TOTAL NIGERIA PLC

UNAUDITED INTERIM FINANCIAL STATEMENT

30 June, 2018

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TOTAL NIGERIA PLC

RESULTS AT A GLANCE

FOR THE PERIOD ENDED	30 June 2018	30 June 2017	Change
	₦'000	₦'000	%
Revenue	156,268,519	152,972,447	2
Profit before taxation	8,645,870	7,313,558	18
Profit for the period	5,674,037	4,606,605	23
Share capital	169,761	169,761	-
Shareholders' funds	29,171,454	25,800,049	13

	30 June 2018	30 June 2017	Change
PER SHARE DATA:			%
Based on 339,521,837 ordinary shares of 50 kobo each:			
Earnings per 50 kobo share (Naira) - basic	*16.71*	*13.57*	*23*
Stock exchange quotation (Naira)	*210.00*	*280.00*	*(25)*
Number of staff	463	481	(4)

TOTAL NIGERIA PLC

STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED

	Note	30 June 2018 ₦'000	31 December 2017 ₦'000
Non-current assets			
Property, plant and equipment	16	34,858,872	28,519,814
Intangible assets	15	41,338	50,572
Prepayments	19	3,772,338	4,291,217
Trade and other receivables	18.1	3,475,225	2,875,395
Total non-current assets		**42,147,773**	**35,736,998**
Current Assets			
Inventories	17	25,250,600	26,666,240
Trade and other receivables	18	57,568,132	32,726,367
Prepayments	19	989,264	571,724
Cash and cash equivalents	23	6,902,435	12,162,802
		90,710,431	72,127,133
Assets held-for-sale	16.2	42,626	117,742
Total current assets		**90,753,057**	**72,244,875**
Total assets		**132,900,830**	**107,981,873**
Equity			
Share capital	22	169,761	169,761
Retained earnings		29,001,693	28,055,790
Total Equity		**29,171,454**	**28,225,551**
Non-current liabilities			
Deferred tax liabilities	11.3	2,779,782	2,393,262
Deferred income	21.3	3,000	6,000
Employee benefits	12	372,371	418,152
Total non-current liabilities		**3,155,153**	**2,817,414**
Current liabilities			
Trade and other payables	21	85,633,773	63,419,933
Deferred income	21.2	68,109	78,781
Current tax liabilities	11.2	2,389,944	305,171
Borrowings	20	12,482,397	13,135,023
Total current liabilities		**100,574,223**	**76,938,908**
Total liabilities		**103,729,376**	**79,756,322**
Total equity and liabilities		**132,900,830**	**107,981,873**

These financial statements were approved by the Board of Directors of the Company on 27 July 2018 and signed on behalf of the Board by:

Jeff Nnamani - Director
FRC/2017/IODN/00000015993

Bruno Dormoy - Executive Director
FRC/2017/IODN/00000017283

Additionally certified by:

Awazie Sunday - Head of Finance
FRC/2017/ICAN/00000016882

The notes on pages 6 to 40 form an integral part of these financial statements.

TOTAL NIGERIA PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED

		For the three months ended		For the six months ended	
		30 June 2018	30 June 2017	30 June 2018	30 June 2017
	Note	₦'000	₦'000	₦'000	₦'000
Revenue	6	80,622,095	72,509,637	156,268,519	152,972,447
Cost of sales	10	(67,708,356)	(65,183,425)	(135,026,999)	(136,646,822)
Gross profit		**12,913,739**	**7,326,212**	**21,241,520**	**16,325,625**
Other income	9	182,103	1,549,536	800,949	2,236,614
Selling & distribution costs	10	(1,185,858)	(751,194)	(2,421,679)	(1,753,181)
Administrative expenses	10	(4,970,665)	(4,528,342)	(9,438,574)	(8,749,285)
Operating profit		**6,939,318**	**3,596,212**	**10,182,216**	**8,059,773**
Finance income	8	82,400	106,400	154,759	279,035
Finance costs	8	(1,004,638)	(639,415)	(1,691,105)	(1,025,250)
Net finance costs		**(922,238)**	**(533,015)**	**(1,536,346)**	**(746,215)**
Profit before taxation		**6,017,080**	**3,063,197**	**8,645,870**	**7,313,558**
Taxation	11.1.1	(2,012,171)	(1,128,107)	(2,971,833)	(2,706,953)
Profit for the period		**4,004,909**	**1,935,090**	**5,674,037**	**4,606,605**
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		**4,004,909**	**1,935,090**	**5,674,037**	**4,606,605**
Earnings per share					
Basic and diluted earnings per share	14	11.80	5.70	16.71	13.57

The notes on pages 6 to 40 form an integral part of these financial statements.

TOTAL NIGERIA PLC

STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2018

	Notes	Share capital ₦'000	Retained earnings ₦'000	Total equity ₦'000
Balance at 1 January 2018		169,761	28,055,790	28,225,551
Total comprehensive income for the period		-	5,674,037	5,674,037
Transactions with owners of the Company:				
Contributions and Distributions				
Unclaimed dividend written back	13.1	-	25,172	25,172
Prior year final dividend	13.1	-	(4,753,306)	(4,753,306)
Current year interim dividend	13.1	-	-	-
Total transactions with owners of the Company		-	(4,728,134)	(4,728,134)
Balance at 30 June 2018		**169,761**	**29,001,693**	**29,171,454**

For the year ended 31 December 2017

	Notes	Share capital ₦'000	Retained earnings ₦'000	Total equity ₦'000
Balance as at 1 January 2017		169,761	23,400,336	23,570,097
Total comprehensive income for the year		-	8,019,298	8,019,298
Transactions with owners of the Company:				
Contributions and Distributions				
Unclaimed dividend written back	13.1	-	31,374	31,374
Prior year final dividend	13	-	(2,376,652)	(2,376,652)
Current year interim dividend	13	-	(1,018,566)	(1,018,566)
Total transactions with owners of the Company		-	(3,395,218)	(3,395,218)
Balance at 31 December 2017		**169,761**	**28,055,790**	**28,225,551**

The notes on pages 6 to 40 form an integral part of these financial statements.

TOTAL NIGERIA PLC

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED

	Note	30 June 2018 ₦'000	31 December 2017 ₦'000
Profit for the period		5,674,037	8,019,298
Adjustments for:			
Depreciation	16	2,050,405	3,460,906
Amortisation	15	16,095	49,934
Provision for Long Service Award		-	219,857
Write down and write back of inventory		(26,211)	35,156
Gains on sale of PPE	9	(988,433)	(103,142)
Reversal and remeasurement of foreign exchange forward contract	9.2	-	(1,624,000)
Net foreign exchange (gain)/loss	9.2	840,291	(993,424)
Net finance costs	8	1,536,346	473,931
Taxation	11.1.1	2,971,833	3,775,985
		12,074,363	13,314,501
Changes in:			
- Inventories		1,441,851	8,201,448
- Trade and other receivables		(25,351,408)	14,221,029
- Prepayments		187,006	155,777
- Trade and other payables		21,950,424	(21,440,794)
- Derivative financial liabilities		-	(1,624,000)
- Deferred income		(13,672)	(138,760)
Cash generated from operating activities		**10,288,564**	**12,689,200**
Payment for long service award		(45,781)	(25,497)
Interest on loans and receivables	8	112,195	2,299,362
Tax paid	11.2	(249,043)	(6,743,576)
Withholding Tax	11.2	(251,496)	(565,703)
Net cash generated from operating activities		**9,854,438**	**7,653,786**
Cash flows from investing activities			
Purchase of property, plant and equipment	16	(8,449,538)	(7,179,048)
Purchase of intangible assets	15	(6,861)	(26,536)
Interest on deposits	8	42,564	290,515
Proceeds from disposal of property, plant and equipment		1,037,956	182,666
Net cash used in investing activities		**(7,375,879)**	**(6,732,403)**
Cash flow from financing activities			
Interest paid	8	(1,691,105)	(3,063,808)
Trade finance loan		1,983,638	(2,833,564)
Dividends paid	13.1	(2,621,036)	(6,566,587)
Net cash used in financing activities		**(2,328,503)**	**(12,463,959)**
Net increase in cash and cash equivalents		**150,056**	**(11,542,575)**
Cash and cash equivalents at 1 January		2,587,742	19,016,262
Effect of movement in exchange rates on cash held		(2,774,160)	(4,885,945)
Cash and cash equivalents as at period ended	23	**(36,361)**	**2,587,742**

The notes on pages 6 to 40 form an integral part of these financial statements.

TOTAL NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

1 The Company

Legal form:

The Company was incorporated as a private limited liability company in 1956 and was converted to a public company in 1978. The merger of the Company with Elf Oil Nigeria Limited which commenced globally in November 1999 was completed in Nigeria in 2002. With this development, the authorised, issued and fully paid share capital was ₦148,541,000 made up of 297,082,000 ordinary shares of 50k each. In 2003, to mark the completion of its corporate mergers, Total Group worldwide reverted to its former name Total and adopted a new logo with a unifying design to express its corporate ambition.

Accordingly, the Company changed its name from TotalFinaElf Nigeria Plc to Total Nigeria Plc in the same year. With the capitalisation of the bonus issue of 42,440,228 ordinary shares of 50k each in March 2004, the authorised share capital became ₦169,760,918 made up of 339,521,837 ordinary shares of 50k each. 61.72% of the Company's ordinary shares were held by Total Societe Anonyme up until 2013 when a restructuring was concluded and Total Raffinage Marketing became the shareholders of 61.72% of Total Nigeria Plc while the remaining 38.28% are held by some members of the general public.

	30 June 2018		31 December 2017	
	Number	**Holdings**	**Number**	**Holdings**
	'000	**%**	**'000**	**%**
Total Raffinage Marketing	209,560	61.72	209,560	61.72
Other shareholders	129,962	38.28	129,962	38.28
	339,522	**100.00**	**339,522**	**100.00**

No shareholder, except as disclosed above, held more than 10% of the issued share capital of the Company as at 30 June 2018 (2017: Nil).

Principal activities

The principal activity of the Company is the blending of lubricants as well as the sales and marketing of refined petroleum products.

Description of business

Total Nigeria Plc. ("the Company") is a subsidiary of Total Raffinage Marketing ("the Parent Company") in France and operates in the petroleum marketing and distribution business in Nigeria. The Company's registered office is situated at:

No. 4, Churchgate Street
Victoria Island
Lagos State

2.0 Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in conformity with the Financial Reporting Council (FRC) of Nigeria Act, 2011 and the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 ("CAMA"). They were approved by the Board of Directors on 27 July, 2018.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for the provision for long service award which has been measured at the present value of the obligation (Note 12).

2.3 Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS

2.4 Financial period

These financial statements cover the financial period from 01 January 2018 to 30 June 2018, with corresponding figures for the financial period from 01 January, 2017 to 30 June, 2017, and where appropriate from 01 January 2017 to 31 December 2017.

2.5 Going concern

These financial statements have been prepared on a going concern basis.

2.6 Significant events and transactions.

Other than events already disclosed in the various notes, there are no other significant events in the period that are required to be disclosed.

2.7 Use of estimates and judgments

In preparing these financial statements, the directors have made certain judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The siginificant judgement made by management in applying the company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at year ended 31 December, 2017.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(a) *Judgement*

Information about judgements made in applying accounting policies that have the most significant effects on amounts recognised in the financial statements are as follows;

(i) Cash held with Total Treasury - Note 23

(ii) Recognition of foreign exchange balances

Balances in foreign currencies included in Note 26 of these financial statements have been translated using the applicable rates from the most advantageous market for the different categories of monetary assets and liabilities of the company.

(b) *Assumptions and estimation uncertainties*

The directors have made certain decisions about assumptions and estimation of uncertainties that have the most significant effect on the amounts recognised as follows:

(i) *Employee benefits*

The amount recognised in Note 12 of the financial statements as employee benefits - measurement of the Company's Long Service Award (LSA) scheme. This estimate relates to the discount rate, mortality and inflation rate applied in the computation of the Company's liabilities.

(ii) *Assets held for sale*

Non-current assets have been classified as held-for-sale as it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets have been measured at the lower of their carrying amount and fair value less costs to sell.

3 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January, 2019, and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated.

Effective for the financial year commencing 1 January 2019

- IFRS 16 *Leases*
- IFRIC 23 Uncertainty over Income Tax Treatments

IFRS 14 Regulatory Deferral Accounts, Clarification of acceptable methods of depreciation and amortisation (Amendments to IAS 16 and IAS 38), Accounting for acquisitions of interests in joint operations (Amendments to IFRS 11), Equity Method in Separate Financial Statements (Amendments to IAS 27), Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Associates and Joint Ventures: Asset Transactions - Amendments to IFRS 10 and IAS 28), Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2), Transfer of Investment Property (Amendments to IAS 40), Agriculture: Bearer plants (Amendments to IAS 16 and IAS 41) are not applicable to the business of the Company and will therefore have no impact on future financial statements.

The directors are of the opinion that the impact of the application of the remaining Standards and Interpretations will be as follows:

Standard/Interpretation not yet effective as at 31 December 2017		Date issued by IASB	Effective date Periods beginning on or after	Summary of the requirements and assessment of impact
IFRS 16	*Leases*	January 2016	1 January 2019 Early adoption is permitted only for entities that adopt IFRS 15 Revenue from Contracts with Customers, at or before the date of initial application of IFRS 16.	IFRS 16 replaces IAS 17 *Leases* , IFRIC 4 *Determining whether an Arrangement contains a Lease* , SIC-15 *Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease* . The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer (‘lessee’) and the supplier (‘lessor’). IFRS 16 eliminates the classification of leases as operating leases or finance leases as required by IAS 17 and introduces a single lessee accounting model The Company has carried out an impact assessment and has established that there will be no significant impact on its business from the initial application of IFRS 16 as none of the lease agreements fall into the category addressed by the standard.The Company will adopt the standard for the year ending 31 December 2019.

4 Significant accounting policies
The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Foreign currency transactions
Transactions denominated in foreign currencies are translated at the exchange rate on the transaction date. At each reporting date, monetary assets and liabilities are translated at the closing rate. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss on a net basis as "Other income" (net exchange gain) or "Other expenses" (net exchange loss).

4.2 Revenue and other income
Revenue is measured at the fair value of consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. It also excludes Value Added Tax.

(i) Sale of goods

Revenue from the sale of goods is recognised when the following conditions are satisfied :

- The Company has transferred to the buyer significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement in the goods to the degree usually associated with ownership nor effective control over goods sold;
- The amount of revenue can be measured reliably;
- It is probable that economic benefits associated with the transaction will flow to the Company; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

The timing of the transfer of risks and rewards depends on the individual terms of the sales agreement. For self collection, it occurs when the products are loaded unto the customer's trucks and for all other sales, when the products are delivered to the customer's site or in the case of vendor managed sites, when the products are discharged to the customer.

(ii) Other income

The Company recognises income from commission on sales at its *bonjour* shops as well as the rental of some of its space to partners. The period of occupancy is the basis upon which rental income is recognised. Rental income is recognised in profit or loss on a straight line basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS

4.3 Finance income and finance costs

The Company's finance income comprises interest income on credit bank balances and advances to employees as well as reimbursement of any foreign exchange loss and/or interest from Petroleum Product Pricing Regulatory Agency (PPPRA). Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Reimbursements of foreign exchange loss and/or interest from PPPRA are classified under Operating Activities in the Statement of Cash Flows while interest income on funds invested are classified under investing activities.

Finance costs comprises interest expense on borrowings and unwinding of discount on provisions. Interest expense are recognised in profit or loss using the effective interest method.

4.4 Income taxes

Income taxes disclosed in the statement of profit or loss and other comprehensive income include current tax expenses/credits and deferred tax expenses/credits.

Current Taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates statutorily or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

The Company offsets the tax assets arising from withholding tax credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set-off the recognised amounts, and it intends to either settle on a net basis, or to realise 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 not be realised.

Deferred Tax

Deferred tax is recognised 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 recognised 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

— taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised 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 recognise 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 for 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 realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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 substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which 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.

NOTES TO THE FINANCIAL STATEMENTS

4.5 Earnings per share (EPS)

i *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for bonus elements in ordinary shares issued during the period.

ii *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of Basic earnings per share to take into account the weighted average number of additional shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

4.6 Property plant and equipment

i Recognition, derecognition and measurement

Property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment under construction are disclosed as 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 asset to a working condition for their intended use including, where applicable, the cost of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

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

Gains 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 recognised in profit or loss.

Property, plant and equipment are derecognised on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal.

ii Subsequent costs

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

iii Depreciation

Depreciation methods, useful lives and residual values are reviewed each financial year end and adjusted if appropriate.
Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Property, plant and equipment are depreciated to their residual values using the straight-line method over their useful lives for current and comparative periods as follows:

Type of asset	**Useful lives**
· Motor vehicles	4 years
· Office equipment and furniture	4 years
· Computer equipment and other tangibles	4 - 20 years
· Plant, machinery and fittings	3 - 30 years
· Buildings	10 - 25 years
· Land	Not depreciated

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.

4.7 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 amortisation and accumulated impairment losses.

Intangible assets are computer software and software licenses. These are capitalised on the basis of acquisition costs as well as costs incurred to bring the assets to use.

Intangible assets are derecognised upon the sale. The gain or loss arising from the derecognition of an intangible asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset.

ii Subsequent expenditure

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

iii Amortisation of intangible assets

Amortisation is calculated on the cost of the asset, or other amount substituted for cost, less its estimated residual value. Amortisation is recognised 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.

Computer software and software licences have estimated useful lives for the current and corresponding periods of 3 to 5 years.

Amortisation methods, useful lives and residual values are reviewed each financial year end and adjusted if appropriate.

4.8 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.
Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell.
Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group’s other accounting policies. Impairment losses on initial classification as held-for-sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held-for-sale and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

4.9 Dividends

An accrual is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

The corresponding entry of any accrual made is in reserves and not in profit or loss.

4.10 Impairment

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 are 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 the debtors
- Observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets

Financial assets measured at amortised cost

The Company considers evidence of impairment for these assets at both an individual asset and a 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 grouping 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 recognised 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 recognised, then the previously recognised impairment loss is reversed through profit or loss.

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 recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses are recognised 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 amortisation, if no impairment loss had been recognised.

4.11 Financial instruments

The Company classifies non-derivative financial assets into loans and recievables.

The Company classifies non-derivative financial liabilities into other financial liabilities.

i Non-derivative financial assets

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

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

The Company has only loans and receivables as non-derivative financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Short term receivables that do not attract interest are measured at original invoice amount where the effect of discounting is not material.

Loans and receivables comprise trade receivables, other receivables and employee loans.

ii Non-derivative financial liabilities

All financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company has the following non-derivative financial liabilities: borrowings, trade and other payables.

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

iii Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency exposures.

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

4.12 Share capital

The Company has only one class of shares namely ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity.

4.13 Statement of cash flows

The statement of cash flows is prepared using the indirect method. Dividends paid to ordinary shareholders are included in financing activities. Interest paid is also included in financing activities while interest received is included in investing activities. Forex differential and interest claim on Petroleum Support Fund (PSF) are included in operating activities.

4.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash balances with banks and Total Treasury as well as call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

4.15 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of blended products/lubricants includes an appropriate share of production overheads based on normal operating capacity.

Net realisable 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.

The basis of costing inventories are as follows:

Product Type	Cost Basis
Refined Petroleum Products (AGO, ATK, PMS, DPK, LPFO, LPG)	Weighted Average Cost
Packaging Materials, Solar Lamps, Lubricants, Greases, Special fuids and Car care products	Weighted Average Cost
Inventories-in-transit	Purchase cost incurred to date

4.16 Provisions

Provisions comprise liabilities for which the amount and the timing are uncertain. They arise from environmental risks, legal and tax risks, litigation and other risks. A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event for which it is probable that an outflow of resources will be required and when a reliable estimate can be made regarding the amount of the obligation. Provisions are determined by discounting the expected future cash flow at a pre-tax rate that reflects current market assessment of the value and the risk specific to the liability. The unwinding of the discount is recognised in profit or loss as a finance cost.

However, possible obligations depending on whether or not certain future events occur are disclosed as contingent liabilities.

4.17 Employee benefits

i Defined contribution plan

A defined contribution plan is a post-employment benefit plan 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 periods.

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% 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 recognised in profit or loss as staff costs in the periods during which services are rendered by employees.

Gratuity scheme

The Company operates a gratuity scheme for its employees in service before January 2001. This is funded by the Company on a monthly basis, at a rate of contribution of 9.5% of total annual emolument and paid to Fund Managers chosen by each employee.

The Company's obligation are extinguished once the amounts have been transferred to the Fund Managers.

ii Other long-term employee benefits

The Company's other long-term employee benefits represents a Long Service Award scheme instituted for all permanent employees. The Company's obligations in respect of this scheme is the amount of future benefits that employees have earned in return for their service in the current and prior periods. 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 recognised in profit or loss in the period in which they arise. This Scheme is not funded. The obligations are paid out of the Company's cash flows as and when due.

iii Termination 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 recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, 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 recognised for the amount expected to be paid 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.

4.18 Government grant

Petroleum Products Pricing Regulatory Agency (PPPRA) subsidises the cost of importation of certain refined petroleum products whose prices are regulated in the Nigerian market. The subsidies are recognised when there is reasonable assurance that they will be recovered and the Company has complied with the conditions attached to receiving the subsidy. The subsidies are recognised as a reduction to the landing cost of the subsidised petroleum product.

4.19 Leases

Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Company seperates payment and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

If the Company concludes for a finance lease that is impracticable to separate the payment reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

Leased assets

Assets held by the Company under leases that transfer to the Company substantially all of the risk and reward of ownership are classified as finance lease. The leased assets are measured initially at an amount equal to the lower of the fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.
Any other type of lease is an operating lease, and is not recognised in the statement of financial position.

Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance income and the reduction of the gross receivable. The finance income is allocated to each period during the lease term so as to produce a constant periodic rate of return on the Company's net investment in the lease.

4.20 Operating Profit

Operating profit is the result generated from the continuing principal revenue producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs and income taxes.

4.21 Measurement of fair values

Some of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Final Account Manager (FAM) has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Board of Directors.

The FAM regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the FAM assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Audit Committee and the Board of Directors.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

5 Seasonality and Segment Reporting

Seasonality of Operations
The company's operations are such that revenue and cost are not affected by the impact of seasonality.

Segment Reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.
The Board has given the Company's Chief Executive Officer (CEO) the power to assess the financial performance and position of the Company, allocate resources and make strategic decisions. Segment reports that are reported to the CEO includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Products and services from which reportable segments derive their revenues
Information reported to the Company's Chief Executive for the purposes of resource allocation and assessment of segment performance is focused on the sales channels for the company's products (petroleum products, lubricants and others). The principal sales channels are Network, General Trade and Aviation. The Company's reportable segments under IFRS 8 are therefore as follows: Network, General Trade and Aviation.

The following summary describes the operations of each reportable segment.

Reportable Segment	Operations
Network	Sales to service stations
General Trade	Sales to corporate customers excluding customers in the aviation industry
Aviation	Sales to customers in the aviation industry

Segment revenue reported below represents revenue generated from external customers. There were no inter-segment sales in the current period (2017: Nil). Performance is measured based on segment which correspond with IFRS amounts in the Financial Statement.

5.1 Segment profit or loss (key items)

30 June 2018		NETWORK		GENERAL TRADE		AVIATION		TOTAL
		₦'000		₦'000		₦'000		₦'000
Revenue	69%	107,266,215.42	23%	35,717,870	9%	13,284,434.74	100%	156,268,519
- Petroleum products	69%	90,001,551	21%	26,955,105	10%	13,284,435	100%	130,241,091
- Lubricant and others	66%	17,264,665	34%	8,762,765	0%	-	100%	26,027,430
Gross profit	71%	15,107,158	22%	4,716,497	7%	1,417,863.99	100%	21,241,520
Finance income	82%	127,265	13%	20,464	5%	7,030	100%	154,759
Finance cost	82%	(1,385,466)	14%	(229,264)	5%	(76,374)	100%	(1,691,105)
Taxation	56%	(1,655,301)	35%	(1,046,511)	9%	(270,022)	100%	(2,971,833)
Increase/ (writeback) of Impairment allowance	-6%	8,801	-27%	37,086	133%	(184,329)	100%	(138,442)
Depreciation and amortisation	97%	(2,006,423)	3%	(59,888)	0%	(189)	100%	(2,066,500)

30 June 2017		NETWORK		GENERAL TRADE		AVIATION		TOTAL
		₦'000		₦'000		₦'000		₦'000
Revenue	74%	112,651,019	21%	32,761,522	5%	7,559,906	100%	152,972,447
- Petroleum products	74%	95,249,068	20%	25,986,204	6%	7,559,906	100%	128,795,178
- Lubricant and others	72%	17,401,951	28%	6,775,318	0%	-	100%	24,177,269
Gross profit	78%	12,805,333	21%	3,492,483	0%	27,809	100%	16,325,625
Finance income	85%	236,064	11%	30,415	4%	12,557	100%	279,035
Finance cost	85%	(867,362)	11%	(111,752)	4%	(46,136)	100%	(1,025,250)
Taxation	74%	(2,011,484)	37%	(1,007,755)	-12%	312,286	100%	(2,706,953)
Increase/ (writeback) of Impairment allowance	3%	6,098	66%	119,659	31%	56,292	100%	182,049
Depreciation and amortisation	91%	(1,548,193)	9%	(160,223)	0%	(201)	100%	(1,708,616)

TOTAL NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS

5.2 Segment assets and liabilities

30 June 2018

		NETWORK		GENERAL TRADE		AVIATION		TOTAL
		₦'000		₦'000		₦'000		₦'000
Non-current assets	81%	34,285,728	13%	5,428,543	6%	2,433,502	100%	42,147,773
Assets held-for-sale	34%	14,456	66%	28,170	0%	-	100%	42,626
Inventories	66%	16,709,570	25%	6,234,042	9%	2,306,988	100%	25,250,600
Receivables and prepayments	51%	30,095,521	38%	22,508,890	10%	5,952,985	100%	58,557,396
Cash and cash equivalents[1]	69%	4,737,986	23%	1,577,671	9%	586,778	100%	6,902,435
ASSETS		**85,843,261**		**35,777,316**		**11,280,254**		**132,900,830**
Addition to non-current assets	81%	5,214,939	13%	825,694	6%	370,141	100%	6,410,775
Payables, deferred income and current tax liabilities	78%	68,458,874	19%	16,807,782	3%	2,825,170	100%	88,091,826
Borrowings[1]	69%	8,568,198	23%	2,853,067	9%	1,061,132	100%	12,482,397
Non-current liabilities	92%	2,902,713	6%	190,334	2%	62,106	100%	3,155,153
LIABILITIES		**79,929,785**		**19,851,183**		**3,948,408**		**103,729,376**

31 December 2017

		NETWORK		GENERAL TRADE		AVIATION		TOTAL
		₦'000		₦'000		₦'000		₦'000
Non-current assets	81%	29,070,789	13%	4,602,849	6%	2,063,361	100%	35,736,998
Assets held-for-sale	34%	39,931	66%	77,811	0%	-	100%	117,742
Inventories	66%	17,646,369	25%	6,583,545	9%	2,436,326	100%	26,666,240
Receivables and prepayments	51%	17,113,524	38%	12,799,460	10%	3,385,107	100%	33,298,091
Cash and cash equivalents1	74%	9,023,416	20%	2,429,703	6%	709,683	100%	12,162,802
ASSETS		**72,894,029**		**26,493,368**		**8,594,477**		**107,981,873**
Addition to non-current assets	81%	4,538,755	13%	718,632	6%	322,148	100%	5,579,536
Payables, deferred income and current tax liabilities	78%	49,583,966	19%	12,173,681	3%	2,046,238	100%	63,803,885
Borrowings1	74%	9,744,694	20%	2,623,918	6%	766,411	100%	13,135,023
Non-current liabilities	92%	2,591,996	6%	169,960	2%	55,458	100%	2,817,414
LIABILITIES		**61,920,656**		**14,967,559**		**2,868,107**		**79,756,322**

[1]For the purpose of monitoring segment performance and allocating resources between segments, cash and borrowings are allocated to reportable segments on the basis of the revenues earned by individual segments.

5.3 Geographic information

The Company is domiciled in Nigeria. During the period, it sold products to some of its affiliates in Congo and Cameroon.
The geographic information analyses the Company's revenue and cost of sales by the Company's country of domicile and other countries.

Revenue	**30 June 2018**	**30 June 2017**
	₦'000	₦'000
Nigeria	155,691,450	152,657,846
Congo	293,523	-
Cameroon	283,545	314,600.65
	156,268,519	152,972,447

Cost of sales	**30 June 2018**	**30 June 2017**
	₦'000	₦'000
Nigeria	134,578,386	136,339,777
Congo	232,585	-
Cameroon	216,028	307,045.13
	135,026,999	136,646,822

The company does not hold non-current assets in these foreign countries.

6 Revenue

An analysis of the Company's revenue is as follows:

	30 June 2018	30 June 2017
	₦'000	₦'000
Petroleum products	130,499,705	127,983,543
Lubricants and others	25,768,814	24,988,904
	156,268,519	152,972,447

7 Auditor's remuneration

The analysis of auditors' remuneration is as follows:

	30 June 2018	30 June 2017
	₦'000	₦'000
Statutory audit fees	20,715	13,052
Total audit fees	20,715	13,052
Total fees	20,715	13,052

7.1 Fees paid to professional consultants

	30 June 2018	30 June 2017
	₦'000	₦'000
- Tax services	82,029	75,533
- Information technology services	233,090	224,658
- Litigation services	52,999	54,896
- Recruitment and remuneration services	1,898	5,233
- Air Total International subrogation fees	84,210	-
- Product supply fees and certifications	88,103	-
- Other services [1]	27,765	129,340
	570,094	489,660

[1] *Other services have been further classified in June 2018 to reflect key items accordingly.*

8 Net finance costs

	30 June 2018	30 June 2017
Finance income:	₦'000	₦'000
Interest on unclaimed dividend	35,247	60,168
Interest on loans and receivables	76,948	86,575
Interest on deposits	42,564	132,292
Total finance income	154,759	279,035
Finance costs:		
Interest on bank overdrafts and loans	(1,691,105)	(1,025,250)
Total finance costs	(1,691,105)	(1,025,250)
Net finance costs	(1,536,346)	(746,215)

NOTES TO THE FINANCIAL STATEMENTS

9 Other income and other expenses

		30 June 2018	30 June 2017
9.1	**Other income**	**₦'000**	**₦'000**
	Network income[1]	651,346	542,495
	Other sundry income[2]	1,461	1,862
	Gain on sales of property, plant and equipment	988,433	44,973
	Net foreign Exchange gain/ (loss)	(840,291)	1,647,284
		800,949	2,236,614
9.2	**Other expenses**		
	Net foreign Exchange loss of foreign exchange forward contract	-	956,216
	Net foreign Exchange loss	(840,291)	691,068
		(840,291)	1,647,284

[1]Network income represents income from Bonjour shop, rent, vendor management fees and other miscellaneous income.

[2]Other sundry income relates to royalties received.

10 Expenses by nature

	30 June 2018	30 June 2017
	₦'000	**₦'000**
Changes in inventory of lubes, greases and refined products	132,960,954	134,738,473
Custom duties	1,082,000	795,838
Transport of supplies	984,045	1,086,438
Distribution cost	2,421,679	1,753,181
Staff costs (Note 31(iii))	4,440,932	3,972,591
Depreciation (Note 16)	2,050,405	1,676,246
Amortisation of software (Note 15)	16,095	32,370
Rent	428,133	392,688
Maintenance expenses	549,670	728,399
Motor fuels and travelling expenses	531,099	411,580
Communication, computer and stationery expenses	158,151	127,239
Bank charges	40,814	49,901
Business promotion and publicity	204,133	299,845
Other expenses	52,031	60,873
Security & guarding	141,612	135,390
Write back of impairment allowance (Note 18.4)	(243,291)	(337,541)
Impairment allowance (Note 18.4)	104,849	519,590
Fees paid to professional consultants (Note 7.1)	570,094	489,659
Purchase of consumables	37,723	3,818
Insurance	82,801	96,401
Service charge	46,864	19,366
Levies	73,980	50,219
Entertainment expenses	30,052	32,354
Engineering studies	101,713	818
De-pollution and environment	-	500
Audit Remuneration (Note 7)	20,715	13,052
Total cost of sales, selling & distribution costs and administrative expenses	146,887,252	147,149,288

11 Company Income Tax

Income tax expense

The tax charge for the period has been computed after adjusting for certain items of expenditure and income, which are not deductible or chargeable for tax purposes and comprises:

11.1.1 Amounts recognised in profit or loss

	30 June 2018 ₦'000	30 June 2017 ₦'000
Current tax expenses:		
Company Income Tax (CIT)	2,299,183	1,475,756
Tertiary Education Tax (TET)	187,286	131,215
Capital gains tax	98,843	-
Current period tax expense	2,585,313	1,606,971
Deferred tax		
Origination and reversal of temporary differences (Note 11.3)	386,520	1,099,981
Tax expense	**2,971,833**	**2,706,953**

11.1.2 Reconciliation of effective tax rate

	30 June 2018 ₦'000	30 June 2017 ₦'000
Profit before tax	**8,645,870**	**7,313,558**
Income tax using the statutory tax rate (30%)	2,593,761	2,194,067
Effect of tertiary education tax rate (2%)	172,917	146,271
Capital gains tax	98,843	-
Non-deductible expenses	21,458	185,138
Tax incentives	(70,884)	(11,552)
Other differences	114,729	159,503
Difference in CIT and TET rates	41,008	33,525
	2,971,833	**2,706,953**

11.2 Movement in current tax liability

	30 June 2018 ₦'000	31 December 2017 ₦'000
Balance as at 1 January	305,171	6,388,307
Net provision for the period (Note 11.1.1)	2,585,313	1,226,143
Payments during the period	(249,043)	(6,743,576)
Withholding tax credit notes	(251,496)	(565,703)
Balance as at 30 June	**2,389,944**	**305,171**

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11.3 Deferred taxation

Deferred tax assets and liabilities are attributable to the following;

	Assets		Liabilities		Net	
	30 June 2018	December 2017	30 June 2018	December 2017	30 June 2018	December 2017
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Property, plant and equipment	-	-	(4,559,154)	(4,320,061)	(4,559,154)	(4,320,061)
Provision for doubtful debts	445,773	495,603	-	-	445,773	495,603
Provision for employee benefits	119,159	133,809	-	-	119,159	133,809
Provision for inventory	24,583	24,583	-	-	24,583	24,583
Unrealised exchange differences	1,189,858	1,272,804	-	-	1,189,858	1,272,804
	1,779,373	**1,926,799**	**(4,559,154)**	**(4,320,061)**	**(2,779,782)**	**(2,393,262)**

Movement in deferred tax balances during the period;

	Balance 1 January 2017	Recognised in profit or loss	Balance 31 December 2017	Recognised in profit or loss	Balance 30 June 2018
	₦'000	₦'000	₦'000	₦'000	₦'000
Property, plant and equipment	(3,740,659)	(579,402)	(4,320,060)	(239,094)	(4,559,153)
Provision for doubtful debts	510,061	(14,458)	495,603	(49,831)	445,773
Provision for employee benefits	71,614	62,195	133,808	(14,650)	119,157
Provision for inventory	27,570	(2,987)	24,583	-	24,583
Unrealised exchange difference	3,287,994	(2,015,190)	1,272,804	(82,946)	1,189,858
	156,579	**(2,549,841)**	**(2,393,262)**	**(386,520)**	**(2,779,783)**

11.4 The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act CAP C21 LFN 2004 (as amended) and the tertiary education tax charge is based on the Tertiary Education Trust Fund Act, 2011.

12.0 Employee benefits

Employee benefits represents the Company's liability for long service awards. Staff who have attained the milestones for the specified number of years of service in the Company (i.e. 10 years, 15 years and 20 years) are rewarded with cash and gift items as long service awards.

No provision has been made during the period ended 30 June 2018 (2017: Nil). See note 31 (iii)

13 Dividends

Declared dividends

The following dividends were declared by the Company during the period.

	30 June 2018 ₦'000	31 December 2017 ₦'000
Final dividend:		
₦14.00 per qualifying ordinary share (2017: ₦7.00)	4,753,306	2,376,652
I*nterim dividend:*		
₦3.00 per qualifying ordinary share (2017: ₦3.00)	-	1,018,566
	4,753,306	**3,395,218**

13.1 Dividend payable

	30 June 2018 ₦'000	31 December 2017 ₦'000
Balance as at 1 January	2,022,830	5,225,573
Final dividend (prior year)	4,753,306	2,376,652
Interim dividend (current year)	-	1,018,566
	6,776,136	8,620,791
Forfeited dividend	(25,172)	(31,374)
Dividend paid	(2,621,036)	(6,566,587)
Balance	**4,129,928**	**2,022,830**

By the provision of the Securities and Excange Commission (SEC) directives , dividend which remain unclaimed for 12 years stand forfeited.

14 Earnings per share (EPS)

Basic earnings per share

Basic earnings per share of ₦16.71 (June 2017: ₦13.57) is based on profit attributable to ordinary shareholders of ₦5.7 Billion (June 2017: ₦4.6 Billion), and on the 339,521,837 ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue during the year (June 2017: 339,521,837 ordinary shares).

The company has no dilutive potential ordinary shares and as such, diluted and basic earnings per share are the same.

	30 June 2018	30 June 2017
Earnings		
Profit for the period attributable to shareholders (expressed in Naira)	5,674,037,000	4,606,605,000
Number of shares		
Weighted average ordinary shares of 50 kobo each	339,521,837	339,521,837
Basic earnings per 50 kobo share (expressed in Naira)	16.71	13.57

The denominators for the purposes of calculating basic earnings per share are based on issued and paid ordinary shares of 50 kobo each.

15 Intangible assets

	30 June 2018	31 December 2017
Cost	**₦'000**	**₦'000**
Balance as at 1 January	398,736	383,361
Additions	6,861	26,536
Disposal	-	(11,162)
Balance	405,597	398,735
Amortisation		
Balance as at 1 January	(348,163)	(309,391)
Charge for the period	(16,095)	(49,934)
Disposal	-	11,162
Balance	(364,259)	(348,163)
Carrying amount		
At 1 January	**50,573**	**73,970**
At 30 June	**41,338**	**50,572**

[1]Amortization of intangible assets are included in administrative expenses in the Profit or Loss.
Intangible Assets are computer software and software licenses.

16 Property, plant and equipment
The movement on these accounts were as follows:

For the period ended 30 June 2018

	Leasehold land and buildings	Plant, machinery and fittings	Office equipment and furniture	Computer equipment and other tangibles	Motor vehicles	Capital work in progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost							
Balance as at 1 January 2017	16,953,464	12,247,504	558,233	11,067,453	2,005,510	4,063,665	46,895,829
Additions	506,924	1,105,741	432	658,022	121,023	4,786,907	7,179,048
Transfers (Note 16.1)	1,147,049	1,709,255	4,264	1,502,779	100,215	(4,692,672)	(229,110)
Disposals	(25,518)	(172,831)	(2,307)	(36,140)	(460,684)	-	(697,480)
Reclassification to assets held-for-slae	(21,686)	(405,548)	(5,992)	(85,569)	(52,055)	-	(570,851)
Balance as at 31 December 2017	18,560,233	14,484,121	554,629	13,106,545	1,714,009	4,157,900	52,577,436
Balance as at 1 January 2018	18,560,233	14,484,121	554,629	13,106,545	1,714,009	4,157,900	52,577,436
Additions	90,891	173,642	-	110,866	101,175	7,972,964	8,449,538
Transfers (Note 16.1)	783,274	1,715,023	11,102	366,428	514,730	(3,476,224)	(85,667)
Disposals	(27,362)	(29,470)	(106)	-	(24,978)	-	(81,916)
Reclassification to assets held-for-slae	(24,606)	(100,099)	(8,306)	(25,739)	-	-	(158,749)
Balance as at 30 June 2018	19,382,431	16,243,217	557,318	13,558,100	2,304,935	8,654,640	60,700,641
Accumulated depreciation and impairment							
Balance as at 1 January 2017	(4,682,503)	(7,606,739)	(556,423)	(7,677,470)	(1,144,645)	-	(21,667,780)
Charge for the period	(669,509)	(1,139,628)	(5,846)	(1,329,482)	(316,441)	-	(3,460,906)
Eliminated on disposals	14,886	119,113	2,305	30,431	451,221	-	617,956
Reclassification to assets held-for-slae	9,664	309,816	5,985	75,589	52,055	-	453,109
Balance as at 31 December 2017	(5,327,462)	(8,317,438)	(553,979)	(8,900,932)	(957,810)	-	(24,057,620)
Balance as at 1 January 2018	(5,327,463)	(8,317,438)	(553,979)	(8,900,932)	(957,810)	-	(24,057,623)
Charge for the period	(356,722)	(699,222)	(8,633)	(785,405)	(200,423)	-	(2,050,405)
Eliminated on disposals	19,606	92,364	113	13,074	24,978	-	150,135
Reclassification to assets held-for-slae	9,702	81,673	8,209	16,539	-	-	116,123
Balance as at 30 June 2018	(5,654,877)	(8,842,624)	(554,289)	(9,656,724)	(1,133,255)	-	(25,841,770)
Carrying amount							
At 1 January 2017	12,270,961	4,640,765	1,810	3,389,983	860,865	4,063,665	25,228,049
At 31 December 2017	13,232,771	6,166,682	651	4,205,613	756,199	4,157,900	28,519,817
At 30 June 2018	**13,727,554**	**7,400,593**	**3,029**	**3,901,376**	**1,171,680**	**8,654,640**	**34,858,872**

No item of property, plant and equipment has been pledged as security.

16.1 Transfers represent additions to other categories of PPE as well as from period's work-in-progress as they become completed. Capital work in progress items include construction and other tangible asset awaiting completion.

16.2 Asset held-for-sale

In December 2017, the Company committed to a plan to discontinue its LPG line of business. Accordingly, these assets are being presented as disposal group held for sale in the statement of financial position. Efforts to sell these assets have commenced and sale is expected to be concluded before year end.

(a) **Assets of disposal group held for sale**
At 30 June 2018, the LPG disposal group was carried at the net book value. The Company performed an assessment of the recoverable value (fair value less costs to sell) of the assets using the third party quotations received, and compared the recoverable amount to the carrying value. Based on its assessment, the recoverable value of the assets is higher than the carrying amount.
The LPG disposal group comprise of the following assets:

	Land and buildings	Plant, machinery and fittings	Office equipment and furniture	Computer equipment and other tangible assets	Motor Vehicles	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Carrying Amount as at 30 June 2018	14,902	18,426	97	9,200	-	42,626

17 Inventories

Inventories comprise:

	30 June 2018	31 December 2017
	₦'000	₦'000
Raw materials	371,276	310,154
Goods in transit	3,123,486	3,401,007
Finished goods	20,432,331	21,756,197
Consumable equipment and spares	1,323,507	1,198,882
	25,250,600	26,666,240

17.1 Movement in write down of inventory

	30 June 2018	31 December 2017
	₦'000	₦'000
Balance as at 1 January	375,071	339,914
Write down of inventory[1]	37,210	325,457
Reversal of prior period write down[2]	(63,420)	(290,300)
Balance as at 30 June	348,860	375,071

[1]During the period, amounts of ₦37 million (2017: ₦325 million) were written down and recognised in cost of sales.

[2]Reversal of prior period write down arose because alternative uses were found for the products

18 Trade and other receivables (Current)

	30 June 2018	31 December 2017
	₦'000	₦'000
Customers account	23,530,481	14,627,397
Due from related parties (Note 30.2)	433,179	367,830
Total trade receivables	**23,963,660**	**14,995,227**
Net investment in finance lease	666,032	671,340
Advance on letters of credit	15,798,913	4,642,860
Bridging claims	5,964,957	2,242,222
Receivable from Petroleum Support Funds	3,250,151	251,654
Unclaimed dividends	1,669,514	1,441,302
Employee receivables	125,571	485,289
Advance to supplier	4,248,960	6,677,809
Other receivables	1,880,374	1,318,664
Total other receivables	**33,604,472**	**17,731,140**
	57,568,132	**32,726,367**

18.1 Trade and other receivables (Non-current)

	30 June 2018	31 December 2017
Non-current portion of trade and other receivables comprise:	₦'000	₦'000
Employee receivables (Note 18.1.1)	1,299,786	682,620
Net investment in finance lease	2,175,439	2,192,775
	3,475,225	**2,875,395**

18.1.1 Finance lease receivable

During 2016, the Company leased transport equipment to some of its transporters under a finance lease arrangement. The average term of the finance leases is 3 years, with options to extend. The finance lease receivables at the end of the reporting period are neither past due nor impaired. At 30 June 2018, the carrying amount of leased equipment was ₦2.84 billion (2017: ₦2.86 billion). The carrying amount of the finance lease receivables approximates their fair value and may be analysed as follows:

	30 June 2018	31 December 2017
	₦'000	₦'000
Gross investment in finance lease receivable	3,941,774	3,973,186
Unearned finance income	(1,100,303)	(1,109,071)
Net investment in finance lease	**2,841,471**	**2,864,115**

Net investment in finance lease	30 June 2018	31 December 2017
	₦'000	₦'000
Less than one year	666,032	671,340
Between one and three years	2,175,439	2,192,775
	2,841,471	**2,864,115**

18.2 As at 30 June 2018, ageing of trade and other receivables that were not impaired was as follows:

	30 June 2018	31 December 2017
	₦'000	₦'000
Neither past due nor impaired	18,381,551	10,410,270
0 - 90 days past due	3,619,440	2,837,320
91 - 180 days past due	466,546	295,464
Above 180 days past due	1,496,124	1,452,173
	23,963,660	**14,995,227**

Management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full based on the historical payment pattern and extensive analysis of customer credit risk

18.3 Ageing of impairments

The Company considers its receivables to be impaired when normal collection methods fail and the receivables are referred to the legal team/collection agents.

18.4 Movement in the impairment allowance

	30 June 2018	31 December 2017
	₦'000	₦'000
Balance as at 1 January	1,625,581	1,682,124
Impairment losses recognised	104,849	574,849
Amounts written off during the period as uncollectible	-	(9,335)
Amounts recovered during the period	(243,291)	(622,057)
Balance	1,487,139	1,625,581

In determining the recoverability of a receivable, the Company considers changes in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the Company's diverse customer base. Though we have adopted IFRS 9 in assessing and computing our impairment allowance we considered that the impact is not material enough for adjustment at this time as the estimation model for this analysis is still being fine tuned as at the time of preparing this report.

19 Prepayments

Non-current and current prepayments mainly represent long term prepaid network assets, advance payment for rent and insurance expenses.

	30 June 2018	31 December 2017
	₦'000	₦'000
Current		
Prepaid rent and employee advances	**989,264**	**571,724**
Non-current		
Long term prepaid network assets	3,554,267	4,233,253
Prepaid rent	218,070	57,964
Total non-current prepayment	**3,772,338**	**4,291,217**
Total prepayments	**4,761,601**	**4,862,941**

The long term prepaid network assets relate to amounts paid in advance for leased stations, as well as lands on which stations and other Company installations are built.

	30 June 2018	31 December 2017
20 Borrowings	₦'000	₦'000
Unsecured borrowings at amortised cost		
Bank overdrafts (Note 23)	6,938,796	9,575,060
Trade finance loan	5,543,601	3,559,963
Total borrowings	**12,482,397**	**13,135,023**

The principal features of the Company’s borrowings are as follows:

- Bank overdrafts are repayable on demand. The average interest rate on bank overdrafts for the period was approximatey 17.4% per annum (2017: 19.0% per annum). This was determined based on banks' cost of funding plus lenders' mark-up. These overdrafts are neither guaranteed nor is any collateral given on the balances.

Trade finance loan represents short term borrowings obtained to fund letters of credits for product importation.

- The carrying amount of current borrowings is a reasonable approximation of fair value as at 30 June, 2018.

NOTES TO THE FINANCIAL STATEMENTS

21	Trade and other payables	30 June 2018	31 December 2017
		₦'000	₦'000
	Trade payables :		
	Amount due to related companies (Note 30.2)	12,843,648	23,852,874
	Trade creditors	7,245,843	5,632,367
	Bridging contribution	7,196,297	4,202,064
	Payable to Petroleum Support Fund	616,869	616,869
		27,902,657	**34,304,174**
	Other payables:		
	Sundry creditors	11,393,000	6,110,212
	Security deposits	6,687,077	6,143,559
	Accrued liabilities	35,379,514	14,753,536
	Dividend payable (Note 13.1)	4,129,928	2,022,830
	Pay As You Earn (PAYE)	37,384	55,759
	Staff pension	101,349	26,720
	Staff gratuity	2,864	3,143
		57,731,116	**29,115,759**
	Total trade and other payables	**85,633,773**	**63,419,933**

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs.

Accrued liabilities principally comprise accrual for product bills and other charges for which invoices were not yet received at the end of the period.

The Directors consider that the carrying amount of trade payables as at 30 June 2018 approximates their fair value.
Information about the Company's exposure to currency and liquidity risks is included in Note 26(iii)

21.2	Deferred income (current)	30 June 2018	31 December 2017
		₦'000	₦'000
	Rental services	9,899	20,571
	Advance received for solar distribution	58,210	58,210
		68,109	**78,781**

21.3	Deferred income (non current)	30 June 2018	31 December 2017
		₦'000	₦'000
	Rental services	3,000	6,000
		3,000	**6,000**

The deferred income represents amounts billed and collected in accordance with contractual terms in advance of when the goods are delivered or services rendered. These advance payments primarily relate to the rental income and prepaid revenue for goods and services yet to be rendered. The Company estimates this will be earned as revenue during the subsequent financial periods.

22		30 June 2018	31 December 2017
	Share capital	₦'000	₦'000
	Authorised, Issued and fully paid:		
	339,521,837 ordinary shares of 50 kobo each	169,761	169,761

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.

23		30 June 2018	31 December 2017
		₦'000	₦'000
	Cash and cash equivalents		
	Bank and cash balances	1,871,379	7,232,623
	Cash balances with Total Treasury (Note 30.2)	5,031,056	4,930,179
	Cash & cash equivalents in statement of financial position	6,902,435	12,162,802
	Bank overdrafts (Note 20)	(6,938,796)	(9,575,060)
	Cash & cash equivalents in statement of cash flows	(36,361)	2,587,742

The directors believe that the amounts held with Total Treasury qualify as cash and cash equivalents because they can be withdrawn at any time without penalty.

24 Commitments and contigent liabilities

Financial commitments

The Company did not charge any of its assets to secure liabilities of third parties.

The Directors are of the opinion that all known liabilities and commitments have been taken into account in the preparation of these financial statements. These liabilities are relevant in assessing the Company's state of affairs.

	30 June 2018	31 December 2017
Bonds	**₦'000**	**₦'000**
Total commitments given	2,000,350	2,500,350
Total commitments received	80,000	-

Commitments given primarily include guarantee to Pipelines and Products Marketing Company Limited (PPMC) for bulk purchase of petroleum products and bond to Major Oil Marketers Association of Nigeria (MOMAN) for joint petroleum product importation in the ordinary course of business. No losses are anticipated in respect of these.

Commitments received include customers' guarantees.

Commitments received and given are held with local banks.

At 30 June 2018, the Company had contractual commitments for the acquisition of property, plant and equipment amounting to ₦3.7 Billion (2017: ₦4.1 Billion).

Contingent liabilities

There are contingent liabilities in respect of legal actions against the Company amounting to approximately ₦1.26 trillion (2017: ₦1.27 trillion). The Directors have not made provisions for these contingent liabilities as consultation with the in-house legal team (who holds regular discussions and get expert opinion from the Company’s external solicitors) has indicated that no material losses will crystalise against the Company.

25 Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from prior period.

The capital structure of the Company consists of debt, which includes the borrowings disclosed in Note 20, cash and cash equivalents and equity attributable to equity holders, comprising issued capital, reserves and retained earnings.

The Company is not subject to any externally imposed capital requirements.

Gearing ratio
The gearing ratio is as follows:

	30 June 2018 ₦'000	31 December 2017 ₦'000
Borrowings (Note 20)	12,482,397	13,135,023
Cash and cash equivalents (Note 23)	(6,902,435)	(12,162,802)
Net debt	5,579,962	972,221
Equity	29,171,454	28,225,551
Net debt to equity ratio	0.1913:1	0.0344:1

Borrowing is defined mainly as long and short-term borrowings.
Equity includes all capital and reserves of the Company that are managed as capital.

26 Financial risk management

(i) Financial risk management objectives

The Company's Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk), credit risk and liquidity risk.

The Company's Treasury function reports monthly to the Group's Treasury, a section of the Group that monitor's risk and policies implemented to mitigate risk exposures.

(ii) 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 optimising the return.

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

Interest rate risk management

The Company is exposed to interest rate risk as it borrows funds at multiple interest rates. The risk is managed by the Company by constantly negotiating with the banks to ensure that interest rates are consistent with the monetary policy rates as defined by the Central Bank of Nigeria.

Interest rate risk
Sensitivity analysis

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

	30 June 2018	31 December 2017
	₦'000	**₦'000**
Variable rate instruments		
Borrowings (Note 20)	12,482,397	13,135,023
	12,482,397	13,135,023

Sensitivity analysis for variable rate instruments

A change of 500 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below:

Change of 500 basis points or 5%

	Interest charged	Effect of increase/decrease in Interest rate	
	₦'000		**₦'000**
30 June 2018	1,691,105	'+/-5 %	418,919
31 December 2017	3,063,808	'+/-5 %	758,963

26 Financial Risk Management (cont'd)

Foreign exchange risk management

A movement in the exchange rate either positively or negatively by 15 percent is illustrated below. Such movements would have increased (decreased) the 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 period. The analysis assumes that all other variables, in particular interest rates, remain constant.

Effect in thousands of Naira

As at 30 June 2018

	Foreign currency	Naira balance	Exchange rate*	Effect of increase/decrease in exchange rate	
	'000	**'000**			**N '000**
Trade receivables					
USD	5,009	1,692,358	337.86	'15%	253,854
Euro	(27)	(10,588)	392.16	'15%	(1,588)
Cash deposits					
USD	21,285	7,191,425	337.86	'15%	1,078,714
EURO	-	-	392.16	'15%	-
Trade payables					
USD	(73,950)	(24,985,008)	337.86	'15%	(3,747,751)
EURO	(29)	(11,402)	392.16	'15%	(1,710)
GBP	(43)	(13,365)	310.81	'15%	(2,005)
CHF	(29)	(9,834)	338.23	'15%	(1,475)
Net impact on profit or loss					
USD	**(47,656)**	**(16,101,224)**	**337.86**	**15%**	**(2,415,184)**
EURO	**(56)**	**(21,990)**	**392.16**	**15%**	**(3,300)**

As at 31 December 2017

	Foreign currency	Naira balance	Exchange rate	Effect of increase/decrease in exchange rate	
	'000	**'000**			**N '000**
Trade receivables					
USD	2,690	867,821	322.61	'15%	130,173
Euro				'15%	-
Cash deposits					
USD	20,723	6,685,447	322.61	'15%	1,002,817
EURO	-	-	376.38	'15%	-
Trade payables					
USD	(73,911)	(23,844,428)	322.61	'15%	(3,576,664)
EURO	(10,733)	(4,039,687)	376.38	'15%	(605,953)
Trade payables (Non-valid for forex)	-	-	0	0	0
USD					
Net impact on profit or loss					
USD	**(50,498)**	**(16,291,160)**	**322.61**	**15%**	**(2,443,674)**
EURO	**(10,733)**	**(4,039,687)**	**376.38**	**15%**	**(605,954)**

A decrease in exchange rate by 15 percent (2017: 15 percent) against the above currencies at the reporting period would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

*These exchange rates have been derived by computing the weighted average of the CBN intervention rate, Interbank rate, and NAFEX which represents the Company's expected pattern of realisation and settlement.

Financial Risk Management (cont'd)

(iii) Liquidity risk management

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its derivative and non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

		Contractual cashflows			
	Carrying amount	**Total**	**Less than 1 month**	**1 to 3 months**	**3 months to 1 year**
As at 30 June 2018	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Borrowings	12,482,397	12,482,397	6,938,796	5,543,601	-
Trade payables	27,902,657	27,902,657	7,245,843	13,460,517	7,196,297
Other Payables[1]	57,509,321	57,509,321	20,561,987	19,319,186	17,628,148
	97,894,375	**97,894,375**	**34,746,626**	**38,323,304**	**24,824,445**
31 December 2017					
Borrowings	13,135,023	13,135,023	9,575,060	3,559,963	-
Trade payables	34,304,174	34,304,174	5,632,367	24,469,743	4,202,064
Other Payables[1]	28,802,919	28,802,919	10,298,248	9,675,804	8,828,866
	76,242,116	**76,242,116**	**25,505,674**	**37,705,510**	**13,030,930**

[1]The amount of other payables does not include statute-based deductions

The Company manages liquidity risk by maintaining reserves, banking facilities by monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities. Below is a listing of financing facilities that the Company has at its disposal to further reduce liquidity risk.

Financing facilities

Unsecured bank loans which are revolving trade loan with a tenure of one year and overdrafts payable at call are reviewed annually.

	2018	**2017**
	₦'000	₦'000
Amount used	12,482,397	13,135,023
Amount unused	55,517,603	52,414,958
Total Facilities	68,000,000	65,549,981

NOTES TO THE FINANCIAL STATEMENTS

Financial Risk Management (cont'd)

(iv) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate e.g. security deposits, as a means of mitigating the risk of financial loss from defaults. The Company uses other publicly available financial information and its own trading records to rate its major customers. Credit exposure is controlled by setting credit limits that are routinely reviewed and approved by the management.

The company is issued bank guarantees in its favour for transactions with certain customers. These guarantees are held with Nigerian banks against the eventuality of a default. As at the reporting date, there were no exicting guarantees (Note 24).

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

The credit policy of Total Nigeria Plc. is set in accordance with the sales channel that the Customer belongs to:

Network Channel: Credit is extended to dealers who operate the Company Owned, Dealer Operated Service Station (CODO) and some of the Dealer Owned, Dealer Operated service stations (DODO) who specifically apply to operate under the DODO credit scheme. Under both CODO and DODO credit schemes, credit is extended to each dealer to cover the working capital needs of the station. Each day's sales proceeds are lodged into the Company's bank accounts at least twice daily. The Company's financial risk exposure is covered by retentions from dealers income to increase the security deposit, as well as retention of title over physical stock in the station in event of non payment.

General Trade (GT) Channel: Credit for the GT customers is set at the monthly average sales to the customer for a year of one year or six months after proper financial and qualitative analysis. The approved credit limit is extended for 30 days or 45 days in rare occassions for blue chip companies.

Aviation Channel: Most of the customers are on a cash and carry basis with the exception of a few companies with 15 days credit limit. Credit is given only after a year of three months sales to the customer. Sales to international customers are based on a contract of one year and credit amount is based on expected turnover. Sales to international customers are guaranteed by Air Total International, a related party and the risk of loss in this circumstance is nil.

Cash and cash equivalents

The credit risk on liquid funds is limited because most of the counterparties are banks with high credit-ratings assigned by international credit-rating agencies or Total Treasury, a related entity within the Group.

An analysis of the credit quality of trade and other receivables that are neither past due nor impaired is as follows;
As at 30 June 2018

	Fully Performing	Past Due	Total
	₦'000	₦'000	₦'000
Network	12,616,789	-	12,616,789
General Trade	4,190,560	4,412,107	8,602,667
Aviation	1,574,202	1,170,001	2,744,204
Trade receivables	**18,381,551**	**5,582,110**	**23,963,660**

As at 31 December 2017

	Fully Performing	Past Due	Total
	₦'000	₦'000	₦'000
Network	6,827,731	-	6,827,731
General Trade	2,736,247	3,807,947	6,544,194
Aviation	846,292	777,010	1,623,302
Trade receivables	**10,410,270**	**4,584,957**	**14,995,228**

NOTES TO THE FINANCIAL STATEMENTS

Financial Risk Management (cont'd)

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

	30 June 2018	31 December 2017
	₦'000	**₦'000**
Customers	23,530,481	14,627,397
Due from related parties	433,179	367,830
Due from regulators (Government entities)	9,215,108	2,493,876
Other receivables	5,355,599	4,194,059
	38,534,367	**21,683,162**

Due from related parties

The Company has transactions with its parent and other related parties who are related to the Company by virtue of being members of the Total Group. Amounts receivable from members of the Group are not impaired except the member is facing bankruptcy. In the directors' view, all amounts are collectible. No impairment was recorded with respect to amounts due to related parties in the period (2017: Nil).

Due from Government entities

This comprises amount due from PPPRA with respect to subsidies/PSF receivable on imported products as well as 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/ guidelines that prohibit or limit recovery of previously recognized amounts.

Other receivables

Other receivables include finance lease receivables, staff debtors 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.

Financial Risk Management (cont'd)

27 Classification of financial instruments

(a) Accounting Classifications and fair values

The Directors consider that the fair value of financial assets and liabilities are not significantly different from their carrying values.

The classification of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are shown in the table below. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

As at 30 June 2018

	Carrying amount		
	Loans and receivables	**Other financial liabilities**	**Total**
	₦'000	**₦'000**	**₦'000**
Financial assets not measured at fair value			
Trade and other receivables	56,268,260	-	56,268,260
Cash and cash equivalents **(Note 23)**	6,902,435	-	6,902,435
	63,170,694	-	63,170,694
Financial liabilities not measured at fair value			
Borrowings **(Note 20)**	-	12,482,397	12,482,397
Trade and other payables	-	85,411,978	85,411,978
	-	97,894,375	97,894,375

As at 31 December 2017

	Carrying amount		
	Loans and receivables	**Other financial liabilities**	**Total**
	₦'000	**₦'000**	**₦'000**
Financial assets not measured at fair value			
Trade and other receivables	28,270,336	-	28,270,336
Cash and cash equivalents **(Note 23)**	12,162,802	-	12,162,802
	40,433,138	-	40,433,138
Financial liabilities not measured at fair value			
Borrowings (Note 20)	-	13,135,023	13,135,023
Trade and other payables	-	63,107,093	63,107,093
	-	76,242,116	76,242,116

28 Assets pledged as security

As at the period ended 30 June 2018 there were no assets pledged as security (2017: Nil).

29 Events after the reporting date

There were no events after the reporting date that could have a material effect on the financial position of the Company at 30 June 2018 and on the profit for the period endedon that date that have not been taken into account in these financial statements.

30 Related party transactions

As at the period ended 30 June 2018, the Parent Company Total Raffinage Marketing (incorporated in France) owned 61.72% of the issued shares of Total Nigeria PLC. The Ultimate Parent Company and ultimate controlling party is Total S.A (incorporated in France).

30.1 Trading transactions

During the period, the Company entered into the following transactions with related parties, who are members of the Total Group, as shown below:

	Sale of goods		Purchase of goods		Others	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Total Outré Mer	-	-	15,207,268	23,396,009	39,761	238,026
Total E&P Nigeria	695,979	575,502	-	-	-	-
Total Lubricants	215,289	138,940	-	-	-	-
Total Supply			-	116,701		
Total Access to Solar	-	-	10,879	-	-	-
Total marketing middle east	-	-	116,094	106,412	-	-
Total Gestion International	-	-	-	-	2,126	66,099
Total Raffinage Marketing	-	-	-	-	545,084	-
	911,268	714,442	15,334,241	23,619,122	586,971	304,126

30.2 Outstanding balance

The following amounts were outstanding at the reporting date:

	Amounts owed by related parties		Amounts owed to related parties	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	₦'000	₦'000	₦'000	₦'000
Total Outre Mer	-	-	12,626,551	23,695,736
Total Supply	-	-	-	10,294
Total E&P Nigeria	409,650	307,441	-	-
Air Total International	-	-	-	-
Total SA	-	-	1,553	1,553
Total Gestion International	-	-	793	-
Total Access to Solar	-	-	-	-
Total Ghana	-	-	-	-
Total Oil Trading	-	-	36,751	9,560
Total marketing middle east			-	
Total Raffinage Marketing	-	-	177,999	135,732
Total Lubrifiants	23,529	60,389	-	-
	433,179	367,830	12,843,648	23,852,875
Total Treasury [1]	5,031,056	4,930,179	-	-
	5,464,235	5,298,009	12,843,648	23,852,875

[1] Included in the analysis above is the balance of funds held with Total Treasury as at the period ended 30 June 2018; amounting to ₦ 4.9 billion (2017: ₦4.9 billion). This has however been classified along with cash and cash equivalents in the statement of financial position. See Note 23.

Technical assistance and management fees

Total Raffinage Marketing charges Total Nigeria Plc for General Assistance recorded and Total Outre Mer charges Total Nigeria Plc for Research & Development costs. The expenses are generally charged to profit or loss when the Company obtains approval from National Office for Technology Acquisition and Promotion (NOTAP) with respect to these transactions.

31 Information regarding employees

(i) The table below shows the number of staff of the Company whose emoluments during the period excluding pension contributions were within the ranges stated:

	30 June 2018 Number	30 June 2017 Number
Below ₦1,500,000	5	-
₦1,500,001 - ₦2,500,000	-	4
₦2,500,001 - ₦3,500,000	-	-
₦3,500,001 - ₦4,500,000	5	3
₦4,500,001 - ₦5,500,000	5	21
₦5,500,001 - ₦6,500,000	7	10
₦6,500,001 - ₦7,500,000	14	21
₦7,500,001 - ₦8,500,000	29	66
₦8,500,001 - ₦9,500,000	93	73
₦9,500,001 and above	305	283
	463	**481**

(ii) The average number of persons employed in the financial period and the staff costs were as follows:

	30 June 2018 Number	30 June 2017 Number
Managerial staff	120	123
Senior staff	322	338
Junior staff	21	20
	463	**481**

(iii) The related staff cost amounted to ₦4.44 billion (2017: ₦3.97 billion).

Staff costs relating to the above were:	30 June 2018 ₦'000	30 June 2017 ₦'000
Salaries and wages	3,344,439	3,532,736
Termination benefits	66,853	368
Pension and social benefit	257,878	234,153
Medical expenses	258,894	114,311
Training expenses	15,169	7,438
Other Staff Expenses	46,774	-
Temporary Staff	450,926	-
Staff welfare expenses	-	83,585
Total staff cost[1]	4,440,932	3,972,591

[1] In June 2018, the presentation of the above items have been revised from the position as at June 2017. However, the total staff cost build-up remains the same.