estate Surveyor and Valuers. In determining this amount, the Company has considered the outcome of recent transactions for similar assets within the same industry.

Based on the above and assessment done by the Directors, there is no impairment indicator to suggest that the recoverable amount as at 31 December 2022 of the CGU is lower than the carrying amount, and accordingly no impairment test of the CGU is required as at that date.

d) Capital commitments
Capital expenditure commitments at the year-end authorized by the Board of Directors comprise:

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Capital commitments	**391,573**	**171,180**

This relates to some significant capital expenditures incurred on our facilities during the year.

16 Intangible assets

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

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Cost		
Balance as at 1 January	283,560	283,560
Balance	283,560	283,560
Accumulated amortization		
Balance as at 1 January	283,531	283,259

Charge for the Period (Note 10)	22	272
Balance	**283,553**	**283,531**
Carrying amount	**7**	**29**

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

17 Truck loan receivables

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Gross truck loan receivables	100,030	100,030
Impairment allowance	(100,030)	(100,030)
Net truck loan receivables	-	-

18 Trade and other receivables

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Trade receivables (Note 18(a))	1,255,120	1,855,217
Bridging claims (Note 18(b))	9,304,199	8,851,729
DMO holdback (Note 18(c))	1,600,000	1,600,000
Receivables from related parties (Note 18(d))	197,453	488,545
Employee receivables	36,485	21,727
Due from joint arrangement partners (Note 18(g)	18,252	9,554
Receivables from Registrar (Note 18(e))	23,971	23,971
Sundry receivables	12,398	28,176
Total financial assets	**12,447,879**	**12,878,919**
Non-financial assets		
Advances paid to supplier (Note 19)	5,583,428	2,620,725
	18,031,307	**15,499,644**

a) Trade receivables

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Gross trade receivables	2,738,916	3,842,721
Impairment allowance	(1,483,796)	(1,987,504)
Net trade receivables	**1,255,120**	**1,855,217**

b) **Bridging claims**	**31 Dec. 2022** **₦'000**	**31 Dec. 2021** **₦'000**
Gross bridging claims	9,950,791	8,998,321
Impairment allowance (Note 32(a)(v))	(646,592)	(146,592)
Net bridging claims	**9,304,199**	**8,851,729**

c) DMO Holdback

DMO holdback is comprised of:

	31 Dec. 2022 **₦'000**	**31 Dec. 2021** **₦'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
	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 2023 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 28). The DMO holdback is reduced by actual settlements by the DMO to the respective institutions.

d) **Due from related parties**	**31 Dec. 2022** **₦'000**	**31 Dec. 2021** **₦'000**
Gross receivable from related parties (Note 33 (e))	556,511	532,898
Impairment	(359,057)	(44,353)
Balance	**197,453**	**488,545**

The Company's exposure to credit risk and currency risks related to trade and other receivables are disclosed in Note 32(a).

e) **Receivables from Registrar**	**31 Dec. 2022** **₦'000**	**31 Dec. 2021** **₦'000**
Balance at 1st January	23,971	24,855
Excess receivable written down	-	(884)
Balance	**23,971**	**23,971**

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

f) **Sundry Receivables - Miscellaneous**

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Balance at 1st January	159	3,888
Reclassification	-	(3,429)
Write off	(159)	(300)
Balance	**-**	**159**

This is included in the Sundry receivable per Note 18 above.

g) **Due from joint arrangement partners**

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Balance at 1st January	9,554	23,058
Movement	8,698	(11,726)
Write off	-	(1,778)
Balance	**18,252**	**9,554**

19 Advances paid to supplier

Payments were made to NNPC Trading Limited during the financial year for the supply of products, a portion of which has not yet been delivered at year end. These payments represent the balance recorded as an advance payment to the supplier.

20 Withholding tax receivables

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

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Balance at 1st January	9,747	56,357
Additions	1,492	14,107
Withholding tax credit note utilized (Note 14(d))	-	(60,717)
Balance	**11,239**	**9,747**

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.

21 Inventories

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Premium Motor Spirit (PMS)	1,377,310	307,755
Automotive Gas Oil (AGO)	80,773	171,680
Aviation Turbine Kerosene (ATK)	417,864	817,713
Lubricants and greases	1,420,094	1,975,310
Liquified Petroleum Gas (LPG)	1,373	19,225
Low Pour Fuel Oil (LPFO)	4,119	4,119
Packaging materials and other sundry items	475	-
	3,302,008	**3,295,802**
Gross inventory	3,413,364	3,389,859
Inventory write down (Note 21 (a)	(111,356)	(94,057)
Net inventory	**3,302,008**	**3,295,802**

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

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Balance at 1 January	(94,057)	(79,378)
Net movement of inventory write down	(17,299)	(14,679)
Balance	**(111,356)**	**(94,057)**

22 Cash and cash equivalents

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Cash at bank and on hand	2,905,298	2,507,126
Short term deposits with banks	311,147	291,669
Cash and cash equivalents in the statement of financial position	3,216,445	2,798,795
Cash and cash equivalents in the statement of cash flows	**3,216,445**	**2,798,795**

The Company's exposure to credit risk and currency risks are disclosed in Note 32 (a).

23 Equity

		31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
a)	Issued and fully paid:		
	At January, 304,786,406 ordinary shares of 50k each	152,393	152,393

Bonus issue of 38,098,301 shares of 50k each	19,049	-
At December, 342,884,707ordinary shares of 50k each	**171,442**	**152,393**

Issued and fully allotted:
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. 2022** **₦'000**	**31 Dec. 2021** **₦'000**
Balance at 1 January	17,030,951	16,691,078
Profit for the year	1,316,102	339,873
Value of bonus shares issue	(19,049)	-
Balance	**18,328,004**	**17,030,951**

24 Employee benefit obligations

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

	31 Dec. 2022 **₦'000**	**31 Dec. 2021** **₦'000**
Other long term employee benefits	9,085	6,632
Total employee benefit liabilities	**9,085**	**6,632**

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 Henre Prinsloo FRC/2018/NAS/00000018473, of QED Actuaries Nigeria Limited FRC/2018/00000012293. The method of valuation used is the projected unit credit method and the last valuation was as at 31 December 2022.

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

	31 Dec. 2022 **₦'000**	**31 Dec. 2021** **₦'000**
Balance as at 1st January	6,632	15,935
Included in profit or loss:		
Current service cost/Provision	1,214	3,587
Past service (income)/cost	-	(3,580)
Interest cost	985	1,408
Remeasurement Loss/(gains)	1,016	(7,784)
Net charge to profit or loss	**3,215**	**(6,369)**

Benefits paid by the employer	(762)	(2,934)
Balance	**9,085**	**6,632**

(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 period ending 31 December 2022 as the balance is not material to the financial statements

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

	31 Dec. 2022	**31 Dec. 2021**
	%	**%**
Long-term average discount rate (p.a.)	13.7%	13.2%
Future average pay increase (p.a.)	12.0%	12.0%
Average Duration in years (Long Service Awards)	**5**	**5**

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:

Mortality in Service	**No of deaths in year out of 10,000 lives**	
	31 Dec. 2022	**31 Dec. 2021**
Sample age	%	%
25	13.2	13.2
30	12.0	12.0
35	9.0	9.0
40	6.0	6.0
45	5	5

		Rates
Withdrawal from Service	31 Dec. 2022	31 Dec. 2021
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 (2021: 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%	8,679
	+1%	9,530
Salary increase rate	-1%	9,562
	+1%	8,644
Mortality rate - Age rated down by 1 year	-1%	9,064
Age rated up by 1 year	+1%	9,104

25 Contract Liabilities

	31 Dec. 2022 ₦'000	**31 Dec. 2021 ₦'000**
At 1 January	(310,771)	-
Amount recognized as revenue during the year	118,319	-
Customer credit balance unutilized at year end	(71,735)	(310,771)
Advance received from customers in the year	(1,956,922)	-
At December	**(2,221,109)**	**(310,771)**

(a.) Revenue is recognized 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 recognized as contract liabilities until the goods have been delivered to the customer.

We received an advance of NGN1.96b as at year end which accounted for significant change in the contract liability in the current year.

The Company's exposure to liquidity risk and currency risks are disclosed in Note 32(b).

26 Dividends

(a) Declared dividends
No dividend was declared during the year (2021: nil)

(b) **Dividend payable**	**31 Dec. 2022 ₦'000**	**31 Dec. 2021 ₦'000**
At January	169,851	170,735
Dividend write off	-	(884)
At December	**169,851**	**169,851**

(c) Included in the dividend payable balance at period end is an amount of NGN23.97 million (2021: NGN23.97 million), which is held with the Company's registrar, First Registrars and Investor Services Limited. The dividend payable as at period end does not attract interest.

(d) The dividend was invested in an interest-bearing account and included in the short-term deposit (Note 22)

27 Trade and other payables

	31 Dec. 2022 ₦'000	**31 Dec. 2021 ₦'000**
Trade payables (Note 27(a))	3,015,108	4,501,434
Accrued expenses	1,064,651	1,100,268
Amounts due to joint arrangement partners (Note 27(b))	140,246	145,558
Bridging allowance (Note 27(c))	6,108,284	5,699,151
Amounts due to related parties (Note 33(e))	3,986,276	3,750,350
Total financial liabilities	**14,314,565**	**15,196,761**
Non-financial liabilities		
Statutory deductions (Note 27(d))	173,555	280,792
Security deposits (Note 27(e))	1,580,306	1,674,725
	1,753,861	**1,955,517**
	16,068,426	**17,152,278**

(a) Included in trade payables is an amount of NGN377.4 million, due to one of the Company's vendors which bears interest on expiration of credit policy granted to the Company (2021: NGN56.3 million). The interest charged is included in interest expense. (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.

(c) Bridging allowance represents amount due to the Petroleum Equalization Fund Management Board as contribution to the Fund. It is charged on every litre of product lifted from Pipelines and Product Marketing Company.

(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.

(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 periodic basis to cater for probable losses from sales to customers. See Notes 32(a,iv).

These deposits do not bear interest and are refundable to the dealers at any time they or the Company terminates the business arrangements in the event that the amount is in excess of the outstanding receivable.

28 Short term borrowings

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Bank borrowing (Import Finance and other short-term facilities)	1,411,105	1,411,105
Total Borrowings	**1,411,105**	**1,411,105**

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

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Balance as at 1 January	1,411,105	1,411,105
Additions	34,533,787	-
Repayments	(34,533,787)	-
Balance	**1,411,105**	**1,411,105**

The interest expense incurred in the year relating to overdraft and short-term borrowing is NGN44.4 million (2021: NGN300 million).

The Company's exposure to liquidity risk and currency risks are disclosed in Note 32(b) and 32(c) respectively.

29 Prepayments

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Other Prepayments-Rent, Insurances & others	149,124	56,415
	149,124	**56,415**
Non-current portion	-	-
Current portion	149,124	56,415
	149,124	**56,415**

Movement in prepayment

Balance as at 1st January	56,416	111,085
Addition	341,262	250,166
Release to profit or loss	(248,554)	(304,835)
Balance	**149,124**	**56,416**

30 Provisions

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Balance at 1st January	98,430	98,720
Provisions made during the period	5,371	5,899
Reversal of legal provision	(46,139)	-
Changes in estimate	170,702	-
Reversal on decommissioning provision on terminated leases	(4,185)	(6,188)
Balance	**224,179**	**98,430**
Non-current-Asset Retirement Obligation	224,179	52,291
Current-Legal	-	46,139
	224,179	**98,430**
Legal	-	46,139
Asset Retirement Obligation	224,179	52,291
	224,179	**98,430**

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 outlets 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).

31 Lease Liabilities

The Company leases land and thereafter constructs its fueling outlets. The leases typically run for an average period 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. 2022	31 Dec. 2021
Cost	**₦'000**	**₦'000**
Cost as at 1 January	1,107,948	1,317,428
Additions	170,702	-
Lease terminated	(58,317)	(209,480)
Cost as at 31 December	**1,220,333**	**1,107,948**
Allowance for depreciation		
Balance at 1st January	305,615	245,945
Charge for the year	98,604	111,551
Depreciation on lease cancelled	(21,917)	(51,881)
Balance as at 31 December	**382,302**	**305,615**
Carrying Amount as at 31 December	**838,031**	**802,333**

Amortization charge (as stated above) is included in selling and distribution expenses in the statement of profit or loss, because our retail outlets 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 (2021: ten years).

ii **Amounts recognized in profit or loss**	**31 Dec. 2022**	**31 Dec. 2021**
	₦'000	**₦'000**
Depreciation expense on right-of-use assets (Note 9)	98,604	111,551
Interest expense on lease liabilities (Note 11)	55,849	69,918

iii **Lease liability**	**31 Dec. 2022**	**31 Dec. 2021**
	₦'000	**₦'000**
Balance at 1st January	509,387	653,733
Interest on lease liability	55,849	69,918
Lease liability terminated	(18,761)	(214,264)
Interest Reversal on terminated leases	(11,217)	-
Lease payments	(11,000)	-
Balance as at 31 December	**524,257**	**509,387**

The Company's exposure to liquidity risk is disclosed in Note 28

The timing of the lease liabilities is as follows:

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Current	420,676	408,744
Non-Current	103,581	100,643
	524,257	**509,387**

Maturity Analysis of lease liabilities

	Amount ₦'000	Amount ₦'000
Year 1	420,676	408,744
Year 2	44,390	43,131
Year 3	59,191	57,512
	524,257	**509,387**

Extension options:

Some leases contain extension options exercisable by the Company at the expiration of the non-cancellable contract period. 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.

32. 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

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.

(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 recognized in profit or loss were as follows:

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Impairment (Reversal)/loss on trade receivables (Note 32(a)(iv))	(503,708)	(337,858)
Impairment of Petroleum Equalization Fund receivables (Note 32(a)(iv))	500,000	2,651
Impairment on related party receivables (Note 32(a)(iv))	314,704	11,628
	310,996	**(323,579)**

(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'2022			31 Dec'2021		
	Gross ₦'000	Impairment ₦'000	Net ₦'000	Gross ₦'000	Impairment ₦'000	Net ₦'000
Trade receivables	2,738,916	(1,483,796)	1,255,120	3,842,721	(1,987,504)	1,855,217
Due from related parties	556,511	(359,057)	197,453	532,898	(44,353)	488,545
Due from regulators (Government entities):						
Petroleum Equalization Fund (PEF)	9,950,791	(646,592)	9,304,199	8,998,321	(146,592)	8,851,729
DMO holdback	1,600,000	-	1,600,000	1,600,000	-	1,600,000
- Other receivables	91,108	-	91,108	83,427	-	83,427
	14,937,325	**(2,489,445)**	**12,447,880**	**15,057,368**	**(2,178,449)**	**12,878,919**

(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 analyzed 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 25 and 27). 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 period 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 period, 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 recognized because of collateral.

At 31 December 2022, the exposure to credit risk for trade receivables and contract assets by type of counterparty was as follows.

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Retail customers	1,820,330	2,412,487
Commercial and industrial	244,859	701,097
Aviation	673,726	729,136
	2,738,916	**3,842,721**

(iii) Expected credit loss assessment as at 31 December 2022

Expected credit loss assessment for government and related party receivables at 31 December 2022

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 2022
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 2022.

Retail Customers* 31 December 2022	**Loss rate %**	**Gross carrying amount ₦'000**	**Loss allowance ₦'000**
Current (not past due)	60.74	49,012	29,772
1–30 days past due	63.94	21,890	13,997
31–60 days past due	67.12	39,861	26,756
61–180 days past due	74.61	35,541	26,518
181–365 days past due	89.20	154,326	137,661
More than 365 days past due	100.00	364,443	364,443
		665,073	**599,148**

Retail Customers* 31 December 2021	**Loss rate %**	**Gross carrying amount ₦'000**	**Loss allowance ₦'000**
Current (not past due)	50.91	42,911	21,844
1–30 days past due	57.73	59,314	34,244
31–60 days past due	62.47	97,643	60,995
61–180 days past due	70.81	57,854	36,918
181–365 days past due	92.40	59,397	54,880
More than 365 days past due	100.00	553,564	553,564
		870,683	**742,445**

Commercial/Industrial Customers* 31 December 2022	**Loss rate %**	**Gross carrying amount ₦'000**	**Loss allowance ₦'000**
Current (not past due)	-	-	-
1–30 days past due	61.17	27,621	16,896
31–60 days past due	68.18	44	30
61–180 days past due	72.12	9,603	6,926

181–365 days past due	85.05	24,309	20,674
More than 365 days past due	100.00	183,282	183,280
		244,859	**227,806**

Commercial/Industrial Customers 31 December 2021	**Loss rate %**	**Gross carrying amount ₦'000**	**Loss allowance ₦'000**
Current (not past due)	39.85	40,514	16,146
1–30 days past due	44.26	65,630	29,046
31–60 days past due	49.99	80,275	40,129
61–180 days past due	56.49	46,378	26,200
181–365 days past due	75.53	95,347	72,019
More than 365 days past due	100.00	372,953	372,953
		701,097	**556,493**

Aviation Customers 31 December 2022	**Loss rate %**	**Gross carrying amount ₦'000**	**Loss allowance ₦'000**
Current (not past due)	54.89	24,163	13,263
1–30 days past due	-	-	-
31–60 days past due	-	-	-
61–180 days past due	83.50	4,364	3,644
181–365 days past due	91.17	59,592	54,328
More than 365 days past due	100.00	585,607	585,607
		673,726	**656,843**

Aviation Customers 31 December 2021	**Loss rate %**	**Gross carrying amount ₦'000**	**Loss allowance ₦'000**
Current (not past due)	27.04	55,392	14,976
1–30 days past due	-	-	-
31–60 days past due	-	-	-
61–180 days past due	65.85	448	295
181–365 days past due	-	-	-
More than 365 days past due	100.00	673,296	673,296
		729,136	**688,566**

* This has been adjusted with security deposits of about N1.16 billion (2021: N1.54billion). (See Note 27(e)).

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 period 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 (GPD) 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.

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 follows

	Balance 1-Jan-2021 ₦'000	Net remeasurement of loss allowance ₦'000	Balance 31-Dec-2021 ₦'000	Recognized in profit or loss ₦'000	Balance 31 Dec.-2022 ₦'000
Truck loan receivables	-	-	-	-	-
Trade receivables	2,325,360	(337,858)	1,987,502	(503,708)	1,483,794
PEF receivables	143,942	2,651	146,593	500,000	646,593
Related party receivables	32,725	11,628	44,353	314,704	359,057
Total	**2,502,027**	**(323,579)**	**2,178,448**	**310,996**	**2,489,445**

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 N9.30 billion (Dec 2021: N8.99 billion) recognized as receivable (Note 18), possibilities exist depending on negotiations that settlement will occur via a set off to the extent of bridging allowances amounting to N6.11billion (Dec 2021: N5.7 billion) recorded as a liability (Note 27). 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 32(a)(iv)).

vii) Other receivables

Other receivables include 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 was no impairment loss recognized in this category of receivables during the period. (Dec 2021: Nil).

viii) Cash and cash equivalents

The Company held cash and cash equivalents of N3.2 billion as at 31 December 2022 (Dec 2021: N2.80 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 utilized to meet its liquidity requirements.

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 ₦'000	Contractual cash flows ₦'000	6 months or less ₦'000
Non-derivative financial liabilities				
31 December 2022				
Other short-term borrowings	28	1,411,105	1,411,105	1,411,105
Dividend payable	26	169,851	169,851	169,851
Trade and other payables*	27	14,314,565	14,314,565	14,314,565
		15,895,522	**15,895,522**	**15,895,522**

31 December 2021				
Overdraft and other short-term borrowings	28	1,411,105	1,411,105	1,411,105
Dividend payable	26	169,851	169,851	169,851
Trade and other payables*	27	15,196,761	15,196,761	15,196,761
		16,777,717	**16,777,717**	**16,777,717**

* Excludes advances received from customers, statutory liabilities and security deposit.

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 sales, 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 nonexistent. 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.

Exposure to currency risk

The Company's transactional exposure to Naira (NGN) was based on notional amounts as follows:

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Financial assets		
Trade and other receivables		
USD	233	211
Cash and cash equivalents		
USD	554	35
Financial liabilities		
Short- term borrowings		
USD	-	-
Trade and other payables		
USD	(10,766)	(8,503)
Net statement of financial position exposure		
USD	**(9,979)**	**(8,257)**

Sensitivity analysis

A strengthening of the Naira, as indicated below against the Dollar at 31 December 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-22	**Decrease in profit or loss N'000**
USD (10 percent strengthening)	(447,607)
31-Dec-21	
USD (10 percent strengthening)	(357,131)

The following significant exchange rates were applied during the year

	Average rate		Reporting date spot rate	
	31 December 2022	**31 December 2021**	**31 December 2022**	**31 December 2021**
	₦	**₦**	**₦**	**₦**
US Dollar	432.50	430.95	448.55	424.11
Euro	440.11	476.00	478.92	480.69

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. 2022 ₦'000	**31 Dec. 2021 ₦'000**
Fixed rate instruments		
Bank overdraft and borrowings	1,411,105	1,411,105
Trade payables*	1,287,717	2,577,396

*Included in trade payables is an amount of ₦377.4 million (Dec 2021: NGN2.58 billion), 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. 2022 ₦'000	31 Dec. 2021 ₦'000
Total borrowings (Note 28)	1,411,105	1,411,105
Less: Cash and cash equivalents (Note 22)	(3,216,445)	(2,798,795)
Adjusted net debt	**(1,805,340)**	**(1,387,690)**
Total equity	18,499,446	17,183,344
Total capital employed	16,694,106	15,795,654
Adjusted net debt to equity ratio	**(0.098)**	**(0.081)**

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 categorized as follows:

	Carrying amount		
31 December 2022	Financial assets at amortized cost ₦'000	Other financial liabilities ₦'000	Total ₦'000
Financial assets not measured at fair value			
Trade and other receivables (Note 18)	12,447,880	-	12,447,880
Cash and cash equivalents (Note 22)	3,216,445	-	3,216,445
	15,664,325	**-**	**15,664,325**

Financial liabilities not measured at fair value			
Short term borrowings (Note 28)	-	1,411,105	1,411,105
Trade and other payables (Note 27)	-	14,314,565	14,314,565
Dividend payable (Note 26)	-	169,851	169,851
Contract liabilities (Note 25)	-	2,221,109	2,221,109
	-	**18,116,630**	**18,116,630**

	Carrying amount		
31 December 2021	**Financial assets at amortized cost ₦'000**	**Other financial liabilities ₦'000**	**Total ₦'000**
Financial assets not measured at fair value			
Trade and other receivables (Note 18)	12,878,919	-	12,878,919
Cash and cash equivalents (Note 22)	2,798,795	-	2,798,795
	15,677,714	**-**	**15,677,714**

	Carrying amount		
	Financial assets at amortized cost ₦'000	**Other financial liabilities ₦'000**	**Total ₦'000**
Financial liabilities not measured at fair value			
Short term borrowings (Note 28)	-	1,411,105	1,411,105
Trade and other payables (Note 27)	-	15,196,761	15,196,761
Dividend payable (Note 26)	-	169,851	169,851
Contract liabilities (Note 25)		310,771	310,771
	-	**17,088,488**	**17,088,488**

Trade and other receivables, cash and cash equivalent, trade and other payables, dividend payable, contract liabilities 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.

33 Related party transactions

(i) Parent and ultimate controlling entity

As at the period ended 31 December 2022, 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 is the ultimate holding company of MRS Oil Nigeria Plc. The following transactions occurred during the year:

Nature of transactions	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Sales of goods	214,229	-
Staff Secondment	-	(1,759)
Product purchase	(6,088,800)	(4,825,003)
Loan	-	2,380,693
AGO Internal Consumption	(221,028)	(142,118)
Reimbursements for expenses	-	11,698

In current year, the value of product stored by MRS Oil and Gas Limited for the Company amounted to N935,702 thousand (Dec 2021: N15 million). The total transactions with MOG during the year was N6.1 billion (Dec 2021: N2.58 billion). The net balance due to MOG is N38.28million (Dec 2021: N93.77 million due from MOG)

(b) Petrowest SA (Petrowest)

MRS 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 N1.78 billion (Dec 2021: N1.68 billion)

(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. 2022 ₦'000	31 Dec. 2021 ₦'000
Management fees	(431,983)	(440,398)
Sale of goods	230,882	163,153

Net balance due to MRS Holdings Limited was N1.60 billion (Dec 2021: N1.61 billion)

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

	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
MRS Benin S. A.	67,740	64,049
Corlay Togo S. A.	11,137	5,363
Corlay Benin S. A	9,476	4,750
Corlay Cote D'Ivoire	(113,469)	(109,391)
Corlay Cameroun S. A.	16,034	15,160
	(9,083)	**(20,068)**

	Nature of transactions	31 Dec. 2022 ₦'000	31 Dec. 2021 ₦'000
Corlay Togo S. A.	Reimbursements for expenses	12	7,613
Corlay Benin S. A	Reimbursements for expenses	10	5,670
Corlay Cote D'Ivoire	Reimbursements for expenses	5	3,727

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.

(e) Summary of intercompany receivables and payables:

	31 Dec. 2022		31 Dec. 2021	
	Receivables ₦'000	Payables ₦'000	Receivables ₦'000	Payables ₦'000
MRS Oil and Gas Limited (MOG)	452,124	(490,407)	237,896	(144,128)
MRS Holdings Limited	-	(1,603,311)	205,680	(1,814,678)
Petrowest	-	(1,779,090)	-	(1,682,153)
MRS Benin S. A.	67,740	-	64,049	-
Corlay Togo S. A.	11,137	-	5,363	-
Corlay Benin S. A	9,476	-	4,750	-
Corlay Cote D'Ivoire	-	(113,469)	-	(109,391)
Corlay Cameroun S. A.	16,034	-	15,160	-
	556,511	**(3,986,276)**	**532,898**	**(3,750,350)**

(ii) Key management personnel compensation
The Company pays short term benefits to its directors as follows:

	2022 ₦'000	2021 ₦'000
Short term employee benefits	15,730	18,995

(iii) Related Party Transactions above 5% of total tangible assets
In line with Nigerian Stock Exchange - 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 ₦15.22 billion, and the 5% disclosure limit is ₦763.9million. During the period, the Company had entered into transactions above the 5% disclosure limit with MRS Oil and Gas Limited.

34 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 Board of Directors 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).

(iv) Lubricants - this segment manufactures and sells lubricants and greases.

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

Segment revenues and cost of sales

Dec-22	Revenue		Cost of sales		Gross profit		Margin
	₦'000	% of Total	₦'000	% of Total	₦'000	% of Total	
Retail/C&I	90,071,429	**89%**	82,294,428	**89%**	7,777,001	**91%**	**9%**
Aviation	6,855,383	**7%**	6,309,255	**7%**	546,127	**6%**	**8%**
Lubes	3,853,069	**4%**	3,601,270	**4%**	251,799	**3%**	**7%**
Total	**100,779,880**	**100%**	**92,204,953**	**100%**	**8,574,927**	**100%**	

Dec-21	Revenue		Cost of sales		Gross profit		Margin
	₦'000	% of Total	₦'000	% of Total	₦'000	% of Total	
Retail/C&I	65,340,460	**91%**	62,527,249	**92%**	2,813,211	**74%**	**4%**
Aviation	3,009,964	**4%**	2,908,528	**4%**	101,436	**3%**	**3%**
Lubes	3,625,831	**5%**	2,713,074	**4%**	912,757	**23%**	**25%**
Total	**71,976,255**	**100%**	**68,148,851**	**100%**	**3,827,404**	**100%**	

35 Subsequent events

There are no significant subsequent events that could have had a material effect on the financial position of the Company as at 31 December 2022 and on the profit for the period ended on that date that have not been taken into account in these financial statements.

36 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 2022 is about N1.26 trillion. Per the assessment of the company's legal team, the estimated liability is about N711.93million (Dec 2021: N772.43 million). However, these actions are being contested and based on the expert advice of the company's solicitors, the directors believe that no significant liability will arise from these legal cases. Also, the sum of N137.84 million represents the value of law cases instituted by the company as the end of the reporting period.

(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.

37 Comparative figures

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

Reclassified from	Reclassified to	N'000
Trade and other payables - Advance received from customers	Contract liabilities	310,771
Selling & Distribution Expenses - Freight expenses	Cost of sales	1,317,197
Administrative Expenses – Amortization of ROU assets	Selling and distribution expenses	111,551
Administrative Expenses - Station running expenses	Selling and distribution expenses	90,725

Other National Disclosures

Statement of Value Added for the year ended

	31 Dec. 2022 ₦'000	%	31 Dec. 2021 ₦'000	%
Revenue	100,779,880		71,976,255	
Other income	254,883		1,379,496	
Finance income	24,950		33,278	
	101,059,713		**73,389,029**	
Bought in materials and services				
- Imported				
- Local	**(97,476,942)**		**(71,792,396)**	
Value added by operating activities	**3,582,771**	**100**	**1,596,633**	**100**
Distribution of Value Added				
To Employees:				
Salaries, wages, fringe and end of service benefits	447,947	13	386,305	24
To Government as:				
Taxation	623,587	17	206,200	(1)
To Providers of Finance:				
- Finance cost	105,685	3	376,333	24
Retained in the Business				
To maintain and replace:				
Deferred taxation	480,657	13	(221,048)	
- Property, plant and equipment	608,771	17	508,698	32
- Intangible assets	22	-	272	-
To augment retained earnings	1,316,102	37	339,872	21
Value added	**3,582,771**	**100**	**1,596,632**	**100**

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

Other National Disclosures

Five-Year Financial Summary

Statement of financial position

	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'000
Revenue	100,779,880	71,976,255	41,981,439	65,567,458	89,552,819
Results from operating activities	2,501,081	668,080	(2,113,846)	(2,022,918)	(1,483,933)
Profit/(loss) before taxation	2,420,346	325,025	(2,307,673)	(1,892,198)	(1,427,448)
Profit/(loss)for the year	1,316,102	339,873	(2,264,145)	(1,613,082)	(1,264,941)
Comprehensive income/(loss) for the year	**1,316,102**	**339,873**	**(2,264,145)**	**(1,613,082)**	**(1,264,941)**
Ratios					
Earnings/(loss) per share (Kobo)	384	112	(743)	(529)	(415)
Declared dividend per share (Kobo)	-	-	-	-	110
Net assets per share (kobo)	**5,395**	**5,638**	**5,526**	**6,269**	**6,798**

Statement of financial position

	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'000
Employment of Funds:					
Noncurrent assets	15,815,991	15,544,912	15,834,068	17,357,826	16,792,450
Net current assets	3,500,956	2,206,742	1,952,699	3,167,485	5,257,618
Noncurrent liabilities	(817,501)	(568,310)	(943,296)	(1,417,695)	(1,329,370)
Net assets	**18,499,446**	**17,183,344**	**16,843,471**	**19,107,616**	**20,720,698**
Funds Employed					
Share capital	171,442	152,393	152,393	152,393	152,393
Retained earnings	18,328,004	17,030,951	16,691,078	18,955,223	20,568,305
	18,499,446	**17,183,344**	**16,843,471**	**19,107,616**	**20,720,698**

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 December 2022		31 December 2021	
Description	Unit	%	Unit	%
Issued Share Capital	342,884,707	100.00	304,786,406	100.00
Substantial Shareholdings (5% and above)				
MRS Africa Holdings Limited	205,730,807	60%	182,871,828	60%
First Pen Cust/Asset Management Corporation of Nigeria	35,909,818	10%	31,919,838	10%
Total Substantial Shareholdings	**241,640,624**	**70%**	**214,791,666**	**70%**
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Ms. Amina Maina	37,278	1.1%	33,136	1.0%
Sir Sunday N. Nwosu	7,089	0.2%	6,301	0.2%
Mr Mathew Akinlade	642	0.0%	571	0.0%
Total Directors' Shareholdings	**45,009**	**1.3%**	**40,008**	**1.2%**
Free Float in Units and Percentage	**101,199,074**	**28%**	**89,954,732**	**28%**
Free Float in Value	**1,426,906,940**		**1,169,411,516**	

Declaration:

MRS Oil Nigeria Plc with a free float percentage of 28% as at 31 December 2022, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

MRS Oil Nigeria Plc with a free float value of =N= 1.43 billion as at 31 December 2022, 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 December 2022 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 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/2020/003/00000022038

Mr. Samson Adejonwo
(Chief Finance Officer)
FRC/2020/001/00000021998

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

March 29, 2023

SHAREHOLDERS INFORMATION

SHARE CAPITAL HISTORY:

Year	Share Capital	Mode of Acquisition
1978 – 1979	13,606,536	Initial Share Capital
1980-1982	27,213,072	Bonus 1980 (1:1) – 13,606,536 shares
1983-1985	45,355,120	Bonus 1983 (2:3) – 18,141,048 shares
1986-1988	68,032,680	Bonus 1986(1:2) – 22,677,560 shares
1989	90,710,240	Bonus 1989(1:3) – 22,677,560 shares
1990-1996	113,387,800	Bonus 1990 (1:4) –22,677,560 shares
1997-2001	151,183,734	Bonus 1997 (1:3) – 37,795,934 shares
2002-2003	181,420,480	Bonus 2002 (1:5) – 30,236,746 shares
2004-2016	253,988,672	Bonus 2004 (2:5) – 72,568,192 shares
2017	322,454,964	Bonus 2017 (1:5) - 50,797,734 shares
2022 till date	342,884,707	Bonus 2022 (1:8) - 20,429,743 shares

DIVIDEND DECLARED:

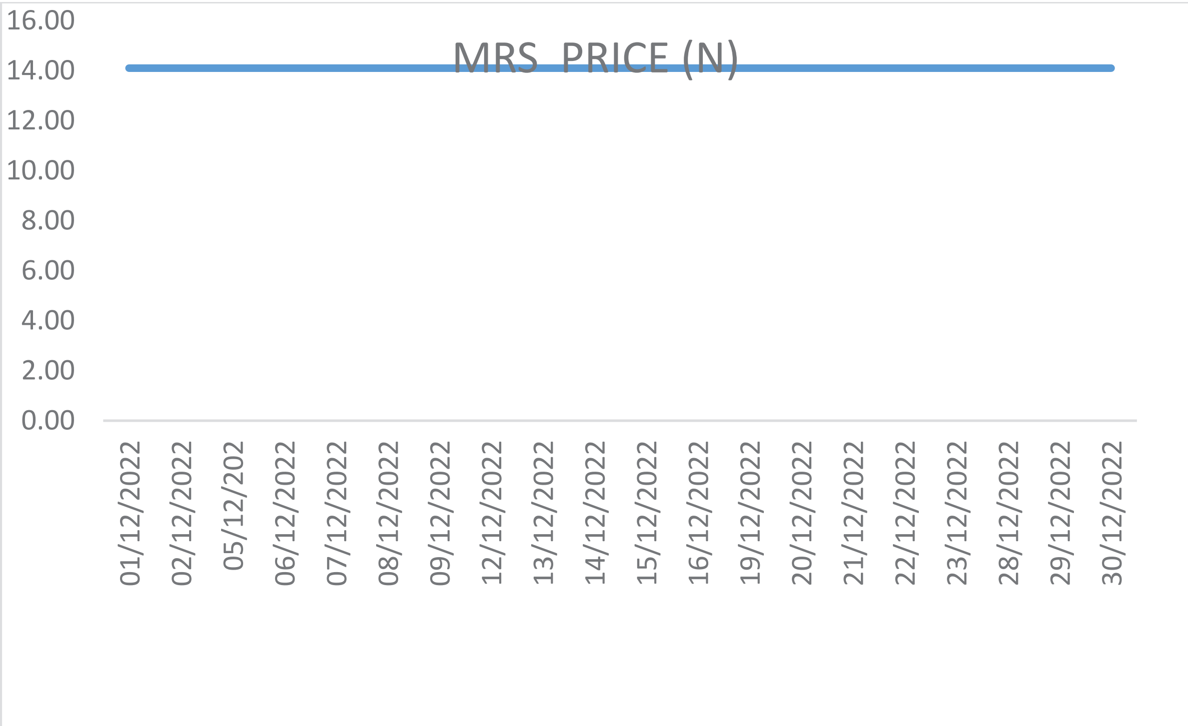
The following dividends were declared by the Company between 2010 and 2017.

DIVIDEND		DATE DECLARED	AMOUNT
Dividend 37	(Final)	July 27, 2011	34,497,267.40
Dividend 38	(Final)	July 10, 2012	15,114,523.53
Dividend 39	(Final)	August 14, 2013	5,349,872.35
Dividend 40	(Final)	August 7, 2014	32,401,221.12
Dividend 41	(Final)	August 4, 2015	17,946,815.74
Dividend 42	(Final)	August 4, 2016	31,988,963.49
Dividend 43	(Final)	August 7, 2017	48,506,482.78

For further information on the unclaimed dividend, please contact the Company's Registrar at First Registrars and Investor Services Limited, Plot 2, Abebe Village Road, Iganmu, Lagos or send an email to "MRS OIL NIGERIA PLC", through the Company's website, **inquiries@mrsholdings.com.**

SHARE PRICE MOVEMENT

Shareholders can receive information or contact the Company about any questions (regarding the Company's financial results and up-to-date share price), through the Company's website (www.mrsoilnigplc.net).



Shareholders can receive information or contact the Company about any questions (regarding the Company's financial results and up-to-date share price), through the Company's website: **(www.mrsoilnigplc.net).**

LIST OF DISTRIBUTORS

S/N	DISTRIBUTOR NAME	ADDRESS
1	CHIEF AWACO NIG. LTD	201, Makurdi, Road, Lafia, Nigeria, Nasarawa, Lafia.
2	SABOTOYS TOYE RESOURCES	35, Kugba Road, Oke-Saje, Abeokuta, Ogun State, Nigeria, Nigeria, Ogun, Abeokuta North.
3	RAINBOW. O	No 8 BCE Block Industry, Adjacent Himma Filling Station Gilada, Abuja, Nigeria, Abuja, Abuja Municipal.
4	CHAMAHL MARCH COMPANY LTD	No 110, Orlu Owerri Road, Orlu, Imo State, Nigeria, Imo, Owerri
5	LUBRITEX LTD	211,Block D5, 1004 Estate, Victoria Island, Lagos, Nigeria, Lagos, Victoria Island.
6	PADDY- E MULTI-CONCEPT ENTERPRISES	SW8/34, Liberty Road, Opposite Sacred Heart School, Oke-Ado, Nigeria, Oyo, Ibadan South West.
7	ONBASS INVESTMENT LTD	D12/2, New Auto Spare Parts, Nkpor, Nigeria, Anambra, Idemili North.
8	GUZONTAL ENTERPRISES	No 1 Peace Close Trans-Kulu, Enugu, Nigeria, Enugu, Enugu East.
9	HI-GRADE CONTEMPORARY	No 1 Oluode Village Junction, Opposite Ansalam Pry/sec School, Off Akala Road, Oluyole Extension, Ibadan, Nigeria, Oyo, Oluyole.
10	AMAGWU INDUSTRIAL VENTURES LTD.	25 CPA Close Off Apara NTA Link Road, Port Harcourt, Nigeria, Rivers, Port-Harcourt.
11	PERHOO INTEGRATED RESOURCES LIMITED	Road 3, House 19a, Federal Housing Estate, Rumueme, Nigeria, Rivers, Port-Harcourt.
12	V-TIME MARINE SERVICES NIGERIA LIMITED	No 21 Sangan Street Behind Leventis Motor Part, Port-Harcourt, Nigeria, Rivers, Port-Harcourt.
13	BASH INTERNATIONAL LUBRICANT OIL	No 2 Canteen Area, Gusau, Zamfara., Nigeria, Zamfara, Gusau
14	AMINUTECH AUTO WORLDWIDE	No 13 Clark Quarters, Behind Boys Scouts, Makurdi, Nigeria, Benue, Makurdi.
15	MCLUXURY ROOF	3 Waamals House, KM 2 East/west road, Port Harcourt, Nigeria, Rivers, Akpor.
16	SAMYTEX & SONS ENTERPRISE	No 192, Zik Avenue, Awka, Anambra, Nigeria, Benue, Makurdi.
17	ODIS GLOBAL LINKS LIMITED	4, Odi-Olowo Street, Sabo, Sagamu, Ogun State, Nigeria, Ogun, Sagamu
18	OMONIYI OLA0OLUWA AND SONS LIMITED	Opposite K.K Kosmos Filling Station, Adeyalo Junction, Ore, Nigeria, Ondo, Odigbo.
19	DE BRIGHT GLOBAL OSOTEX LTD.	Block 17, Shop W27, Gudu International Market, Gudu District, Abuja, Nigeria, Abuja, Central Business District.
20	KENOC NIGERIA LIMITED	NO 5, Webilor Street Beside MTN office, Aba Road, Nigeria, Rivers, Port-Harcourt.
21	RAPID ADVANCED CONCEPT LIMITED	Federal Secretariat Estate, Nigeria, Benue, Makurdi.
22	BOBBY INVESTMENT NIGERIA LIMITED	NO 49 Omoba Rd, Aba, Nigeria, Abia, Aba North.
23	JOE KATE ENTERPRISES	No 9, Bassey Duke Street, Calabar, Nigeria, Cross River, Calabar South.
24	EDDYFAB INTERNATIONAL NIGERIA LTD	C3/13, New Motor Spare Part, Nkpor, Nigeria, Anambra, Idemili North.
25	EZEOBI-VAL SYSTEMS LIMITED	AP/28 Agboedo Motor Spare Nkwo, Nigeria, Anambra, Nnewi North
26	VINNY STAR CONTINENTAL MERCHANDISE	A30/19, Agbo-Edo Market, Nnewi, Anambra, Nigeria, Anambra, Nnewi South.
27	ENGR. GULE ENTERPRISES	No 35, Near Sokoto South Secretariat, Ahmadu Bello Way, Sokoto, Nigeria, Sokoto, Sokoto South.
28	SANAB GLOBAL RESOURCES	Sani Abacha Byepass Birnin Kebbi, Nigeria, Kebbi, Birnin Kebbi.
29	VEBRADE INDUSTRIES NIGERIA LTD.	4 Prince Olanrewaju A. Elegushi Street Lagos, Nigeria, Lagos, Eti-Osa.
30	NSO AUTOMECHANIC	151, Ahmadu Bello way, Victoria Island, Lagos, Nigeria, Lagos, Victoria Island.
31	E C AKUDO GLOBAL CONCEPT LTD.	Zone D, Block 2, Shop 56, Aspamda Trade Fa, Nigeria, Lagos, Ojo.

32	ALLERPLUS RESOURCES LIMITED	Farm Road, Afali, PHC, Nigeria, Rivers, Port-Harcourt.
33	BARKA MATATA VENTURES LTD.	No 20, Alhaji Ibrahim, Jalo Stores, Opposite Rahamaya Filling Station ,Jos, Bauchi Maiduguri, Potiskum, Yobe State., Nigeria, Adamawa, Yola North.
34	MNE TRANSPORTATION AND LOGISTICS	No 17, Nairobi Street, Wuse 2 Abuja., Nigeria, Abuja, Wuse 2.
35	VIVI GOLD VENTURES	No 38 Border Road, Ikom Cross-River State, Nigeria, Cross River, Ikom.
36	FEDICO MOTORS ENTERPRISES	42, Rwang Pam Street, Jos Plateau State, Nigeria, Plateau, Jos North.
37	CF-ONYI EZEMA ENTERPRISES	Suite 67 Deo-Gratias Plaza Utako District -FCT Abuja, Nigeria, Abuja, Central Business District.
38	A.O CHIDI UNIQUE VENTURES LTD.	N0 4 Cooperative Building Keffi Road, Nasarawa State, Nigeria, Nasarawa, Keffi
39	SAINT CHUKS DE-DON INTERNATIONAL	106 Bakin Kura Street Bauchi, Nigeria, Bauchi, Bauchi.
40	MATT-CLIEF VENTURES LIMITED	km 15 Aba Ikot-Ekpene Road Aba, Nigeria, Abia, Aba.
41	PATRON F.I. BUILDERS	M1 Ahmadu Bello Way Ibrahim Taiwo Road Suite 11B, Kaduna State, Nigeria, Kaduna.
42	DUNAC INVESTMENT LIMITED	Zone C Block 5 shop 7 & 8 ASPAMDA Plaza BadagryEexpressway, Nigeria, Lagos, Badagry.
43	N. EMILOJU I.C. LTD.	Aladie Araromi Area Ejigbo Road Osun State, Nigeria, Osun, Ede South.
44	UMEH UCHE MARTIN & SONS (NIG) LTD.	JG 85 Akporido Street Apata Jos, Plateau State. P.O.BOX 2773, Nigeria, Plateau, Jos South.
45	OTUNBA JOJU OLANREWAJU	KM 21 Benin/Agbor Road Benin City, Nigeria, Edo, Benin City
46	M J MULTIPURPOSE SERVICES LIMITED	Along Gwarzo road Danbare Kumbotso L.G.A Kano, Nigeria, Kano, Gwarzo.
47	LATESHY RESOURCES NIGERIA LIMITED	No 19, Angola Crescent Barnawa, Kaduna, Nigeria, Kaduna, Kaduna South
48	EDUS CONCERN	V19, Mallam Kure Street, Jos North, Nigeria, Plateau, Jos North.
49	ZOOM ENERGIE ROW LIMITED	Shop B1c, 01, 19, 20, And 21 International Trade Fair Complex, By Badagry Express Way Lagos., Nigeria, Lagos, Badagry.
50	LAUNI TRADING INVESTMENT	No 2 Sokoto road, GRA Bauchi, Nigeria, Bauchi, Bauchi.
51	PERTH ENERGY LIMITED	Plot 2 Oshodi Apapa Express Way Lagos, Nigeria, Lagos, Apapa.
52	A. A. SALISU AND SONS NIGERIA LIMITED	Opposite Adama Plastic Numan Road Adamawa, Nigeria, Adamawa, Numan.
53	TB GEM AND MATE LIMITED	Plot 7, line 1, Agidingbi Mechanic Village, Agidingbi, Ikeja., Nigeria, Lagos, Ikeja
54	K K INTERNATIONAL	Area1, Jos Road, Kaduna, Nigeria, Kaduna, Kaduna.
55	IBB OIL AND GAS	F9 New Market Road, Amingo Junction, Jos Plateau state, Nigeria, Plateau, Jos South.
56	CHRIS-TON GLOBAL AGENCY LIMITED	Shop No. B3/27 New Motor Spare Part, Zuba-Abuja, Abuja, Nigeria, Abuja, Abuja Municipal.
57	ADLER SHOP	1 Aina Jakande Street Ike Ira Bridge- Ajah, Nigeria, Lagos, Epe.
58	MRS AZARE SHOP	Potiskum Road, Azare, Nigeria, Bauchi, Katagum.
59	CHUKEN GLOBAL SERVICES	39 Item Road, Nigeria, Abia, Aba North.
60	Y. A. ZOBO MULTILINKS	67 Jos/ Maiduguri Road, Kasuwan Shanu Potiskum, Nigeria, Yobe, Potiskum.
61	EDU-GOD INTERBUIZ LINK	Shop B4/31 & B5/42 Bank line, Zuba Motor Spare Part Market, Nigeria, Abuja, Abuja Municipal.
62	BUSINESS VENTURE	222 Murtala Mohammed Way, Benin City, Nigeria, Edo, Benin City
63	S.B.Y GENERAL CONTRACTORS LTD.	3 Market Road, Askira, Borno State, Nigeria, Borno, Askira.
64	AINA ADEYIGA SHOP	10, Ipoyewa Estate, Phase 1, Nigeria, Lagos, Ikorodu.
65	EUGENE AHAMEFULE OPARA	110 Murtala Mohammed Highway, Nigeria, Cross River, Calabar Municipality.
66	TADAERIGHA	OPOLO Round-About By Isaac Boro Expressway, Nigeria, Bayelsa, Yenegoa.
67	SOROMAN	Gada Biu, Nigeria, Plateau, Jos North.
68	ONYEMOWO	SUITE 18 WUSE SHOPPING CENTRE, Nigeria, Abuja, Wuse 2.

69	NORSKY GLOBAL	Kano, Nigeria, Kano, Kano Municipal.
70	GREAT VIGLADIN	NO 5 SILVER SMITH, BADAGRY, Nigeria, Lagos, Badagry.
71	DIAPER	MOWASOLA HOUSE, 2 OBA ADESIDA RD, Nigeria, Ondo, Akure North.
72	ACHIDA SAIDU USMAN	A40, GWARI MARKET, Nigeria, Niger, Minna.
73	A. A KARAYE MOTORS NIG LTD.	47, IBRAHIM TAIWO BY LAYIN KOSAI, Nigeria, Kano, Kano Municipal
74	WOOPET LUBES SHOP	Offa Garage, Offa, Kwara State, Nigeria, Kwara, Offa.
75	USTAF GLOBAL	NO. 3, 2ND GATE BYEPASS, TINCAN ISLAND, Nigeria, Lagos, Apapa.
76	NUR-KAREEM ENERGY	Yaman Filling Station, Plot 499, Tafawa Balewa Road, Tafawa Balewa Way, Garki Abuja., Nigeria, Abuja, Garki.
77	ARONU MOTORS CO. NIG LTD. (10007762)	No 71 Jubilee road, Aba, Nigeria, Abia, Aba.
78	GREAT KEN-MOH WAREHOUSE	10, Brodrick Street, Coal Camp, Nigeria, Enugu, Enugu North.
79	HOLIGAN GLOBAL SERVICES LTD.	16, Oluwaleimu Street, Off Toyin Street, Ikeja, Lagos, Nigeria, Lagos, Ikeja.
80	S.C DUBINSON NIG. LTD.	Suite A2, Ndamela House, Tafawa Balewa Way, Area 3, Nigeria, Abuja, Garki.
81	USMAN NAGARTA OIL AND GAS	Opposite Sunnah Hospital Unguwan Rimi, Nigeria, Plateau, Jos North.
82	ANGELA ADELOLA LTD.	MRS Filling Station Ondo/Akure, Akure, Ondo State, Nigeria, Ondo, Akure North.
83	OSAYOMWANBOR NIG ENTERPRISE	22, Kadiri Street, Off Oregun Road, Alausa, Ikeja, Lagos State, Nigeria, Lagos, Ikeja.
84	AD OIL COMPANY LTD.	1 Gaskiya Road, Nigeria, Kaduna, Zaria.
85	CHINOCHUKS AUTO LTD.	35 Bank Road New Garage Park, Nigeria, Benue, Makurdi.
86	HIFEB VENTURES	No 2, Miracle Avenue Junction, Magboro, Akeran, Ogun state, Nigeria, Ogun, Abeokuta North.
87	BARHOK PETROLEUM LTD.	Plot 923,6th Avenue By 13th Road MRS Filling Station, Festac Town, Nigeria, Lagos, Amuwo-Odofin.
88	OSIKHENA COMPANY NIG LTD.	Asero Road Behind Asero Garage, Nigeria, Ogun, Abeokuta North.
89	OLA-OBI TRADINGS STORES	2 Keeji Street Ogijo, Nigeria, Lagos, Ikorodu.
90	BAPPA HASSAN	No 5 Bypass Bomala Bridge, Nigeria, Gombe, Gombe.
91	COOPERATIVE	5 Alapata road Navy Dockyard, Nigeria, Lagos, Apapa.
92	EDDY BRAZIL OIL NIG	Nnewi, Nigeria, Anambra, Nnewi.
93	SHAVEY VENTURES LTD.	2, Otukpa Branch, Otukpa, Nigeria, Benue, Oturkpo.
94	ONYEFEE ZEE NIG LTD.	Mechanic Village, Azuiyi Udene, Nigeria, Ebonyi, Abakaliki.
95	ONUORAH JOSEPHINE MRS	B6/4 New Auto Parts Nkpor, Ugwumba, Nigeria, Enugu, Enugu.
96	ADOLF HYMAN NIG LTD.	Ogbete, Nigeria, Enugu, Enugu.
97	JOY ADDAMMA CHIDI	E8/9 New Auto Spare Parts, Nigeria, Anambra, Onitsha.
98	DIVINE MERCY LOGISTICS	89, Uselu Lagos Road, Nigeria, Edo, Benin City.
99	MOHAMMED RAWA GANA	2 KANO MOTOR PARK, Nigeria, Borno, Maiduguri.
100	ETHICAL AUTODYNAMICS LTD.	ASPAMDA, Nigeria, Lagos, Ojo.
101	DE GREAT ADE DE YOUNG ENTERPRISE	FAVOUR PLAZA SUIT 3-5 BESIDE ZONE A BLOCK 3, Nigeria, Lagos, Ojo.
102	GLOBAL BULK FUELS LTD.	137 Aba Road, Nigeria, Rivers, Port-Harcourt.
103	DANBERTO INT. NIG.	ZONE D3 SHOP 2 ASPAMDA, Nigeria, Lagos, Ojo.
104	OPARA EUGENE	110 M/M Highway, Nigeria, Cross River, Calabar Municipality.
105	AYM SHAFA WAREHOUSE	Muda lLawal Market, Nigeria, Bauchi, Bauchi.
106	A. S. PAJA OIL AND GAS NIGERIA	CHALAWA ROAD, JIMETA, Nigeria, Adamawa, Yola North.
107	NOBIS &ASSOCIATES NIG.	BLOCK B, ZONE 3, SHOP 12 ASPAMDA, Nigeria, Lagos, Ojo.
108	CHUCHORL NIGERIA LIMITED	CENTRAL ZONE C, BLOCK 1, SHOP 35, ASPMDA PLAZA INT, Nigeria, Lagos, Ojo.
109	BEDRUBO GROUP (CHUBA NIG. VENTURES)	128 Jakpa Road Effurun, Nigeria, Delta, Warri Central.
110	HAMISU DANTINKI MOTORS	No 275 Naibawa C. Park Zaria Road, Nigeria, Kano, Kano Municipal.
111	MASID MULTI PURPOSE SERVICES LTD.	5 Zoo Road, Nigeria, Kano, Kano Municipal.
112	A.K HASKE MULTI TRADE VENTURES	No 407 Unguwa Uku Garage, Nigeria, Kano, Tarauni.
113	R. N. IWOBI	Shop 21 Zungeru Road, Nigeria, Kano, Kano Municipal.
114	CLEGEE NIGERIA LTD.	Zone A, Block 12, Shop 7 ASPAMDA, Nigeria, Lagos, Ojo.

CORPORATE DIRECTORY

LAGOS HEADQUARTERS
2, Tin Can Island,
Port Road, Apapa
P. O. Box 166, LAGOS
Tel: +234(809)030-0000
Fax: +234 (1) 621-2145
E-mail: inquiries@mrsholdings.com

APAPA Fuels Terminal/Manufacturing Apapa Complex
5, Alapata Street
Apapa, Lagos
P.M.B. 1083, LAGOS
E-mail inquiries@mrsholdings.com

AVIATION DEPOT IKEJA
Joint Aviation Facility (JAFK)
Murtala Muhammed International Airport - Lagos.
Tell: +234908000000
E-mail: inquiries@mrsholdings.com

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AVIATION DEPOT ABUJA
Nnamdi AZIKIWE International Airport, Abuja
Tell: +234908000000
E-mail: inquiries@mrsholdings.com

EASY GUIDE

For more products details see overleaf.

PETROL(P)

 **Petrol - SUV** E.g Family SUV, Utility vehicles	 **Light Engine** E.g Bike, Keke, Lawn Mower, Small generator	 **Petrol - Cars** E.g Sadan, Sports Car
 1P Premier XtraFormula	 5P Premier 2T TC	 1P Premier XtraFormula
 2P Premier Super		 2P Premier Super
 3P Premier Motor Oil		 3P Premier Motor Oil
 4P Moto Gear Oil		 4P Moto Gear Oil

GREASE

G

Crystal Grease 3

DIESEL(D)

Diesel - SUV E.g Family SUV, Utility vehicles	Heavy Duty E.g Tractor, Trucks, Diesel gen Diesel Truck, Factory	Factory E.g Factory, Industrial System, Construction Equipments
 1D Stallion Xtra Premium	 1D Stallion Xtra Premium	 5D Hydro HD
 2D Stallion Diesel Super LA	 2D Stallion Diesel Super LA	 6D Hydro HVI
 3D Moto Gear Oil	 4D Moto Gear Oil	 4D Moto Gear Oil
		 7D Gear Box

MARINE

M

Marina 6 SSS 30
Marina ZF 13 MSE 40
Marina 16 MSE 30

Marina ZF 17 MSE 40
Marina 30 MSE 30
Marina 30 MSE 40

Marina 40 MSE 40
Marina 70 SSC 50

E.g Boat, Ships

BUREAU VERITAS
Certification

MRS OIL NIGERIA PLC

#2, TINCAN ISLAND PORT ROAD, APAPA-LAGOS
This is a multi-site certificate, additional site(s) are listed on the next pages(s)

Bureau Veritas Certification Holding SAS- UK Branch certifies that the Management system of the above organisation has been audited and found to be in accordance with the requirements of the management system standards detailed below

ISO 9001:2015

Scope of certification

STORAGE, MARKETING AND DISTRIBUTION OF PETROLEUM PRODUCTS

Original cycle start date:	**15-JUL-2022**
Expiry date of previous cycle:	**NA**
Certification Audit date:	**02-MAR-2022**
Certiifcation cycle start date:	**15-JUL-2022**

Subject to the continued satisfactory operation of the oraganization's Management system, this Certificate expires on: **14-JUL-2015**

Certificate **No. AFR 20220718 NIG Q MRS** Version: **No.1** Issue date: **15-JUL-2022**

Certification body address: ***5th Floor, 66 Prescott Street, London E1 8HG, United Kingdom***
Local office: **11, Niger Street, Parkview Estate Ikoyi, Lagos Nigeria**

UKAS MANAGEMENT SYSTEMS
0008

Further clarifications regarding the scope and validity of this cerficate, and the appllicability of the management system requirements, please call: **08099904340**

PROXY CARD

THE ANNUAL GENERAL MEETING OF MRS OIL NIGERIA PLC (THE COMPANY) WILL BE HELD AT ________________ the ____
________________________________ Lagos, Nigeria, on ______________________, 2023 AT 11.00 A.M. (THE MEETING).

I/We*____of______________________________
____________being a member/members of MRS OIL NIGERIA PLC hereby appoint ____________________________
____

or failing him/her, the Chairman of the Meeting as my/our proxy to act and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on __________________________, __________________, 2023 and adjournment thereof.

Dated this ____________ day of __________________ 2023. Signature ______________________________

PROPOSED RESOLUTIONS	FOR	AGAINST
To lay the Audited Financial Statements for the year ended 31 December 2022 and the Reports of the Directors, Audit Committee and Auditors Report thereon.		
To re-elect/elect Directors under Articles 90/91 of the Company's Articles of Association: • Mr. Matthew Akinlade • Ms. Amina Maina		
To authorize the Directors to fix the remuneration of the Auditors.		
To elect the Members of the Audit Committee.		
To disclose the remuneration of the Managers of the Company.		
To consider and if thought fit, pass the following resolution as Ordinary Resolutions: To fix the remuneration of the Directors. To renew the general mandate for Related Party Transactions on a need to need basis.		
To consider and if thought fit, pass the following resolutions as Special Resolutions: 8. That the Articles of Association of the Company be and are hereby altered by deleting the present Article 46 and subsisting the following new Article below in its place: Article 46 to read "The allotment of new shares in the Company shall be issued to existing and non-existing members directly or at the discretion of the Directors and as circumstance(s) may require from time to time".		
9. That the Articles of Association of the Company be and are hereby altered by deleting the present Article 49 and subsisting the following new Article below in its place: Article 49 to read "The Company shall in each calendar year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it and not more than fifteen months shall elapse between the date of one Annual General meeting of the Company and that of the next. The General meeting of the Company may at the discretion of the Board hold either physically, virtually or hybrid as circumstances may require".		
10. That the Articles of Association of the Company be and are hereby altered by deleting the present Article 64 and subsisting the following new Article below in its place: Article 64 to read "Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands or electronically every member present in person, by proxy and/or virtually shall have one vote and on a poll every member shall have one vote for each share of which he is the holder".		
11. That the Articles of Association of the Company be and are hereby altered by deleting the present Article 131 and subsisting the following new Article below in its place: Article 131 to read "A notice of Annual General Meeting and other Meetings may be given by the Company to any member either personally or by electronic means via the registered electronic mail address".		

ADMISSION CARD

MRS OIL NIGERIA PLC

ANNUAL GENERAL MEETING TO BE HELD ....2023 AT 11 a.m.
NAME OF SHAREHOLDER: ....
SIGNATURE OF PERSON ATTENDING: ....

NOTE:
The Shareholder or his/her proxy must produce this admission card in order to be admitted at the Meeting. Shareholders or their proxies are requested to sign the admission card at the entrance in the presence of the Registrar on the day of the Annual General Meeting.

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

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

(a) Write your name in BLOCK CAPITALS on the proxy form where marked *
(b) Write the name of your proxy **, and ensure the proxy form is dated and signed by you. The common seal should be affixed on the proxy form if executed by a corporation.

The proxy form must be posted as to reach the address below not later than 48 hours before the time for holding the Meeting.

The Registrars
First Registrar & Investors Services Limited;
Plot 2, Abebe Village Road
Iganmu, Lagos.

e-DIVIDEND FORM

The Registrar,
First Registrars & Investor services Limited
Plot 2, Abebe Village Road
Iganmu,
Lagos

Dear Sir,

I/We hereby request that all dividend(s) due to me/us from my/our holding in MRS Oil Nigeria Plc be paid directly to my/our Bank named below:

NAME OF BANK ______________________ **BRANCH** ______________

BANK ADDRESS ______________________

BANK ACCOUNT NO ______________________

SORT CODE ____________ **BVN NO** ______________________

CSCS NO ______________________

SHAREHOLDERS SURNAME ____________ **TITLE** ____________

OTHER NAMES ______________________

FULL ADDRESS: ______________________

MOBILE (GSM) NO ____________ **LAND LINE** ____________

EMAIL ____________ **FAX** ____________

SHAREHOLDER'S SIGNATURE(S)

1. ____________

2. ____________

BANK'S AUTHORISED SIGNATURES/STAMP

3. ____________

4. ____________

5. ____________

Company Seal

Please fill out and send this form to the Registrar's address above

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ELECTRONIC ANNUAL REPORT

Please indicate if you would like to receive an e-copy of the Annual Report and Accounts of the Company. Kindly tick either:

YES ____________ **NO** ____________

2022 Annual Report and Accounts